

RESOLUTION NO. 2019 - _____

A regular meeting of the Board of County Commissioners of Broward County, Florida was held at 10:00 a.m. on June 4, 2019, at the Broward County Governmental Center, Fort Lauderdale, Florida.

Present: _____

Absent: _____

* * * * *

Thereupon, _____ introduced the following resolution:

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF BROWARD COUNTY, FLORIDA AUTHORIZING THE ISSUANCE BY THE HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (THE "HFA") OF ITS NOT TO EXCEED \$15,000,000 MULTIFAMILY MORTGAGE REVENUE NOTE, 2019 SERIES A-1 (REGENCY GARDENS APARTMENTS) (THE "2019 SERIES A-1 NOTE") AND ITS SUBORDINATE MULTIFAMILY MORTGAGE REVENUE NOTE, 2019 SERIES A-2 (REGENCY GARDENS APARTMENTS) (THE "2019 SERIES A-2 NOTE AND, TOGETHER WITH THE 2019 SERIES A-1 NOTE, THE "NOTES") FOR THE PURPOSE OF FINANCING THE ACQUISITION, REHABILITATION, AND EQUIPPING OF REGENCY GARDENS APARTMENTS LOCATED IN BROWARD COUNTY, FLORIDA (THE "PROJECT"); ESTABLISHING PARAMETERS FOR THE AWARD OF THE SALE THEREOF AND ESTABLISHING CRITERIA FOR DETERMINING THE TERMS THEREOF, INCLUDING INTEREST RATES, INTEREST PAYMENT DATES, MATURITY SCHEDULE, AND OTHER TERMS OF SUCH NOTES; APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE FOLLOWING DOCUMENTS IN CONNECTION WITH (I) THE 2019 SERIES A-1 NOTE: (A) A FUNDING LOAN AGREEMENT BY AND AMONG THE HFA, CITIBANK, N.A., AS INITIAL FUNDING LENDER (THE "FUNDING LENDER"), AND THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS FISCAL AGENT (THE "FISCAL AGENT"); (B) A PROJECT LOAN AGREEMENT BY AND AMONG THE HFA, THE FISCAL AGENT, AND POMPANO BEACH LEASED HOUSING ASSOCIATES II, LLLP (THE "BORROWER"); (C) A LAND USE RESTRICTION AGREEMENT BY AND AMONG

THE HFA, THE FISCAL AGENT, AND THE BORROWER (THE “LAND USE RESTRICTION AGREEMENT”); (D) AN ASSIGNMENT OF SECURITY INSTRUMENT BY THE HFA TO THE FISCAL AGENT; (E) AN ASSIGNMENT OF THE PROJECT NOTE BY THE HFA TO THE FISCAL AGENT; (F) A PLACEMENT AGENT AGREEMENT BY AND BETWEEN THE HFA AND RAYMOND JAMES & ASSOCIATES, INC. AND RBC CAPITAL MARKETS, LLC, AS PLACEMENT AGENTS (THE “PLACEMENT AGENT AGREEMENT”); AND (G) A FISCAL AGENT FEE AGREEMENT BY AND BETWEEN THE HFA AND THE FISCAL AGENT (THE “FISCAL AGENT FEE AGREEMENT”), AND (II) THE 2019 SERIES A-2 NOTE: (A) A SUBORDINATE LOAN AGREEMENT BY AND BETWEEN THE HFA AND THE BORROWER; (B) THE LAND USE RESTRICTION AGREEMENT; (C) AN ASSIGNMENT OF SUBORDINATE MORTGAGE AND LOAN DOCUMENTS BY THE HFA TO REGENCY GARDENS APARTMENTS, LTD.; (D) THE PLACEMENT AGENT AGREEMENT; AND (E) THE FISCAL AGENT FEE AGREEMENT; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY BY THE HFA OF CERTAIN ADDITIONAL AGREEMENTS NECESSARY OR DESIRABLE IN CONNECTION WITH THE ISSUANCE OF THE NOTES; AUTHORIZING THE HFA TO CONSENT TO THE BORROWER PLACING SUBORDINATE FINANCING ON THE PROJECT AND APPROVING THE EXECUTION OF SUCH AGREEMENTS AS MAY BE NECESSARY IN CONNECTION WITH SUCH CONSENT; WAIVING THE FEE FOR SERVICES RELATED TO THE HFA’S ANNUAL AUDIT OF THE PROJECT; APPROVING AND RATIFYING THE HFA’S PUBLICATION OF A NOTICE OF PUBLIC HEARING AND THE SUBSEQUENT HOLDING OF SUCH PUBLIC HEARING EACH UNDER SECTION 147(F) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, IN CONNECTION WITH THE ISSUANCE OF THE NOTES BY THE HFA; AUTHORIZING THE PROPER OFFICERS OF THE HFA TO DO ALL THINGS NECESSARY OR ADVISABLE IN CONNECTION WITH THE ISSUANCE OF THE NOTES; AND PROVIDING FOR AN EFFECTIVE DATE FOR THIS RESOLUTION.

WHEREAS, the Housing Finance Authority of Broward County, Florida (the “HFA”) is empowered under (i) the laws of the State of Florida, including the Florida Housing Finance Authority Law, Florida Statutes, Sections 159.601 through 159.623, as amended (the “Act”), and (ii) Ordinance 79-41 enacted by the Board of County Commissioners of Broward County, Florida (the “Board”) on

June 20, 1979 (the “Ordinance”), as amended, to issue multifamily housing revenue bonds and notes; and

WHEREAS, the HFA is authorized under the Act to issue its revenue bonds and notes for the purpose of paying the cost of a “qualifying housing development” within the meaning of the Act, which includes the acquisition, construction, and rehabilitation of multifamily housing developments; and

WHEREAS, on May 8, 2019, the HFA adopted Resolution No. 2019-___, authorizing, among other things, (i) the issuance of its Multifamily Mortgage Revenue Note, 2019 Series A-1 (Regency Gardens Apartments) (“2019 Series A-1 Note”) and its Subordinate Multifamily Mortgage Revenue Note, 2019 Series A-2 (Regency Gardens Apartments) (“2019 Series A-2 Note”), in the aggregate principal amount not to exceed \$15,000,000 (the “2019 Series A-1 Note” and the “2019 Series A-2 Note” are hereinafter collectively referred to as the “Notes”), which financing shall be tax-exempt, and (ii) the execution and delivery of various documents related thereto in the respective forms attached hereto; and

WHEREAS, subject to the approval of the Board, the HFA has agreed to issue the Notes for the purpose of financing the acquisition, rehabilitation, and equipping of a 94-unit multifamily residential rental housing development in Pompano Beach, Broward County, Florida, known as Regency Gardens Apartments (the “Project”); and

WHEREAS, Pompano Beach Leased Housing Associates II, LLLP, a Minnesota limited liability limited partnership (the “Borrower”), has requested the HFA to issue the 2019 Series A-1 Note to provide funds with which Citibank, N.A., a national banking association, as initial funding lender (the “Funding Lender”), will make a loan to the HFA (the “Funding Loan”), and which proceeds will be used by the HFA to make a loan to the Borrower (the “Project Loan”) to finance the acquisition, rehabilitation, and equipping of the Project; and

WHEREAS, in connection with the 2019 Series A-1 Note, the HFA desires to enter into a funding loan agreement (the “Funding Loan Agreement”) with the Funding Lender, The Bank of New York Mellon Trust Company, N.A., a national banking association, as fiscal agent (the “Fiscal Agent”), in substantially the form attached hereto as Exhibit “A”, for the purpose of setting forth the terms, conditions, and covenants (i) upon which the Funding Lender will make the Funding Loan to or on the account of the HFA, which proceeds shall be used in order for the HFA to make the Project Loan to Borrower to finance the acquisition, rehabilitation, and equipping of the Project, and (ii) that are necessary to secure the 2019 Series A-1 Note and protect the rights of the holder of the 2019 Series A-1 Note; and

WHEREAS, in connection with the 2019 Series A-1 Note, the HFA desires to enter into a project loan agreement (the “Project Loan Agreement”) with the Fiscal Agent and the Borrower, in substantially the form attached hereto as Exhibit “B”, to evidence the terms and conditions of the Project Loan; and

WHEREAS, in connection with the Notes, the HFA desires to enter into a land use restriction agreement (the “Land Use Restriction Agreement”) with the Borrower and the Fiscal Agent, in substantially the form attached hereto as Exhibit “C”, to evidence the terms and conditions upon which the Borrower shall maintain and operate the Project; and

WHEREAS, in connection with the 2019 Series A-1 Note, the HFA desires to enter into an assignment of security instrument (the “Assignment of Security Instrument”) made by the HFA to and in favor of the Fiscal Agent, in substantially the form attached hereto as Exhibit “D”, pursuant to which the HFA will assign to the Fiscal Agent its rights in the mortgage securing the Project and various other documents securing the Project Loan; and

WHEREAS, in connection with the 2019 Series A-1 Note, the HFA desires to enter into an assignment (the “Assignment of Project Note”) of that certain Project Note to be made by the

Borrower to and in favor of the HFA (the "Project Note"), in substantially the form attached hereto as Exhibit "E", pursuant to which the HFA will assign to the Fiscal Agent its rights in the Project Note evidencing the Project Loan; and

WHEREAS, in connection with the Notes, the HFA desires to enter into a placement agent agreement (the "Placement Agent Agreement") with Raymond James & Associates, Inc. and RBC Capital Markets, LLC, as placement agents (collectively, the "Placement Agents"), in substantially the form attached hereto as Exhibit "F", to evidence the Placement Agents' responsibilities and obligations to the HFA in connection with the issuance of the Notes; and

WHEREAS, in connection with the Notes, the HFA desires to enter into a fiscal agent fee agreement (the "Fiscal Agent Fee Agreement") with the Fiscal Agent, in substantially the form attached hereto as Exhibit "G", to evidence the Fiscal Agent's obligations and responsibilities in connection with the issuance of the Notes and the fees payable to Fiscal Agent for its performance thereunder; and

WHEREAS, in connection with the 2019 Series A-2 Note, the HFA desires to enter into a subordinate loan agreement (the "Subordinate Loan Agreement") with the Borrower, in substantially the form attached hereto as Exhibit "H", for the purpose of setting forth the terms, conditions, and covenants (i) upon which the HFA will issue the 2019 Series A-2 Note to Regency Gardens Apartments, Ltd., a Florida limited partnership, and the Seller of the Project (the "Seller"), in order to provide purchase money financing to the Borrower (the "Subordinate Loan") for a portion of the costs of the acquisition, rehabilitation, and equipping of the Project, (ii) in connection with the Subordinate Loan, and (iii) that are necessary to secure the 2019 Series A-2 Note and protect the rights of the holder of the 2019 Series A-2 Note; and

WHEREAS, in connection with the 2019 Series A-2 Note, the HFA desires to enter into an assignment of subordinate mortgage and loan documents (the "Assignment of Subordinate

Mortgage”) made by the HFA to and in favor of the Seller, in substantially the form attached hereto as Exhibit “I”, pursuant to which the HFA will assign to the Seller its rights in the subordinate mortgage securing the Project and various other documents securing the Subordinate Loan; and

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

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

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

WHEREAS, the HFA desires to authorize the execution and delivery of any other documents, instruments, certificates, and affidavits to be executed in connection with the issuance of the Notes; and

WHEREAS, the HFA is not obligated to pay the (i) 2019 Series A-1 Note except from the proceeds derived from the repayment of the Project Loan and other payments received from the Borrower or from other security pledged therefor pursuant to the Funding Loan Agreement, or (ii) 2019 Series A-2 Note except from the proceeds derived from the repayment of the Subordinate Loan and other payments received from the Borrower or from other security pledged therefor pursuant to

the Subordinate Loan Agreement. Neither the faith and credit nor the taxing power of the HFA, the County, the State of Florida (the “State”), or any other political subdivision thereof is pledged to the payment of the principal of or the interest on the Notes; and

WHEREAS, the HFA intends to negotiate the sale of (i) the 2019 Series A-1 Note with the Funding Lender, and (ii) the 2019 Series A-2 Note with the Seller, as hereinafter provided. Additionally, prior to the sale of the Notes, the Funding Lender and the Seller shall provide to the Fiscal Agent and the HFA, respectively, an executed transferee representations letter in the form required by and attached to the Funding Loan Agreement and the Subordinate Loan Agreement, respectively; and

WHEREAS, pursuant to the authorization provided in Resolution No. 2018-020 of the HFA adopted on September 19, 2018, and as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), a notice of public hearing inviting written and oral comments and discussions concerning the issuance of the Notes was published in the *Sun Sentinel*, a newspaper of general circulation, on March 25, 2019 (the “TEFRA Notice”), at least 14 days prior to the date of such hearing; and

WHEREAS, on April 10, 2019, a public hearing concerning the issuance of the Notes in an aggregate face amount of not to exceed \$15,000,000 to finance the Project (the “TEFRA Hearing”) was held by the HFA as required by Section 147(f) of the Code; and

WHEREAS, the HFA received from the State of Florida Division of Bond Finance an allocation of 2016 private activity bond volume cap in the amount of \$88,975,637, which has been carried forward pursuant to Section 145(f) of the Code and designated for the issuance of bonds or notes for qualified residential rental projects; and

WHEREAS, the Ordinance requires that the HFA obtain approval of the Board prior to entering into any contracts.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF BROWARD COUNTY, FLORIDA:

Section 1. Declaration of Findings. The Board hereby finds, determines and declares the matters hereinabove set forth.

Section 2. Authorization of the Notes. The Board hereby authorizes, subject to the terms as hereinafter set forth, the issuance by the HFA of the Notes in one or more series to be designated “Housing Finance Authority of Broward County, Florida Multifamily Mortgage Revenue Note, 2019 Series A-1 (Regency Gardens Apartments)” and “Housing Finance Authority of Broward County, Florida Multifamily Mortgage Revenue Note, 2019 Series A-2 (Regency Gardens Apartments)” in an aggregate principal amount not to exceed \$15,000,000.

Section 3. Details of the Notes. The 2019 Series A-1 Note shall be issued under and secured by the Funding Loan Agreement, by which reference is hereby incorporated into this Resolution as if set forth in full herein. The proceeds of the 2019 Series A-1 Note, together with any commitment fees, shall be applied as provided in the Funding Loan Agreement, and the 2019 Series A-1 Note shall mature in the years and in the amounts, bear interest at such rates, be subject to redemption, and shall have such other characteristics as shall be provided in the Funding Loan Agreement. The 2019 Series A-2 Note shall be issued under and secured by the Subordinate Loan Agreement, by which reference is hereby incorporated into this Resolution as if set forth in full herein. The proceeds of the 2019 Series A-2 Note, together with any commitment fees, shall be applied as provided in the Subordinate Loan Agreement, and the 2019 Series A-2 Note shall mature in the years and in the amounts, bear interest at such rates, be subject to redemption, and shall have such other characteristics as shall be provided in the Subordinate Loan Agreement.

Section 4. The Notes are Special Obligations of the HFA. The Notes are special obligations of the HFA, which are payable solely from moneys derived under (i) the Funding Loan

Agreement and the Project Loan Agreement in connection with the 2019 Series A-1 Note, and (ii) the Subordinate Loan Agreement in connection with the 2019 Series A-2 Note. The Notes, together with the interest thereon, are limited obligations of the HFA, and neither the HFA, the County, the State, nor any political subdivision thereof, shall be obligated to pay the Notes or the interest thereon or other costs or payments incident thereto, except from the aforementioned revenues and receipts, and neither the faith and credit nor the taxing power, as applicable, of the HFA, the County, the State, or any other political subdivision thereof is pledged to the payment of the Notes or the interest thereon or other costs or payments incident thereto. The HFA has no taxing power. The Notes and obligations arising thereunder do not create or reflect liability of the HFA or any member, official, or employee thereof, except as otherwise described in this Section 4.

Section 5. Approval of Execution of Notes. The Chair or Vice Chair and Secretary or Assistant Secretary of the HFA are hereby authorized and directed to execute by manual or facsimile signature, and place the seal of the HFA, in manual or facsimile form, on the Notes. The 2019 Series A-1 Note shall be in substantially the form set forth in the Funding Loan Agreement, with such changes, modifications, and deletions as the officers executing the 2019 Series A-1 Note, with the advice of Nabors, Giblin & Nickerson, P.A. (“Note Counsel”) and the County Attorney’s Office of Broward County (the “County Attorney”), may deem necessary and appropriate, and as are not inconsistent with the Funding Loan Agreement and this Resolution. The 2019 Series A-2 Note shall be in substantially the form set forth in the Subordinate Loan Agreement, with such changes, modifications, and deletions as the officers executing the 2019 Series A-2 Note, with the advice of Note Counsel and the County Attorney, may deem necessary and appropriate, and as are not inconsistent with the Subordinate Loan Agreement and this Resolution. The execution and delivery of the Notes by the aforementioned persons shall be conclusive evidence of the HFA’s approval and authorization thereof.

Section 6. Authentication and Delivery of 2019 Series A-1 Note; Delivery of 2019 Series A-2 Note. Upon the execution of the 2019 Series A-1 Note, the HFA shall deliver the 2019 Series A-1 Note to the Fiscal Agent for authentication, and the Fiscal Agent is hereby authorized and directed to authenticate and deliver said 2019 Series A-1 Note to the Funding Lender, subject to the terms for delivery set forth in the Funding Loan Agreement. Upon the execution of the 2019 Series A-2 Note, the HFA shall deliver said 2019 Series A-2 Note to the Seller, subject to the terms for delivery set forth in the Subordinate Loan Agreement.

Section 7. Approval of Funding Loan Agreement. The form and content of the Funding Loan Agreement, as presented at this meeting and attached hereto as Exhibit "A", is hereby authorized and approved by the Board, and the Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the Funding Loan Agreement, and the Secretary or Assistant Secretary is hereby authorized to place the HFA's seal thereon and attest thereto, in the form presented at this meeting and attached hereto as Exhibit "A", together with such changes, modifications, and deletions as they, with the advice of Note Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the HFA.

Section 8. Approval of Project Loan Agreement. The form and content of the Project Loan Agreement, as presented at this meeting and attached hereto as Exhibit "B", is hereby authorized and approved by the Board, and the Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the Project Loan Agreement, and the Secretary or Assistant Secretary is authorized to place the HFA's seal thereon and attest thereto, in the form presented at this meeting and attached hereto as Exhibit "B", together with such changes, modifications, and deletions as they, with the advice of Note Counsel and the County Attorney, may deem necessary and appropriate. Such

execution and delivery shall be conclusive evidence of the approval and authorization thereof by the HFA.

Section 9. Approval of the Land Use Restriction Agreement. The form and content of the Land Use Restriction Agreement, as presented at this meeting and attached hereto as Exhibit “C”, is hereby authorized and approved by the Board, and the Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the Land Use Restriction Agreement, and the Secretary or Assistant Secretary is authorized to place the HFA’s seal thereon and attest thereto, in the form presented at this meeting and attached hereto as Exhibit “C”, together with such changes, modifications, and deletions as they, with the advice of Note Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the HFA.

Section 10. Approval of Assignment of Security Instrument. The form and content of the Assignment of Security Instrument, as presented at this meeting and attached hereto as Exhibit “D”, is hereby authorized and approved by the Board, and the Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the Assignment of Security Instrument, and the Secretary or Assistant Secretary is authorized to place the HFA’s seal thereon and attest thereto, in the form presented at this meeting and attached hereto as Exhibit “D”, together with such changes, modifications, and deletions as they, with the advice of Note Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the HFA.

Section 11. Approval of Assignment of Project Note. The form and content of the Assignment of Project Note, as presented at this meeting and attached hereto as Exhibit “E”, is hereby authorized and approved by the Board, and the Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the Assignment of Project Note, and the Secretary or Assistant

Secretary is authorized to place the HFA's seal thereon and attest thereto, in the form presented at this meeting and attached hereto as Exhibit "E", together with such changes, modifications, and deletions as they, with the advice of Note Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the HFA.

Section 12. Approval of Placement Agent Agreement. The form and content of the Placement Agent Agreement, as presented at this meeting and attached hereto as Exhibit "F", is hereby authorized and approved by the Board, and the Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the Placement Agent Agreement, and the Secretary or Assistant Secretary is authorized to place the HFA's seal thereon and attest thereto, in the form presented at this meeting and attached hereto as Exhibit "F", together with such changes, modifications, and deletions as they, with the advice of Note Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the HFA.

Section 13. Appointment of Fiscal Agent. The Bank of New York Mellon Trust Company, N.A., having its designated corporate trust office in Jacksonville, Florida, is hereby appointed Fiscal Agent under the Funding Loan Agreement, and the Board approves the form and content of the Fiscal Agent Fee Agreement, as presented at this meeting and attached hereto as Exhibit "G". The Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the Fiscal Agent Fee Agreement, and the Secretary or Assistant Secretary is authorized to place the HFA's seal thereon and attest thereto, in substantially the form presented at this meeting and attached hereto as Exhibit "G", with such changes, modifications, deletions, and insertions as the Chair or Vice Chair, with the advice of Note Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the HFA.

Section 14. Approval of Subordinate Loan Agreement. The form and content of the Subordinate Loan Agreement, as presented at this meeting and attached hereto as Exhibit “H”, is hereby authorized and approved by the Board, and the Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the Subordinate Loan Agreement, and the Secretary or Assistant Secretary is hereby authorized to place the HFA’s seal thereon and attest thereto, in the form presented at this meeting and attached hereto as Exhibit “H”, together with such changes, modifications, and deletions as they, with the advice of Note Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the HFA.

Section 15. Approval of Assignment of Subordinate Mortgage. The form and content of the Assignment of Subordinate Mortgage, as presented at this meeting and attached hereto as Exhibit “I”, is hereby authorized and approved by the Board, and the Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the Assignment of Subordinate Mortgage, and the Secretary or Assistant Secretary is authorized to place the HFA’s seal thereon and attest thereto, in the form presented at this meeting and attached hereto as Exhibit “I”, together with such changes, modifications, and deletions as they, with the advice of Note Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the HFA.

Section 16. Subordinate Financing. The Board hereby acknowledges that the Borrower intends to secure subordinate financing for the Project in the form of a loan from (i) the County of affordable housing funds in the approximate principal amount of \$1,500,000 (the “County Loan”), (ii) Great Southern Bank of equity bridge funds in the approximate principal amount of \$4,500,000 (the “Bridge Loan”), and (iii) the City of Pompano Beach, Florida of State Housing Initiatives Partnership (SHIP) Program funds in the approximate principal amount of \$202,977, which existing

loan Borrower will assume from the Seller (the “SHIP Loan” and, together with the County Loan and the Bridge Loan, the “Subordinate Financing”). Given the need for additional affordable rental units in the County, the high development costs associated with the Project, and the favorable financing terms of the Subordinate Financing, the Board hereby determines that it is in the public interest to consent to such Subordinate Financing in this instance. Accordingly, the Board (i) authorizes the Chair or Vice Chair of the HFA to consent to such Subordinate Financing and to execute and deliver any agreements that may be necessary in connection with such consent, with the advice of and in such form as Note Counsel and the County Attorney may deem necessary and appropriate, and (ii) directs the Fiscal Agent to, as necessary, consent to such Subordinate Financing and to execute and deliver any agreements that may be necessary in connection with such consent, with the advice of and in such form as Note Counsel and the County Attorney may deem necessary and appropriate.

Section 17. Waiver of Audit Fee. The Ordinance no longer requires an audit of multifamily developments. Accordingly, the Borrower has requested a waiver of the fee required to be paid by the Borrower for the services of the HFA’s auditor to audit the Project and the Notes annually. The Board hereby waives such audit fee in connection with the Project.

Section 18. Sale of Notes. It is hereby found and determined that due to the characteristics of the financing and the prevailing and anticipated market conditions, it is in the best interest of the HFA to negotiate the sale of the Notes. The negotiated sale of the 2019 Series A-1 Note to Citibank, N.A., or its affiliates, at a price of par pursuant to the terms of the 2019 Series A-1 Term Sheet attached hereto as Exhibit “J”, is hereby approved by the Board. Additionally, the negotiated sale of the 2019 Series A-2 Note to the Seller, at a price of par pursuant to the terms of the 2019 Series A-2 Term Sheet attached hereto as Exhibit “K”, is hereby approved by the Board. The Chair or Vice Chair and the Secretary or Assistant Secretary of the HFA are authorized to make any and all changes to the form of the Notes which shall be necessary to conform the same to the 2019

Series A-1 Term Sheet and/or the 2019 Series A-2 Term Sheet, as applicable, and which they, with the advice of Note Counsel and the County Attorney, may deem necessary and appropriate. The purchase of such Notes shall constitute a “loan to a lending institution” within the meaning of Section 159.608(5), Florida Statutes. Additionally, the Notes shall constitute “Bonds” for purposes of, and as defined under, the Act.

Section 19. Certificated Notes. The Board hereby determines that it is in the best interest of the HFA and the Borrower that the Notes be issued utilizing a certificated form and not utilizing a book-entry system of registration.

Section 20. Approval of Publication of TEFRA Notice and Minutes of TEFRA Hearing; Ratification of Actions by the HFA. The Board hereby approves and ratifies (i) the issuance of the TEFRA Notice published by the HFA on March 25, 2019, and (ii) the holding of, and minutes resulting from, the TEFRA Hearing held by the HFA on April 10, 2019, with respect to the proposed issuance of the Notes in accordance with the Code. The actions taken by the HFA and its officers, agents, and employees in connection with publishing the TEFRA Notice and conducting the TEFRA Hearing are hereby ratified and approved by the Board.

Section 21. Further Actions and Ratifications of Prior Actions. The officers, agents, and employees of the HFA and the officers, agents and employees of the Fiscal Agent are hereby authorized and directed to do all acts and things required of them by the provisions of the Notes, the Funding Loan Agreement, the Project Loan Agreement, the Land Use Restriction Agreement, the Assignment of Security Instrument, the Assignment of Project Note, the Placement Agent Agreement, the Fiscal Agent Fee Agreement, the Subordinate Loan Agreement, the Assignment of Subordinate Mortgage (collectively, the “Note Loan Documents”), and this Resolution, and to execute and deliver any and all additional documents necessary or advisable to effectuate the foregoing. All actions heretofore undertaken by the officers, agents, and employees of the HFA with respect to (i) the

provisions of the Notes and the Note Loan Documents, and (ii) the issuance of the Notes, are hereby ratified and approved.

Section 22. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the Funding Loan Agreement, the Project Loan Agreement, and the Subordinate Loan Agreement, as applicable.

Section 23. Resolution Effective. This Resolution shall take effect immediately upon its adoption.

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Upon motion of _____, seconded by _____,
the foregoing Resolution was adopted by the following vote:

Ayes _____

Noes _____

ADOPTED by the Board of County Commissioners of Broward County, Florida on this
4th day of June, 2019.

Mayor

County Administrator and ex officio
Clerk of the Board of County Commissioners

Approved as to form and legal sufficiency by:
Andrew J. Meyers, County Attorney

By: /s/ Alicia C. Lobeiras 05/10/2019
Alicia C. Lobeiras (Date)
Assistant County Attorney

By: /s/ Michael J. Kerr 05/10/2019
Michael J. Kerr (Date)
Deputy County Attorney

[Mayor's Signature Page to BOCC Resolution – Regency Gardens Apartments]

EXHIBIT "A"
FORM OF
FUNDING LOAN AGREEMENT
[ATTACHED]

FUNDING LOAN AGREEMENT

among

**CITIBANK, N.A.,
as Initial Funding Lender**

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA,
as Governmental Lender**

and

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

Dated as of June 1, 2019

Relating to:

**\$ _____
Housing Finance Authority of Broward County, Florida
Multifamily Mortgage Revenue Note, 2019 Series A-1
(Regency Gardens Apartments)**

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS

Section 1.01	Definitions.....	3
Section 1.02	Interpretation.....	14

ARTICLE II

THE FUNDING LOAN

Section 2.01	Terms	15
Section 2.02	Pledged Security	16
Section 2.03	Limited Obligations	17
Section 2.04	Funding Loan Agreement Constitutes Contract	17
Section 2.05	Form and Execution.....	17
Section 2.06	Authentication.....	17
Section 2.07	Mutilated, Lost, Stolen or Destroyed Governmental Note	18
Section 2.08	Registration; Transfer of Funding Loan; Transferee Representations Letter	18
Section 2.09	[Reserved]	19
Section 2.10	Funding Loan Closing Conditions; Delivery of Governmental Note	19
Section 2.11	Establishment of Project Loan Fund; Application of Funding Loan Proceeds and Other Money	20
Section 2.12	Direct Loan Payments to Funding Lender; Servicer Disbursement of Fees.....	21

ARTICLE III

PREPAYMENT OF THE FUNDING LOAN

Section 3.01	Prepayment of the Funding Loan Prior to Maturity.....	22
Section 3.02	Notice of Prepayment	22

ARTICLE IV

REVENUES AND FUNDS

Section 4.01	Pledge of Revenues and Assets; Establishment of Funds.....	23
Section 4.02	Project Loan Fund.....	23
Section 4.03	Application of Revenues.....	25
Section 4.04	Application of Loan Payment Fund.....	26
Section 4.05	Application of Loan Prepayment Fund.....	26
Section 4.06	Administration Fund	27
Section 4.07	[Reserved]	28
Section 4.08	Investment of Funds.....	28
Section 4.09	[Reserved]	29
Section 4.10	Accounting Records.....	29

Section 4.11	Amounts Remaining in Funds	29
Section 4.12	Rebate Fund; Compliance with Tax Certificate.....	29
Section 4.13	Cost of Issuance Fund.....	31
Section 4.14	Reports From the Fiscal Agent	31

ARTICLE V

GENERAL COVENANTS AND REPRESENTATIONS

Section 5.01	Payment of Principal and Interest	32
Section 5.02	Performance of Covenants	32
Section 5.03	Instruments of Further Assurance	32
Section 5.04	Inspection of Project Books	33
Section 5.05	No Modification of Security; Additional Indebtedness	33
Section 5.06	Damage, Destruction or Condemnation.....	33
Section 5.07	Tax Covenants	33
Section 5.08	Representations and Warranties of the Governmental Lender	35

ARTICLE VI

DEFAULT PROVISIONS AND REMEDIES OF FISCAL AGENT AND FUNDING LENDER

Section 6.01	Events of Default	36
Section 6.02	Acceleration; Other Remedies Upon Event of Default.....	36
Section 6.03	Funding Lender Representative Control of Proceedings	38
Section 6.04	Waiver by Governmental Lender.....	38
Section 6.05	Application of Money After Default.....	38
Section 6.06	Remedies Not Exclusive.....	39
Section 6.07	Fiscal Agent May Enforce Rights Without Governmental Note	39
Section 6.08	[Reserved]	39
Section 6.09	Termination of Proceedings	39
Section 6.10	Waivers of Events of Default.....	40
Section 6.11	Interest on Unpaid Amounts and Default Rate for Nonpayment.....	40
Section 6.12	Assignment of Project Loan; Remedies Under the Project Loan	40
Section 6.13	Substitution	40

ARTICLE VII

CONCERNING THE FISCAL AGENT

Section 7.01	Standard of Care	41
Section 7.02	Reliance Upon Documents	42
Section 7.03	Use of Proceeds.....	45
Section 7.04	Escrowed Funds.....	45
Section 7.05	Trust Imposed	45
Section 7.06	Compensation of Fiscal Agent.....	46
Section 7.07	Qualifications of Fiscal Agent	47

Section 7.08	Merger of Fiscal Agent	47
Section 7.09	Resignation by the Fiscal Agent	47
Section 7.10	Removal of the Fiscal Agent.....	47
Section 7.11	Appointment of Successor Fiscal Agent.....	48
Section 7.12	Concerning Any Successor Fiscal Agent.....	48
Section 7.13	Successor Fiscal Agent	49
Section 7.14	Appointment of Co-Fiscal Agent or Separate Fiscal Agent	49
Section 7.15	Notice of Certain Events	51
Section 7.16	51
Section 7.17	Filing of Financing Statements	51
Section 7.18	USA Patriot Act Requirements of the Fiscal Agent	51

ARTICLE VIII

AMENDMENTS OF CERTAIN DOCUMENTS

Section 8.01	Amendments to this Funding Loan Agreement	52
Section 8.02	Amendments to Financing Documents Require Consent of Funding Lender Representative.....	52
Section 8.03	Opinion of Bond Counsel Required.....	52

ARTICLE IX

SATISFACTION AND DISCHARGE OF FUNDING LOAN AGREEMENT

Section 9.01	Discharge of Lien.....	52
Section 9.02	Discharge of Liability on Funding Loan.....	53
Section 9.03	Payment of Funding Loan After Discharge of Funding Loan Agreement	54

ARTICLE X

INTENTIONALLY OMITTED

ARTICLE XI

MISCELLANEOUS

Section 11.01	Servicing of the Loans	54
Section 11.02	Limitation of Rights	54
Section 11.03	Construction of Conflicts; Severability	54
Section 11.04	Notices	55
Section 11.05	Funding Lender Representative	58
Section 11.06	Payments Due on Non-Business Days.....	59
Section 11.07	Counterparts	59
Section 11.08	Laws Governing Funding Loan Agreement	59
Section 11.09	No Recourse.....	59
Section 11.10	Successors and Assigns.....	60

EXHIBIT A	FORM OF GOVERNMENTAL NOTE
EXHIBIT B	FORM OF NOTICE OF APPOINTMENT OF FUNDING LENDER REPRESENTATIVE
EXHIBIT C	FORM OF TRANSFEREE REPRESENTATIONS LETTER
EXHIBIT D	COST OF ISSUANCE REQUISITION
EXHIBIT E	PROJECT LOAN FUND REQUISITION

FUNDING LOAN AGREEMENT

THIS FUNDING LOAN AGREEMENT (this “**Funding Loan Agreement**”), is made and entered into as of June 1, 2019, by and among **CITIBANK, N.A.**, a national banking association, in its capacity as Initial Funding Lender (the “**Initial Funding Lender**”), the **HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA** (the “**Governmental Lender**”), a public body corporate and politic created, organized and existing under the laws of the State of Florida (the “**State**”), and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association, organized and operating under the laws of the United States of America, having a corporate trust office in Jacksonville, Florida, as Fiscal Agent (the “**Fiscal Agent**”). Capitalized terms are defined in Section 1.01 of this Funding Loan Agreement.

RECITALS

A. Pursuant to Ordinance No. 79-41, enacted on June 20, 1979 (the “**County Authorization**”) by the Board of County Commissioners of Broward County, Florida (the “**County**”), and in accordance with Chapter 159, Part II and Part IV, Florida Statutes, as amended (the “**Act**”) and the Project Loan Agreement dated as of June 1, 2019 (the “**Project Loan Agreement**”) by and among the Governmental Lender, the Fiscal Agent and POMPANO BEACH LEASED HOUSING ASSOCIATES II, LLLP, a Minnesota limited liability limited partnership (the “**Borrower**”), the Governmental Lender is agreeing to make a mortgage loan to the Borrower in the original principal amount of \$_____ (the “**Project Loan**”) to provide for the financing of a multifamily rental housing development located at 1525 Northwest 17th Avenue in Pompano Beach, Florida, known as Regency Gardens Apartments (the “**Project**”).

B. The Governmental Lender is making the Project Loan to the Borrower with the proceeds received from the separate loan made to the Governmental Lender pursuant to this Funding Loan Agreement in the original principal amount of \$_____ (the “**Funding Loan**” and together with the Project Loan, the “**Loans**”). The Funding Loan is being originated and funded by the Initial Funding Lender hereunder and is evidenced by that certain \$_____ Housing Finance Authority of Broward County, Florida Multifamily Mortgage Revenue Note, 2019 Series A-1 (Regency Gardens Apartments), dated June __, 2019, in the form attached hereto as Exhibit A (together with all riders and addenda thereto, the “**Governmental Note**”) delivered by the Governmental Lender to the Initial Funding Lender.

C. The Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise (“**Freddie Mac**”), has entered into a commitment with the Initial Funding Lender dated _____, 2019 (the “**Freddie Mac Commitment**”), whereby Freddie Mac has agreed to purchase the Funding Loan upon the date of satisfaction of the conditions set forth in the Freddie Mac Commitment (the “**Freddie Mac Purchase Date**”). On the Freddie Mac Purchase Date, the Initial Funding Lender will assign to Freddie Mac all of its rights and interest in the Governmental Note, this Funding Loan Agreement, the Continuing Covenant Agreement and the other Financing Documents (as such terms are herein defined).

D. The Borrower has agreed to use the proceeds of the Project Loan to finance the acquisition and rehabilitation of the Project [and to pay certain closing costs with respect to the Loans].

E. The Borrower's repayment obligations in respect of the Project Loan will be evidenced by a Project Note dated June __, 2019 (together with all riders and modifications thereto, the "**Project Note**") delivered to the Governmental Lender, which Project Note will be endorsed by the Governmental Lender to the Fiscal Agent as security for the Funding Loan.

F. To secure the Borrower's obligations under the Project Note, the Borrower will execute and deliver to the Governmental Lender a Multifamily Mortgage, Assignment of Rents and Security Agreement (Florida), dated as of the date hereof (the "**Security Instrument**") with respect to the Project, which Security Instrument will be assigned by the Governmental Lender to the Fiscal Agent as security for the Funding Loan.

G. On and after the Freddie Mac Purchase Date, Freddie Mac will act as Funding Lender Representative with respect to the Loans (in such capacity and any successor in such capacity, the "**Funding Lender Representative**"). CITIBANK, N.A. (the "**Servicer**") will act as initial servicer for the Loans on behalf of the Funding Lender Representative.

H. The Borrower is also entering into a Continuing Covenant Agreement dated as of the date hereof with the Initial Funding Lender (the "**Continuing Covenant Agreement**"), which sets forth various other requirements with respect to the Project, and which agreement will be assigned to Freddie Mac on the Freddie Mac Purchase Date.

I. The Governmental Lender has determined that all things necessary to incur the Funding Loan and to make the Governmental Note, when executed by the Governmental Lender and authenticated by the Fiscal Agent and issued in accordance with this Funding Loan Agreement, the valid, binding and legal obligation of the Governmental Lender and to constitute this Funding Loan Agreement as a valid lien on the properties, interests, revenues and payments herein pledged to the payment of the principal of, premium, if any, and interest on, the Governmental Note, have been duly taken, and the creation, execution and delivery of this Funding Loan Agreement and the execution and delivery of the Governmental Note, subject to the terms of this Funding Loan Agreement, have been duly authorized by the Governmental Lender.

J. The Fiscal Agent has the power and authority to enter into this Funding Loan Agreement, including corporate trust powers to accept the trusts hereunder and to accept and assume its other responsibilities hereunder as Fiscal Agent as evidenced by its execution of this Funding Loan Agreement.

NOW, THEREFORE, in consideration of the premises and of the origination and funding of the Funding Loan by the Funding Lender, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. The terms used in this Funding Loan Agreement (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Funding Loan Agreement and of any amendment or supplement hereto shall have the respective meanings specified below. Terms used herein not otherwise defined shall have the respective meanings set forth in the Project Loan Agreement.

“*Act*” means the Florida Housing Finance Authority Law, Chapter 159, Part IV, Florida Statutes, as amended and supplemented from time to time.

“*Administration Fund*” means the Administration Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

“*Assignment*” means the Assignment of Security Instrument dated as of the date hereof by the Governmental Lender assigning its interest in the Security Instrument to the Fiscal Agent.

“*Authorized Officer*” means (a) when used with respect to the Governmental Lender, the Chair of the Governmental Lender and such additional Person or Persons, if any, duly designated by the Governmental Lender in writing to act on its behalf, (b) when used with respect to the Borrower, any general partner of the Borrower and such additional Person or Persons, if any, duly designated by the Borrower in writing to act on its behalf, (c) when used with respect to the Fiscal Agent, any authorized signatory of the Fiscal Agent, or any Person who is authorized in writing to take the action in question on behalf of the Fiscal Agent, (d) when used with respect to the Servicer, any Person or Persons duly designated by the Servicer in writing to act on its behalf, and (e) when used with respect to the Funding Lender Representative, any Person who is authorized in writing to take the action in question on behalf of the Funding Lender Representative.

“*Bankruptcy Code*” means Title 11 of the United States Code entitled “Bankruptcy,” as now and hereafter in effect, or any successor federal statute.

“*Bond Counsel*” means (a) on the Delivery Date, the law firm or law firms delivering the approving opinion(s) with respect to the Governmental Note, or (b) any other firm of attorneys selected by the Governmental Lender that is experienced in matters relating to the issuance of obligations by states and their political subdivisions that is listed as municipal bond attorneys in The Bond Buyer’s Municipal Marketplace and is acceptable to the Funding Lender Representative.

“*Borrower*” means Pompano Beach Leased Housing Associates II, LLLP, a limited liability limited partnership duly organized and existing under the laws of the State of Minnesota, or any of its permitted successors or assigns, as owner of the Project.

“*Borrower Equity Account*” means the Borrower Equity Account of the Project Loan Fund established by the Fiscal Agent pursuant to Section 2.11 hereof.

“*Borrower Equity Deposit*” means \$_____, which shall be comprised of sources other than the proceeds of the Project Loan.

“*Bridge Loan*” means the loan funded by the Bridge Lender pursuant to the Bridge Loan Documents.

“*Bridge Loan Account*” means the Bridge Loan Account of the Project Loan Fund established by the Fiscal Agent pursuant to Section 2.11 hereof.

“*Bridge Loan Documents*” means any loan agreement, bridge bond financing agreement, security agreement and any other documents pursuant to which the Bridge Loan is funded or secured.

“*Bridge Lender*” means Great Southern Bank, and any successors or assigns in its capacity as maker of the Bridge Loan.

“*Business Day*” means any day other than (a) a Saturday or a Sunday, or (b) a day on which (i) banking institutions in the City of New York or in the city in which the Principal Office of the Fiscal Agent is located are authorized or obligated by law or executive order to be closed or (ii) the New York Stock Exchange is closed.

“*Certificate of the Governmental Lender*” and “*Request of the Governmental Lender*” mean, respectively, a written certificate or request signed in the name of the Governmental Lender by an Authorized Officer of the Governmental Lender or such other Person as may be designated and authorized to sign for the Governmental Lender. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

“*Code*” means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

“*Continuing Covenant Agreement*” means the Continuing Covenant Agreement dated as of the date hereof by and between the Borrower and the Initial Funding Lender, as the same may be amended, modified or supplemented from time to time.

“*Cost,*” “*Costs*” or “*Costs of the Project*” means costs paid with respect to the Project 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 project or projects within the meaning of Section 142(d) of the Code, (iii) are paid after the earlier of (A) 60 days prior to the date of a resolution of the Governmental Lender to reimburse costs of the Project with proceeds of the Loans or (B) the Delivery Date, and (iv) if the Costs of the Project were previously paid and are to be reimbursed with proceeds of the Loans such costs were (A) Costs of Issuance of the Governmental Note, (B) preliminary capital expenditures (within the meaning of United States Treasury Regulations Section 1.150-2(f)(2)) with respect to the Project (such as architectural, engineering and soil testing services) incurred before

commencement of acquisition or rehabilitation of the Project that do not exceed twenty percent (20%) of the issue price of the Governmental Note (as defined in United States Treasury Regulations Section 1.148-1), or (C) were capital expenditures with respect to the Project that are reimbursed no later than eighteen (18) months after the later of the date the expenditure was paid or the date the Project is placed in service (but no later than three (3) years after the expenditure is paid); provided however, that if any portion of the Project is being constructed or developed by the Borrower or an affiliate (whether as a developer, a general contractor or a subcontractor), “Cost,” “Costs” or “Costs of the Project” shall include only (a) the actual out-of-pocket costs incurred by the Borrower or such affiliate in developing or constructing the Project (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 Project, 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 acquisition, rehabilitation or development of the Project or payments received by such affiliate due to early completion of the Project (or any portion thereof).

“*Cost of Issuance Fund*” means the Cost of Issuance Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

“*Costs of Issuance*” means, as applicable, (i) the fees (excluding ongoing fees), costs and expenses of (a) the Governmental Lender, the Governmental Lender’s counsel and the Governmental Lender’s financial advisor, (b) Bond Counsel, (c) the Fiscal Agent and the Fiscal Agent’s counsel, (d) the Servicer and the Servicer’s counsel, (e) the Funding Lender and the Funding Lender’s counsel (including both the Initial Funding Lender and Freddie Mac, as assignee thereof on the Freddie Mac Purchase Date), and (f) Borrower’s counsel attributable to the funding of the Loans and the Borrower’s financial advisor, if any, and (ii) all other fees, costs and expenses directly associated with the Funding Loan and the Project Loan, including, without limitation, printing costs, costs of reproducing documents, filing and recording fees.

“*Costs of Issuance Deposit*” means the deposit to be made by the Borrower with the Fiscal Agent on the Delivery Date, [if any,] which deposit shall equal \$_____ and shall be comprised of sources other than the proceeds of the Project Loan.

“*Default Rate*” means the lower of (i) the Interest Rate otherwise in effect notwithstanding the default plus four percent (4%) per annum or (ii) the maximum rate allowed by law.

“*Delivery Date*” means June __, 2019, the date of initial funding of the Funding Loan and the delivery of the Governmental Note by the Governmental Lender to the Initial Funding Lender.

“*Determination of Taxability*” shall mean, (a) a determination by the Commissioner or any District Director of the Internal Revenue Service, (b) a private ruling or Technical Advice Memorandum issued by the National Office of the Internal Revenue Service in which Governmental Lender and Borrower were afforded the opportunity to participate, (c) a determination by any court of competent jurisdiction, (d) the enactment of legislation or (e) receipt by Fiscal Agent or Funding Lender Representative, at the request of Governmental

Lender, Borrower, Fiscal Agent or Funding Lender Representative, of an opinion of Bond Counsel, in each case to the effect that the interest on the Governmental Note is includable in gross income for federal income tax purposes of the Funding Lender or any former Funding Lender other than a Funding Lender who is a “substantial user” of the Project or a “related person” (as such terms are defined in Section 147(a) of the Code); provided, however, that no such Determination of Taxability under clause (a) or (c) shall be deemed to have occurred if the Governmental Lender (at the sole expense of the Borrower) or the Borrower is contesting such determination, has elected to contest such determination in good faith and is proceeding with all applicable dispatch to prosecute such contest until the earliest of (i) a final determination from which no appeal may be taken with respect to such determination, (ii) abandonment of such appeal by the Governmental Lender or the Borrower, as the case may be, or (iii) one year from the date of initial determination, unless otherwise extended by the Funding Lender and the Governmental Lender.

“*Electronic Notice*” means delivery of notice in a Word format or a Portable Document Format (PDF) by electronic mail to the electronic mail addresses listed in Section 11.04 hereof; provided, that if a sender receives notice that the electronic mail is undeliverable, notice must be sent as otherwise required by Section 11.04 hereof.

“*Event of Default*” or “*event of default*” means any of those events specified in and defined by the applicable provisions of Article VI hereof to constitute an event of default or “Event of Default” (as therein defined).

“*Extraordinary Fiscal Agent’s Fees and Expenses*” means all those reasonable fees, expenses and reimbursements earned or incurred by the Fiscal Agent as described under Section 7.06 hereof for Extraordinary Services, as set forth in a detailed invoice to the Borrower, the Servicer and the Funding Lender Representative.

“*Extraordinary Services*” means and includes, but not by way of limitation, services, actions and things carried out and all expenses incurred by the Fiscal Agent, in respect of or to prevent default under this Funding Loan Agreement or the Project Loan Documents, including any reasonable attorneys’ or agents’ fees and expenses and other litigation costs that are entitled to reimbursement under the terms of the Project Loan Agreement, and other actions taken and carried out by the Fiscal Agent which are not expressly set forth in this Funding Loan Agreement or the Project Loan Documents.

“*Fair Market Value*” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (a) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (b) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (c) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt,

or (d) any commingled investment fund in which the Governmental Lender and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of investment.

“*Fee Payment Guaranty*” means that certain Fee Payment Guaranty dated as of the Delivery Date by the Guarantor for the benefit of the Governmental Lender in connection with the payment of the Subordinate Ongoing Governmental Lender Fee.

“*Financing Documents*” means, collectively, this Funding Loan Agreement, the Governmental Note, the Tax Certificate, the Project Loan Documents and all other documents or instruments evidencing, securing or relating to the Loans.

“*Fiscal Agent*” means The Bank of New York Mellon Trust Company, N.A., a national banking association, organized and operating under the laws of the United States of America, and its successors hereunder.

“*Freddie Mac*” means the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States of America, and its successors and assigns.

“*Freddie Mac Commitment*” means the commitment from Freddie Mac to the Initial Funding Lender pursuant to which Freddie Mac has agreed to purchase the Funding Loan, subject to the terms and conditions set forth therein, as such commitment may be amended, modified or supplemented from time to time.

“*Freddie Mac Purchase Date*” means the date Freddie Mac purchases the Funding Loan from the Initial Funding Lender upon satisfaction of the conditions set forth in the Freddie Mac Commitment.

“*Funding Lender*” means any Person who is the holder of the Governmental Note.

“*Funding Lender Representative*” means the Funding Lender or any Person designated by the Funding Lender to act on behalf of the Funding Lender as provided in Section 11.05, or an assignee of such Person as provided in Section 11.05. The initial Funding Lender Representative shall be the Initial Funding Lender, and Freddie Mac shall become the Funding Lender Representative upon the occurrence of the Freddie Mac Purchase Date.

“*Funding Loan*” means the loan in the original principal amount of \$_____ made to the Governmental Lender pursuant to this Funding Loan Agreement by the Initial Funding Lender.

“*Funding Loan Amortization Schedule*” means the Funding Loan Amortization Schedule attached as Schedule 1 to the Governmental Note.

“*Government Obligations*” means investments meeting the requirements of clauses (a) or (b) of the definition of “Qualified Investments” herein.

“*Governmental Lender*” means Housing Finance Authority of Broward County, Florida, a public body corporate and politic created, organized and existing under the laws of the State of Florida

“*Governmental Lender Fee*” means, collectively, the Governmental Lender Closing Fee and the Ongoing Governmental Lender Fee.

“*Governmental Lender Closing Fee*” means the (i) Governmental Lender’s one (1) time initial issuance fee in the amount equal to fifty basis points (0.50%) of the original aggregate principal amount of the Funding Loan and the Subordinate Project Loan, as evidenced by the Governmental Note and the Subordinate Governmental Note, respectively, for a total of \$_____, (ii) Governmental Lender’s indemnification fee of \$20,000, and (iii) Governmental Lender’s counsel fee of \$5,000, all of which shall be payable by the Borrower to the Governmental Lender on the Delivery Date pursuant to (a) Section 4.02 of the Project Loan Agreement, and (b) Section 5.02 of the Subordinate Loan Agreement, from money contributed by or on behalf of the Borrower and deposited with the Title Agent for payment to the Governmental Lender pursuant to the Settlement Sheet.

“*Governmental Note*” means that certain \$_____ Housing Finance Authority of Broward County, Florida Multifamily Mortgage Revenue Note, 2019 Series A-1 (Regency Gardens Apartments), dated the Delivery Date, executed by the Governmental Lender and authenticated by the Fiscal Agent in favor of the Initial Funding Lender, in the form attached hereto as Exhibit A, as the same may be amended, restated, supplemented or otherwise modified from time to time, or any mortgage note executed in substitution therefor, as such substitute note may be amended, restated, supplemented or otherwise modified from time to time.

“*Guarantor*” means, collectively, _____, _____, individually, and _____, as guarantors pursuant to the Fee Payment Guaranty.

“*Guide*” means the Freddie Mac Multifamily Seller/Service Guide, as the same may be amended, modified or supplemented from time to time.

“*Initial Debt Service Deposit*” means an amount equal to the sum of (i) the interest payable on the Funding Loan, and (ii) the ongoing fees payable with respect to the Project Loan (as provided in Section 4.02 of the Project Loan Agreement), in each case for the period commencing on the Delivery Date to but not including the first day of the calendar month immediately succeeding the Delivery Date.

“*Initial Funding Lender*” means CITIBANK, N.A., a national banking association, as initial holder of the Governmental Note.

“*Interest Payment Date*” means (i) the first day of each calendar month, commencing August, 2019, (ii) the date of any prepayment of the Funding Loan, but only with respect to the portion of the Funding Loan subject to prepayment, and (iii) the Maturity Date.

“*Interest Rate*” means the interest rate of _____% per annum; provided during the continuance of any Event of Default hereunder, the Interest Rate shall be the Default Rate.

“*Investment Income*” means the earnings and profits derived from the investment of money pursuant to Section 4.08 hereof.

“*Loans*” means, together, the Project Loan and the Funding Loan.

“*Loan Payment Fund*” means the Loan Payment Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

“*Loan Prepayment Fund*” means the Loan Prepayment Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

“*Maturity Date*” means the maturity date of the Funding Loan set forth in Section 2.01(b) hereof.

“*Moody’s*” means Moody’s Investors Service, Inc., its successors and assigns, if such successors and assigns continue to perform the services of a securities rating agency.

“*Net Proceeds*” when used with respect to any insurance or condemnation award, means the proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all reasonable expenses incurred in the collection of such insurance proceeds or condemnation award, including reasonable attorneys’ fees.

“*Notes*” means, together, the Project Note and the Governmental Note.

“*Ongoing Governmental Lender Fee*” means the annual program administration fee of the Governmental Lender, payable in advance by the Borrower (or, under certain circumstances set forth in Section 4.06 herein and Section 5.02 of the Subordinate Loan Agreement, the Borrower’s designee) to the Fiscal Agent for payment to the Governmental Lender in the amount of eighteen basis points (0.18%) per annum of the outstanding aggregate principal amount of the Funding Loan and the Subordinate Project Loan (calculated on the Business Day prior to any principal reduction of the Funding Loan and/or the Subordinate Project Loan). The first payment of the Ongoing Governmental Lender Fee shall be payable on the Delivery Date for the period beginning on the Delivery Date and ending on May 31, 2020. Thereafter, the Ongoing Governmental Lender Fee shall be payable in semi-annual installments on each June 1 and December 1, with the first semi-annual payment due and payable on December 1, 2019; provided, however, that such fee does not include amounts due, if any, for extraordinary services and expenses of the Governmental Lender, the Fiscal Agent, Bond Counsel, the Governmental Lender’s counsel, or the Fiscal Agent’s counsel to be paid by the Borrower pursuant to the Project Loan Agreement or the Subordinate Loan Documents. The portion of the Ongoing Governmental Lender Fee attributable to the Subordinate Project Loan shall herein be referred to as the “Subordinate Ongoing Governmental Lender Fee”.

“*Ordinary Fiscal Agent’s Fees and Expenses*” shall mean the Fiscal Agent’s initial acceptance fee of \$3,500 plus fees and expenses of its counsel in conjunction with the issuance of the Governmental Note and the ongoing compensation and expenses payable to the Fiscal Agent as follows: (a) the annual administration fees of the Fiscal Agent, for the ordinary services of the Fiscal Agent rendered under this Funding Loan Agreement during each twelve-month period shall be \$3,750 per annum, with the initial annual fee of \$3,750 payable in advance on the

Delivery Date and subsequent annual fees payable in semiannual installments of \$1,875 in advance on each June 1 and December 1 thereafter commencing December 1, 2019.

“*Person*” means an individual, a corporation, a partnership, an association, a joint stock company, a joint venture, a trust, an unincorporated association, a limited liability company or a government or any agency or political subdivision thereof, or any other organization or entity (whether governmental or private).

“*Pledged Security*” shall have the meaning given to that term in Section 2.02 hereof.

“*Prepayment Premium*” shall mean any premium payable hereunder in connection with a prepayment of the Funding Loan, which premium shall be in an amount equal to the amount payable by the Borrower under Section 10 of the Project Note in connection with a prepayment of the Project Loan.

“*Principal Office of the Fiscal Agent*” means the office of the Fiscal Agent referenced in Section 11.04(a) hereof, or such other office or offices as the Fiscal Agent may designate in writing from time to time, or the office of any successor Fiscal Agent where it principally conducts its business of serving as Fiscal Agent under indentures pursuant to which municipal or governmental obligations are issued.

“*Project*” means, collectively, the land and residential rental apartment units, and related fixtures, equipment, furnishings and site improvements known as Regency Gardens Apartments located at 1525 Northwest 17th Avenue, Pompano Beach in the County, including the real estate described in the Security Instrument.

“*Project Account*” means the Project Account of the Project Loan Fund established by the Fiscal Agent pursuant to Section 2.11 hereof.

“*Project Loan*” means the loan made by the Governmental Lender to the Borrower pursuant to the Project Loan Agreement in the original principal amount of \$_____, as evidenced by the Project Note.

“*Project Loan Agreement*” means the Project Loan Agreement dated as of the date hereof among the Borrower, the Governmental Lender and the Fiscal Agent, as amended, supplemented or restated from time to time.

“*Project Loan Documents*” means the Security Instrument, the Project Note, the Project Loan Agreement, the Tax Regulatory Agreement, the Assignment, the Continuing Covenant Agreement, any Subordination Agreement(s) and any and all other instruments and other documents evidencing, securing, or otherwise relating to the Project Loan or any portion thereof.

“*Project Loan Fund*” means the Project Loan Fund established by the Fiscal Agent pursuant to Section 2.11 hereof.

“*Project Note*” means the Project Note dated the Delivery Date from the Borrower, including all riders and addenda thereto, evidencing the Borrower’s obligation to repay the Project Loan, which Project Note will be delivered to the Governmental Lender and endorsed by the Governmental Lender to the Fiscal Agent as security for the Funding Loan, as the same may

be amended, restated, supplemented or otherwise modified from time to time, or any note executed in substitution therefor, as such substitute note may be amended, restated, supplemented or otherwise modified from time to time.

“*Qualified Investments*” means any of the following if and to the extent permitted by law: (a) direct and general obligations of the United States of America; (b) obligations of any agency or instrumentality of the United States of America the payment of the principal of and interest on which are unconditionally guaranteed by the full faith and credit of the United States of America; (c) senior debt obligations of Freddie Mac; (d) senior debt obligations of Fannie Mae; (e) demand deposits or time deposits with, or certificates of deposit issued by, the Fiscal Agent or its affiliates or any bank organized under the laws of the United States of America or any state or the District of Columbia which has combined capital, surplus and undivided profits of not less than \$50,000,000; provided that the Fiscal Agent or such other institution has been rated at least “VMIG-1”/”A-1+” by Moody’s or S&P, or which deposits or certificates are fully insured by the Federal Deposit Insurance Corporation or collateralized pursuant to the requirements of the Office of the Comptroller of the Currency; (f) investment agreements with a bank or any insurance company or other financial institution which has a rating assigned by Moody’s or S&P to its outstanding long-term unsecured debt which is the highest rating (as defined below) for long-term unsecured debt obligations assigned by Moody’s or S&P, and which are approved by the Funding Lender Representative; (g) shares or units in any money market mutual fund rated “Aaa”/”AAA” by Moody’s or S&P (or if a new rating scale is implemented, the equivalent rating category given by the Rating Agency for that general category of security) (including mutual funds of the Fiscal Agent or its affiliates or for which the Fiscal Agent or an affiliate thereof serves as investment advisor or provides other services to such mutual fund receives reasonable compensation therefor) registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of (A) direct obligations of the government of the United States of America, or (B) tax exempt obligations; (h)(i) tax-exempt obligations rated in the highest short term rating category by Moody’s or S&P, or (ii) shares of a tax-exempt municipal money market mutual fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the federal Securities Act, having assets of at least \$100,000,000, and having a rating of “Aaa”/”AAA” by Moody’s or S&P (or if a new rating scale is implemented, the equivalent rating category given by the Rating Agency for that general category of security), for which at least 95% of the income paid to the holders on interest in such money market fund will be excludable from gross income under Section 103 of the Code, including money market funds for which the Fiscal Agent or its affiliates receive a fee for investment advisory or other services to the fund; or (i) any other investments approved in writing by the Funding Lender Representative. For purposes of this definition, the “highest rating” shall mean a rating of at least “VMIG-1”/”A-1+” for obligations with less than one year maturity; at least “Aaa”/”VMIG-1”/”AAA”/”A-1+” for obligations with a maturity of one year or greater but less than three years; and at least “Aaa”/”AAA” for obligations with a maturity of three years or greater. Qualified Investments must be limited to instruments that have a predetermined fixed-dollar amount of principal due at maturity that cannot vary or change and interest, if tied to an index, shall be tied to a single interest rate index plus a single fixed spread, if any, and move proportionately with such index. Ratings of Qualified Investments shall be determined at the time of purchase of such Qualified Investments, and the Fiscal Agent shall have no responsibility

to monitor the ratings of Qualified Investments after the initial purchase of such Qualified Investments.

“*Rating Agency*” means Moody’s or S&P, as applicable, or any successor rating service thereof.

“*Rebate Analyst*” means a certified public accountant, financial analyst or bond counsel, or any firm of the foregoing, or financial institution (which may include the Fiscal Agent) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code, selected and retained by the Borrower at the expense of the Borrower, with the prior written consent of the Governmental Lender, to make the rebate computations required under this Funding Loan Agreement and the Project Loan Agreement.

“*Rebate Fund*” means the Rebate Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

“*Rebate Year*” means each one-year period that ends at the close of business on the day in the calendar year that is selected by Borrower as indicated in the Tax Certificate. The first and last Rebate Years may be short periods. If no day is selected by Borrower before the earlier of the Maturity Date or the date that is five years after the Delivery Date, each Rebate Year ends on each anniversary of the Delivery Date and on the Maturity Date or date of earlier payment in full of the Governmental Note.

“*Requisition*” means, with respect to the Project Loan Fund, the requisition in the form of Exhibit E to this Funding Loan Agreement required to be submitted in connection with disbursements from the Project Account and/or the Borrower Equity Account and/or the Bridge Loan Account of the Project Loan Fund, and with respect to the Cost of Issuance Fund, the requisition in the form of Exhibit D to this Funding Loan Agreement required to be submitted in connection with disbursements from the Cost of Issuance Fund.

“*Resolution*” means the resolution adopted by the Governmental Lender authorizing the Funding Loan, the Project Loan and the execution and delivery of the Financing Documents to which it is a party.

“*Responsible Officer*” means any officer of the Fiscal Agent employed within or otherwise having regular responsibility in connection with the corporate trust department of the Fiscal Agent and the trusts created hereunder.

“*Revenue Fund*” means the Revenue Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

“*Revenues*” means (a) all payments made with respect to the Project Loan pursuant to the Project Loan Agreement, the Project Note or the Security Instrument, including but not limited to all casualty or other insurance benefits and condemnation awards paid in connection therewith and all payments obtained through the exercise of remedies under the Financing Documents, and (b) all money and securities held by the Fiscal Agent in the funds and accounts established pursuant to this Funding Loan Agreement (excluding money or securities designated for deposit

into and held in the Cost of Issuance Fund, the Administration Fund and the Rebate Fund), together with all investment earnings thereon.

“*Securities Act*” means the United States Securities Act of 1933, as in effect on the Closing Date.

“*Security Instrument*” means the Multifamily Mortgage, Assignment of Rents and Security Agreement (Florida) dated as of the date hereof, by the Borrower, granting a first priority mortgage and security interest in the Project to the Governmental Lender to secure the repayment of the Project Loan and related obligations, which Security Instrument has been assigned by the Governmental Lender to the Fiscal Agent pursuant to the Assignment as security for the Funding Loan, as the same may be amended, supplemented or restated.

“*S&P*” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business, and its successors and assigns, if such successors and assigns continue to perform the services of a securities rating agency.

“*Servicer*” means any entity appointed by the Funding Lender Representative to service the Loans and any successor in such capacity as appointed by the Funding Lender Representative pursuant to Section 3.02 of the Project Loan Agreement. Initially, the Servicer shall be CITIBANK, N.A.

“*Settlement Sheet*” means the settlement sheet prepared by the Title Agent and executed by the Borrower setting forth the various funds to be collected and disbursed by the Title Agent on the Delivery Date.

“*State*” means the State of Florida.

“*Subordinate Governmental Note*” means the Governmental Lender’s Multifamily Mortgage Revenue Note, 2019 Series A-2 (Regency Gardens Apartments) issued pursuant to the Subordinate Loan Documents.

“*Subordinate Loan Agreement*” means that certain Subordinate Loan Agreement dated as of the date hereof, between the Issuer and the Borrower, as amended, supplemented or restated from time to time, setting forth the terms and conditions of the issuance of the Subordinate Project Loan.

“*Subordinate Loan Documents*” means all instruments and documents evidencing or securing the Subordinate Project Loan, including the Subordinate Loan Agreement.

“*Subordinate Project Loan*” means the loan of the proceeds of the Subordinate Governmental Note to the Borrower.

“*Subordination Agreement*” means any subordination or intercreditor agreement(s) entered into with respect to any subordinate financing related to the Project, as the same may be amended, supplemented or restated.

“*Surplus Cash*” means, with respect to any period, any revenues of Borrower remaining after paying, or setting aside funds for paying, all of the following:

(a) All sums due or currently required to be paid under the Security Instrument, the Project Note, the Project Loan Agreement, the Tax Regulatory Agreement, the Continuing Covenant Agreement (including any Imposition Reserve Deposits thereunder) and any and all other instruments and other documents evidencing, securing, or otherwise relating to the Project Loan or any portion thereof (the “Senior Loan Documents”).

(b) All deposits to any replacement reserve, completion/repair reserve or other reserve or escrow required by the Senior Loan Documents that are due or currently payable.

(c) All reasonable operating expenses of the Project, including real estate taxes, insurance premiums, utilities, building maintenance, painting and repairs, management fees, payroll, administrative expenses, legal expenses and audit expenses (excluding any developer fees payable with respect to the Project).

“*Tax Certificate*” means, collectively, the Certificate As To Arbitrage and Certain Other Tax Matters executed by the Governmental Lender, that certain Arbitrage Rebate Agreement by and among the Governmental Lender, the Borrower and the Fiscal Agent, and the Borrower’s Tax Certificate, each dated the Delivery Date.

“*Tax Regulatory Agreement*” means the Land Use Restriction Agreement dated as of the date hereof among the Governmental Lender, the Fiscal Agent and the Borrower.

“*Title Agent*” means Commercial Partners Title, LLC, as agent for Old Republic National Title Insurance Company, the title agent for purpose of collecting and disbursing the Costs of Issuance.

“*Transferee Representations Letter*” has the meaning set forth in Section 2.08 hereof.

“*Unassigned Rights*” means all of the rights of the Governmental Lender and its directors, officers, commissioners, elected officials, attorneys, accountants, employees, agents and consultants to be held harmless and indemnified, to be paid its fees and expenses, to give or withhold consent to amendments, changes, modifications and alterations, to receive notices and the right to enforce such rights.

“*Window Period*” means the three (3) consecutive month period prior to the Maturity Date.

Section 1.02 Interpretation. The words “hereof,” “herein,” “hereunder,” and other words of similar import refer to this Funding Loan Agreement as a whole and not to any particular Article, Section or other subdivision. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as in effect from time to time. References to Articles, Sections, and other subdivisions of this Funding Loan

Agreement are to the designated Articles, Sections and other subdivisions of this Funding Loan Agreement as originally executed. The headings of this Funding Loan Agreement are for convenience only and shall not define or limit the provisions hereof.

ARTICLE II

THE FUNDING LOAN

Section 2.01 Terms.

(a) The Funding Loan shall be originated and funded on the Delivery Date in the original principal amount of \$_____ with funds provided to the Governmental Lender by the Initial Funding Lender. The proceeds of the Funding Loan shall be deposited and disbursed in accordance with this Funding Loan Agreement. The Funding Loan shall be evidenced by the Governmental Note and shall bear interest and be paid in accordance with the payment terms set forth in the Governmental Note and this Funding Loan Agreement.

(b) The Funding Loan shall bear interest payable on each Interest Payment Date at the Interest Rate and shall mature on July 1, 2035, subject to scheduled monthly principal payments as provided in Section 2.01(c) below and optional and mandatory prepayment prior to maturity as provided in Article III hereof. Interest on the Funding Loan shall be computed on the basis of a 360-day year and the actual number of days elapsed.

(c) The unpaid principal balance of the Funding Loan shall be paid on the dates and in the amounts set forth on the Funding Loan Amortization Schedule attached as Schedule 1 to the Governmental Note. All unpaid principal and all accrued and unpaid interest outstanding under the Funding Loan shall be due and payable on the Maturity Date.

(d) Payment of principal of, premium, if any, and interest on the Funding Loan shall be paid by wire transfer in immediately available funds to an account within the United States of America designated by such Funding Lender (unless otherwise directed by the Funding Lender).

(e) Subject to Section 2.12 hereof, on or before the date fixed for payment, money shall be deposited with the Fiscal Agent to pay, and the Fiscal Agent is hereby authorized and directed to apply such money to the payment of, the Funding Loan, together with accrued interest thereon to the date of payment.

(f) In no contingency or event whatsoever shall the aggregate of all amounts deemed interest hereunder and charged or collected pursuant to the terms of this Funding Loan Agreement exceed the highest rate permissible under any law which a court of competent jurisdiction shall, in a final determination, deem applicable hereto. In the event that such court determines the Funding Lender has charged or received interest hereunder in excess of the highest applicable rate, the Funding Lender shall apply, in its sole discretion, and set off such excess interest received by the Funding Lender against other obligations due or to become due under the Financing Documents and such rate shall automatically be reduced to the maximum rate permitted by such law.

Section 2.02 Pledged Security. To secure the payment of the principal of, premium, if any, and interest on the Funding Loan according to its tenor and effect, and the performance and observance by the Governmental Lender of all the covenants expressed or implied herein and in the Governmental Note, and the payment and performance of all amounts and obligations under the Continuing Covenant Agreement, the Governmental Lender does hereby grant, bargain, sell, convey, pledge and assign a security interest, unto the Fiscal Agent, and its successors in such capacity and its and their assigns in and to the following (said property being herein referred to as the “**Pledged Security**”) for the benefit of the Funding Lender:

(a) All right, title and interest of the Governmental Lender in and to all Revenues;

(b) All right, title and interest of the Governmental Lender in and to the Project Loan Agreement, the Project Note, the Security Instrument and the other Project Loan Documents (other than the Unassigned Rights), including all extensions and renewals of the terms thereof, if any, including, but without limiting the generality of the foregoing, the present and continuing right to receive, receipt for, collect or make claim for any of the money, income, revenues, issues, profits and other amounts payable or receivable thereunder (including all casualty insurance benefits or condemnation awards), whether payable under the above referenced documents or otherwise, to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which the Governmental Lender or any other Person is or may become entitled to do under said documents; and

(c) Except for funds, money or securities in the Cost of Issuance Fund, the Administration Fund and the Rebate Fund, all funds, money and securities and any and all other rights and interests in property whether tangible or intangible from time to time hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder for the Funding Loan by the Governmental Lender or by anyone on its behalf or with its written consent to the Fiscal Agent, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

The foregoing notwithstanding, if the Governmental Lender or its successors or assigns shall pay or cause to be paid to the Funding Lender in full the principal, interest and premium, if any, to become due with respect to the Funding Loan at the times and in the manner provided in Article IX hereof, and if the Governmental Lender shall keep, perform and observe, or cause to be kept, performed and observed, all of its covenants, warranties and agreements contained herein, then these presents and the estate and rights hereby granted shall, at the option of the Governmental Lender, cease, terminate and be void, and thereupon the Fiscal Agent shall cancel and discharge the lien of this Funding Loan Agreement and execute and deliver to the Governmental Lender such instruments in writing as shall be requisite to satisfy the lien hereof, and, subject to the provisions of Sections 4.11 and 4.12 hereof and Article IX hereof, reconvey to the Governmental Lender the estate hereby conveyed, and assign and deliver to the Governmental Lender any property at the time subject to the lien of this Funding Loan Agreement which may then be in its possession, except for the Rebate Fund and cash or securities held by the Fiscal Agent for the payment of interest on and principal of the

Governmental Note; otherwise this Funding Loan Agreement to be and shall remain in full force and effect.

Section 2.03 Limited Obligations. Notwithstanding any other provision of this Funding Loan Agreement to the contrary:

THE GOVERNMENTAL NOTE IS EXECUTED AND DELIVERED PURSUANT TO THE COUNTY AUTHORIZATION, THE RESOLUTION AND IN ACCORDANCE WITH THE ACT, AND IS A LIMITED OBLIGATION OF THE GOVERNMENTAL LENDER. NEITHER THE GOVERNMENTAL LENDER NOR ANY OFFICIAL OR EMPLOYEE OF THE GOVERNMENTAL LENDER NOR ANY PERSON EXECUTING THE GOVERNMENTAL NOTE SHALL BE LIABLE PERSONALLY ON THE GOVERNMENTAL NOTE OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF ITS EXECUTION, DELIVERY AND PLACEMENT. THE GOVERNMENTAL NOTE AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE GOVERNMENTAL LENDER, PAYABLE ONLY FROM THE SOURCES DESCRIBED IN THIS FUNDING LOAN AGREEMENT. NEITHER THE GOVERNMENTAL LENDER, THE STATE NOR ANY OTHER POLITICAL CORPORATION OR SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF THE GOVERNMENTAL NOTE, PREMIUM, IF ANY, OR THE INTEREST THEREON OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE MONEY PLEDGED THEREFOR. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE NOR ANY POLITICAL CORPORATION OR SUBDIVISION OR AGENCY THEREOF NOR THE FAITH AND CREDIT OF THE GOVERNMENTAL LENDER IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE GOVERNMENTAL NOTE OR OTHER COSTS INCIDENT THERETO. THE GOVERNMENTAL LENDER HAS NO TAXING POWER. THE GOVERNMENTAL NOTE IS NOT A DEBT OF THE UNITED STATES OF AMERICA.

Section 2.04 Funding Loan Agreement Constitutes Contract. In consideration of the origination and funding of the Funding Loan by the Initial Funding Lender, the provisions of this Funding Loan Agreement shall be part of the contract of the Governmental Lender with the Initial Funding Lender and any successors or assigns thereof in such capacity from time to time.

Section 2.05 Form and Execution. The Governmental Note shall be in substantially the form attached as Exhibit A. The Governmental Note shall be executed on behalf of the Governmental Lender by the manual or facsimile signature of the Chair or Vice-Chair of the Governmental Lender, and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Governmental Lender. Any facsimile signatures shall have the same force and effect as if said officers had manually signed the Governmental Note. Any reproduction of the official seal of the Governmental Lender on the Governmental Note shall have the same force and effect as if the official seal of the Governmental Lender had been impressed on the Governmental Note.

Section 2.06 Authentication. The Governmental Note shall not be valid or obligatory for any purpose or entitled to any security or benefit under this Funding Loan Agreement unless a certificate of authentication on the Governmental Note, substantially in the form set forth in

Exhibit A, shall have been duly executed by an Authorized Officer of the Fiscal Agent; and such executed certificate of authentication upon the Governmental Note shall be conclusive evidence that the Governmental Note has been duly executed, registered, authenticated and delivered under this Funding Loan Agreement.

Section 2.07 Mutilated, Lost, Stolen or Destroyed Governmental Note. In the event the Governmental Note is mutilated, lost, stolen or destroyed, the Governmental Lender shall execute and the Fiscal Agent shall authenticate a new Governmental Note substantially in the form set forth in **Exhibit A** in exchange and substitution for and upon cancellation of the mutilated Governmental Note or in lieu of and in substitution for such lost, stolen or destroyed Governmental Note, upon payment by the Funding Lender of any applicable tax or governmental charge and the reasonable expenses and charges of the Governmental Lender and the Fiscal Agent in connection therewith, and in the case where the Governmental Note is lost, stolen or destroyed, the filing with the Fiscal Agent of evidence satisfactory to it that the Governmental Note was lost, stolen or destroyed, and of the ownership thereof, and furnishing the Governmental Lender and the Fiscal Agent with indemnity satisfactory to each of them. In the event where the Governmental Note shall have matured, instead of delivering a new Governmental Note the Governmental Lender may pay the same without surrender thereof.

Section 2.08 Registration; Transfer of Funding Loan; Transferee Representations Letter.

(a) The Funding Loan shall be fully registered as to principal and interest in the manner and with any additional designation as the Fiscal Agent deems necessary for the purpose of identifying the registered owner thereof. The Funding Loan shall be transferable only on the registration books of the Fiscal Agent. The Fiscal Agent shall maintain books or other records showing the name and date of registration, address and employer identification number of the registered owner of the Funding Loan and any transfers of the Funding Loan as provided herein. The Funding Loan shall initially be registered to the Initial Funding Lender, and upon the Freddie Mac Purchase Date, shall be registered to Freddie Mac.

(b) The Funding Lender shall have the right to sell, assign or otherwise transfer in whole its interest in the Funding Loan or to grant a participation interest in the Funding Loan in a percentage of not less than twenty-five percent (25%) of the outstanding principal amount of the Funding Loan; provided that the Funding Loan may be transferred, or any participation interest therein granted, only to an “accredited investor” as that term is defined in Rule 501 of Regulation D under the Securities Act or a “qualified institutional buyer” as that term is defined under Rule 144A of the Securities Act (such “accredited investor” or “qualified institutional buyer” a “Qualified Transferee”) that delivers a letter to the Governmental Lender and the Fiscal Agent substantially in the form attached hereto as **Exhibit C** setting forth certain representations with respect to such Qualified Transferee (the “Transferee Representations Letter”). Notwithstanding the preceding sentence, no Transferee Representations Letter shall be required for the Funding Lender Representative to (i) transfer the Funding Loan to any affiliate or other party related to the Funding Lender that is a Qualified Transferee or (ii) sell or transfer the Funding Loan to a special purpose entity, a trust or a custodial or similar pooling arrangement from which the Funding Loan or securitized interests therein are not expected to be sold or transferred except to (x) owners or beneficial owners thereof that are Qualified Transferees or (y) in circumstances where secondary market credit enhancement is provided for such securitized interests resulting in

a rating thereof of at least “A” or better. In connection with any sale, assignment or transfer of the Funding Loan, the Funding Lender shall give notice of such sale, assignment or transfer to the Fiscal Agent and the Fiscal Agent shall record such sale, assignment or transfer on its books or other records maintained for the registration of transfer of the Funding Loan. In connection with any such transfer (i) it shall not be necessary to present, exchange, or re-authenticate the Governmental Note, and (ii) the Funding Lender shall provide, or cause to be provided, the Fiscal Agent with the name and date of registration, address, and employer identification number of the assignee or transferee, together with a copy of the endorsement to the Governmental Note or assignment of the Governmental Loan, so that the Fiscal Agent may maintain the registration records.

Section 2.09 [Reserved].

Section 2.10 Funding Loan Closing Conditions; Delivery of Governmental Note.

Closing of the Funding Loan on the Delivery Date shall be conditioned upon, and the Governmental Lender shall only execute and deliver to the Fiscal Agent, and the Fiscal Agent shall only authenticate the Governmental Note and deliver the Governmental Note to the Initial Funding Lender upon, receipt by the Fiscal Agent of the following:

- (a) executed counterparts of this Funding Loan Agreement, the Project Loan Agreement, the Tax Regulatory Agreement and the Tax Certificate;
- (b) an opinion of Bond Counsel or counsel to the Governmental Lender to the effect that the Governmental Lender is duly organized and existing under the laws of the State and has duly authorized, executed and delivered this Funding Loan Agreement, the Governmental Note and the other Financing Documents to which it is a party, and such documents are valid and binding special, limited obligations of the Governmental Lender enforceable in accordance with their terms subject to customary exceptions;
- (c) the proceeds of the Funding Loan from the original funding thereof by the Initial Funding Lender;
- (d) the executed Project Note and an endorsement of the Project Note by the Governmental Lender in favor of the Fiscal Agent;
- (e) a copy of the executed Security Instrument, the Assignment and the Continuing Covenant Agreement;
- (f) an opinion of counsel to the Borrower to the effect that the Borrower is duly organized and validly existing and in good standing under the laws of the state in which it has been organized and in good standing under the laws of each other state in which the Borrower transacts business and has full power and authority to enter into the Financing Documents to which it is a party, that its execution and delivery of and performance of its covenants in such documents do not contravene law or any provision of any other documents to which it is a party or by which it or such property is bound or affected, and that all such agreements have been duly authorized, executed and delivered by the Borrower, and are legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms, except as enforceability

may be limited by bankruptcy, insolvency, moratorium or other laws affecting creditors' rights generally and application of equitable principals;

(g) a customary approving opinion of Bond Counsel, including but not limited to an opinion to the effect that the interest on the Governmental Note, under laws in effect on the date of such opinion, is excluded from gross income for federal income tax purposes and, where applicable, for State income tax purposes;

(h) a certified copy of the Resolution;

(i) the written request and authorization to the Fiscal Agent by the Governmental Lender to authenticate and deliver the Governmental Note to the Initial Funding Lender upon funding to the Fiscal Agent of the full amount of the Funding Loan; and

(j) receipt by the Fiscal Agent of the amounts specified in Section 2.11 of this Funding Loan Agreement and Section 3.03 of the Project Loan Agreement.

(k) receipt by the Fiscal Agent of a Transferee Representations Letter from the Initial Funding Lender substantially in the form attached hereto as Exhibit C.

Section 2.11 Establishment of Project Loan Fund; Application of Funding Loan Proceeds and Other Money.

(a) The Fiscal Agent shall establish, maintain and hold in trust and there is hereby established with the Fiscal Agent a Project Loan Fund and therein a Project Account, a Borrower Equity Account and a Bridge Loan Account. No amount shall be charged against the Project Loan Fund except as expressly provided in this Section 2.11 and Section 4.02 hereof.

(b) All of the proceeds of the Funding Loan shall be delivered by the Initial Funding Lender to the Fiscal Agent on behalf of the Governmental Lender on the Delivery Date. The Fiscal Agent shall deposit such proceeds to the credit of the Project Account of the Project Loan Fund, and thereafter shall transfer an amount equal to \$_____ to the Title Agent pursuant to the Settlement Sheet and a Requisition. Amounts in the Project Loan Fund shall be disbursed as provided in subparagraph (d) below, subject to the conditions set forth in Section 3.01 of the Project Loan Agreement. Upon the disbursement of all amounts in the Project Loan Fund, the Fiscal Agent shall close the Project Loan Fund.

(c) The Governmental Lender shall cause the Borrower to deliver from sources other than the Loans, (i) to the Fiscal Agent, on or prior to the Delivery Date, (1) the Costs of Issuance Deposit, if any, for deposit to the credit of the Cost of Issuance Fund, (2) the Borrower Equity Deposit, if any, for deposit to the credit of the Borrower Equity Account, and (3) the first payment of the Ongoing Governmental Lender Fee for deposit to the credit of the Administration Fund, and (ii) to the Servicer the Initial Debt Service Deposit. The Fiscal Agent shall also deposit in the Borrower Equity Account any additional amounts delivered from time to time to the Fiscal Agent and directed by the Borrower or Servicer to be deposited therein, excluding any proceeds of the Loans. The Fiscal Agent shall deposit in the Bridge Loan Account proceeds of the Bridge Loan received from the Bridge Lender or the Borrower from time to time.

(d) Upon the making of the initial deposits described above in this Section 2.11, the Governmental Lender shall originate the Project Loan pursuant to the Project Loan Agreement. The Fiscal Agent shall make disbursements of amounts in the Project Loan Fund to the Borrower or otherwise as provided in Section 4.02 hereof.

Section 2.12 Direct Loan Payments to Funding Lender; Servicer Disbursement of Fees.

(a) Notwithstanding any provision in this Funding Loan Agreement to the contrary, during any period that a Servicer is engaged with respect to the Loans, the Governmental Lender and the Fiscal Agent agree that all payments of principal of, Prepayment Premium, if any, and interest on the Funding Loan and all fees due hereunder and under the Project Loan Agreement shall be paid by the Borrower to the Servicer. The Servicer shall remit all payments collected from the Borrower of principal of, Prepayment Premium, if any, and interest on the Funding Loan, together with other amounts due to the Funding Lender, directly to the Funding Lender (without payment through the Fiscal Agent) per the instructions of the Funding Lender Representative. The Servicer shall be entitled to retain its Servicing Fee collected from the Borrower and shall remit to the Fiscal Agent the Ongoing Governmental Lender Fee for disbursement to the Governmental Lender and shall remit the Ordinary Fiscal Agent's Fees and Expenses to the Fiscal Agent, together with any other amounts due to the Governmental Lender (which amount due to the Governmental Lender shall be remitted to the Fiscal Agent for disbursement to the Governmental Lender) and the Fiscal Agent collected by the Servicer from the Borrower, in each case in accordance with their respective instructions. Any payment made in accordance with the provisions of this Section shall be accompanied by sufficient information to identify the source and proper application of such payment. The Servicer shall promptly notify the Fiscal Agent, the Funding Lender Representative and the Governmental Lender in writing of any failure of the Borrower to make any payment of principal of, Prepayment Premium, if any, and interest on the Funding Loan when due or to pay any fees due hereunder or under the Project Loan Agreement, and the Fiscal Agent and the Governmental Lender shall not be deemed to have any notice of such failure unless it has received such notice in writing.

(b) If the Governmental Note is sold or transferred as provided in Section 2.08, the Funding Lender Representative shall notify the Fiscal Agent and the Borrower in writing of the name and address of the transferee.

(c) So long as payments of principal of, Prepayment Premium, if any, and interest on the Governmental Note and all fees due hereunder and under the Project Loan Agreement are being made to the Servicer in accordance with this Section 2.12 and no Event of Default has occurred of which the Fiscal Agent has been given, or been deemed to have, notice thereof pursuant to this Funding Loan Agreement, the Fiscal Agent shall have no obligation to collect loan payments with respect to the Funding Loan, nor shall it be obligated to collect loan payments or fee payments pursuant to the Project Loan Agreement, except at the express written direction of the Funding Lender Representative. Notwithstanding the foregoing, the Funding Lender Representative may elect to have the Fiscal Agent collect and remit loan payments and fee payments hereunder and under the Project Loan Agreement upon written notice of such election to the Fiscal Agent, the Borrower and the Governmental Lender.

ARTICLE III

PREPAYMENT OF THE FUNDING LOAN

Section 3.01 Prepayment of the Funding Loan Prior to Maturity.

(a) **Optional Prepayment.** The Funding Loan, together with accrued interest thereon, is subject to optional prepayment in whole upon optional prepayment of the Project Loan in accordance with the notice and other prepayment provisions set forth in the Project Note.

(b) **Mandatory Prepayment.** The Funding Loan, together with accrued interest thereon, and together with Prepayment Premium (to the extent payable under the Project Note), is subject to mandatory prepayment on any Business Day, in whole or in part as indicated below, at the earliest practicable date upon the occurrence of any of the following:

(i) in whole or in part, upon the occurrence of a mandatory prepayment of the Project Loan pursuant to Section 10(b) of the Project Note and receipt by the Fiscal Agent of a written direction by the Funding Lender Representative that the Funding Loan shall be subject to mandatory payment as a result thereof; or

(ii) in part, on the Interest Payment Date next following the completion of the rehabilitation of the Project, to the extent amounts remaining in the Project Account of the Project Loan Fund are transferred to the Loan Prepayment Fund pursuant to Section 4.02(e) hereof.

Section 3.02 Notice of Prepayment. Notice of the intended prepayment of the Funding Loan shall be given by the Fiscal Agent by first class mail, postage prepaid, or by overnight delivery service, to the Funding Lender. All such prepayment notices shall be given not less than ten (10) days (not less than thirty (30) days in the case of optional prepayment) nor more than sixty (60) days prior to the date fixed for prepayment. Notices of prepayment shall state (i) the prepayment date, (ii) the prepayment amount, and (iii) the place or places where amounts due upon such prepayment will be payable.

Notice of such prepayment shall also be sent by first class mail, postage prepaid, or by overnight delivery service, to the Servicer, not later than the time of mailing of notices required by the first paragraph above, and in any event no later than simultaneously with the mailing of notices required by the first paragraph above; provided, that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the prepayment of the Funding Loan.

Notwithstanding the foregoing, in the event the Fiscal Agent is not collecting and remitting loan payments hereunder, the Fiscal Agent shall have no obligation to send prepayment notices pursuant to this Section 3.02.

ARTICLE IV

REVENUES AND FUNDS

Section 4.01 Pledge of Revenues and Assets; Establishment of Funds. The pledge and assignment of and the security interest granted in the Pledged Security pursuant to Section 2.02 hereof shall attach, be perfected and be valid and binding from and after the time of the closing of the Funding Loan and delivery of the Governmental Note by the Fiscal Agent or by any Person authorized by the Fiscal Agent to deliver the Governmental Note. The Pledged Security so pledged and then or thereafter received by the Fiscal Agent shall immediately be subject to the lien of such pledge and security interest without any physical delivery thereof or further act, and the lien of such pledge and security interest shall be valid and binding and prior to the claims of any and all parties having claims of any kind in tort, contract or otherwise against the Governmental Lender irrespective of whether such parties have notice thereof.

In addition to the Project Loan Fund established pursuant to Section 2.11 hereof, the Fiscal Agent shall establish, maintain and hold in trust the following funds and accounts, each of which is hereby established and each of which shall be disbursed and applied only as herein authorized:

- (a) Revenue Fund;
- (b) Loan Payment Fund;
- (c) Loan Prepayment Fund;
- (d) Administration Fund;
- (e) Cost of Issuance Fund; and
- (f) Rebate Fund.

The funds and accounts established pursuant to Section 2.11 and this Section 4.01 shall be maintained in the corporate trust department of the Fiscal Agent as segregated trust accounts, separate and identifiable from all other funds held by the Fiscal Agent. The Fiscal Agent shall, at the written direction of an Authorized Officer of the Governmental Lender, and may, in its discretion, establish such additional accounts within any Fund, and subaccounts within any of the accounts, as the Governmental Lender or the Fiscal Agent may deem necessary or useful for the purpose of identifying more precisely the sources of payments into and disbursements from that Fund and its accounts, or for the purpose of complying with the requirements of the Code relating to arbitrage, but the establishment of any such account or subaccount shall not alter or modify any of the requirements of this Funding Loan Agreement with respect to a deposit or use of money in the funds established hereunder, or result in commingling of funds not permitted hereunder.

Section 4.02 Project Loan Fund.

(a) Deposit. The Fiscal Agent shall deposit the proceeds of the Funding Loan into the Project Account of the Project Loan Fund upon receipt thereof as provided in Section 2.11(b) hereof. The Fiscal Agent shall deposit the Borrower Equity Deposit, if any, into the Borrower Equity Account of the Project Loan Fund, as well as any additional amounts delivered from time to time to the Fiscal Agent and directed by the Borrower or Servicer to be deposited therein (excluding any proceeds of the Governmental Note), as provided in Section 2.11(c) hereof. The Fiscal Agent shall deposit in the Bridge Loan Account proceeds of the Bridge Loan received from the Bridge Lender or the Borrower from time to time.

(b) Disbursements. Amounts on deposit in the Project Loan Fund shall be disbursed from time to time by the Fiscal Agent for the purpose of paying Costs of the Project. In addition, amounts in the Project Loan Fund shall be transferred to the Loan Prepayment Fund, the Rebate Fund and the Borrower at the times and in the manner provided in subsection (e) of this Section 4.02.

(c) Transfers and Requisitions. The Fiscal Agent shall make disbursements from the respective accounts of the Project Loan Fund for purposes described in subsection (b) of this Section 4.02 only upon the receipt of Requisitions signed by an Authorized Officer of the Borrower and countersigned by an Authorized Officer of the Servicer (signifying the consent to the Requisition by the Servicer), and solely with respect to a disbursement from the Bridge Loan Account, also countersigned by the Bridge Lender. The Fiscal Agent shall have no right or duty to determine whether any requested disbursement from the Project Loan Fund complies with the terms, conditions and provisions of the Continuing Covenant Agreement. The countersignature of the Authorized Officer of the Servicer (and the Bridge Lender with respect to a disbursement from the Bridge Loan Account) on a Requisition shall be deemed a certification and, insofar as the Fiscal Agent and the Governmental Lender are concerned, constitute conclusive evidence, that all of the terms, conditions and requirements of the Continuing Covenant Agreement (and the Bridge Loan Documents with respect to the Bridge Loan Account) applicable to such disbursement have been fully satisfied or waived. The Fiscal Agent shall, immediately upon each receipt of a completed Requisition signed by an Authorized Officer of the Borrower and countersigned by an Authorized Officer of the Servicer (and the Bridge Lender with respect to a disbursement from the Bridge Loan Account), initiate procedures with the provider of a Qualified Investment to make withdrawals as necessary to fund the Requisition.

Notwithstanding anything to the contrary contained herein, no signature of an Authorized Officer of the Borrower or the Bridge Lender shall be required during any period in which a default has occurred and is then continuing under the Loans or any Financing Document (notice of which default has been given in writing by the Funding Lender Representative or the Servicer to the Fiscal Agent and the Governmental Lender, and the Fiscal Agent shall be entitled to conclusively rely on any such written notice as to the occurrence and continuation of such a default).

(d) If a Requisition signed by an Authorized Officer of the Borrower and countersigned by an Authorized Officer of the Servicer (and the Bridge Lender with respect to a disbursement from the Bridge Loan Account) or (as permitted hereunder) solely by an Authorized Officer of the Servicer, is received by the Fiscal Agent, the requested disbursement shall be paid by the Fiscal Agent as soon as practicable, but in no event later than three (3) Business Days following receipt thereof by the Fiscal Agent. Upon final disbursement of all

amounts on deposit in the Project Loan Fund, including all interest accrued therein, the Fiscal Agent shall close the Project Loan Fund.

(e) Immediately prior to any mandatory prepayment of the Funding Loan pursuant to Section 3.01(b)(i) hereof, any amount then remaining in the Project Loan Fund shall, at the written direction of the Funding Lender Representative, be transferred to the Loan Prepayment Fund to pay amounts due on the Funding Loan, if any. In addition, any amount remaining in the Project Account of the Project Loan Fund following completion of the rehabilitation of the Project in accordance with the Continuing Covenant Agreement, evidenced by an instrument signed by the Funding Lender Representative or the Servicer, shall be transferred to the Loan Prepayment Fund and used to prepay the Funding Loan in accordance with Section 3.01(b)(ii) hereof, unless the Fiscal Agent receives an opinion of Bond Counsel (which shall also be addressed to the Funding Lender Representative) to the effect that a use of such money for other than prepayment of the Funding Loan will not adversely affect the tax exempt status of the Governmental Note; provided, that any amounts in the Project Account of the Project Loan Fund in excess of the amount needed to fund the related prepayment of the Funding Loan shall be transferred to the Rebate Fund. In the event there are funds remaining in the Borrower Equity Account following completion of the rehabilitation of the Project in accordance with the Continuing Covenant Agreement [and the Stabilization Requirements (as defined in the Continuing Covenant Agreement)] have been satisfied, evidenced by an instrument signed by the Funding Lender Representative, and provided no default by the Borrower exists under this Funding Loan Agreement or any Project Loan Document, such funds shall be paid by the Fiscal Agent to the Borrower at the written direction of the Funding Lender Representative or the Servicer.

(f) Amounts on deposit in the Project Loan Fund shall be invested as provided in Section 4.08 hereof. All Investment Income on amounts on deposit in the Project Loan Fund shall be retained in and credited to and become a part of the amounts on deposit in the Project Loan Fund, and shall constitute part of any transfers required by subsection (b) or (e) of this Section 4.02.

Section 4.03 Application of Revenues.

(a) All Revenues received by the Fiscal Agent shall be deposited by the Fiscal Agent, promptly upon receipt thereof, to the Revenue Fund, except (i) the proceeds of the Funding Loan received by the Fiscal Agent on the Delivery Date, which shall be applied in accordance with the provisions of Section 2.11 hereof; (ii) as otherwise specifically provided in subsection (c) of this Section 4.03 with respect to certain deposits into the Loan Prepayment Fund; (iii) with respect to Investment Income to the extent required under the terms hereof to be retained in the funds and accounts to which they are attributable; and (iv) with respect to amounts required to be transferred between funds and accounts as provided in this Article IV.

(b) Subject to Section 2.12 hereof, on each Interest Payment Date or any other date on which payment of principal of or interest on the Funding Loan becomes due and payable, the Fiscal Agent, out of money in the Revenue Fund, shall credit the following amounts to the following funds, but in the order and within the limitations hereinafter indicated with respect thereto, as follows:

FIRST: to the Loan Payment Fund, an amount equal to the principal of and interest due on the Funding Loan on such date (including scheduled principal pursuant to the Funding Loan Amortization Schedule); and

SECOND: to the Loan Prepayment Fund, an amount equal to the principal and interest due on the Funding Loan on such date with respect to a mandatory prepayment of all or a portion of the Funding Loan pursuant to Section 3.01(b) hereof (other than an extraordinary mandatory prepayment as described in Section 4.03(c)(i) or (iii) below).

(c) Promptly upon receipt, the Fiscal Agent shall deposit directly to the Loan Prepayment Fund (i) Net Proceeds representing casualty insurance proceeds or condemnation awards paid as a prepayment of the Project Loan, such amount to be applied to provide for the extraordinary mandatory prepayment of all or a portion of the Funding Loan pursuant to Section 3.01(b)(i) hereof; (ii) funds paid to the Fiscal Agent to be applied to the optional prepayment of all of the Funding Loan pursuant to Section 3.01(a); and (iii) amounts transferred to the Loan Prepayment Fund from the Project Loan Fund pursuant to Section 4.02(e) hereof.

(d) Subject to Section 2.12 hereof, should the amount in the Loan Payment Fund be insufficient to pay the amount due on the Funding Loan on any given Interest Payment Date, the Fiscal Agent shall credit to the Loan Payment Fund the amount of such deficiency by charging the following funds and accounts in the following order of priority: (1) the Revenue Fund; and (2) the Loan Prepayment Fund, except no such charge to the Loan Prepayment Fund shall be made from money to be used to effect a prepayment for which notice of prepayment has been provided for hereunder.

Section 4.04 Application of Loan Payment Fund. Subject to Section 2.12 hereof, the Fiscal Agent shall charge the Loan Payment Fund, on each Interest Payment Date, an amount equal to the unpaid interest and principal due on the Funding Loan on such Interest Payment Date as provided in Section 4.03(a) and (b), and shall cause the same to be applied to the payment of such interest and principal when due. Any money remaining in the Loan Payment Fund on any Interest Payment Date after application as provided in the preceding sentence may, to the extent there shall exist any deficiency in the Loan Prepayment Fund to prepay the Funding Loan if called for prepayment on such Interest Payment Date, be transferred to the Loan Prepayment Fund to be applied for such purpose.

Any Investment Income on amounts on deposit in the Loan Payment Fund shall be deposited by the Fiscal Agent upon receipt thereof in the Revenue Fund.

No amount shall be charged against the Loan Payment Fund except as expressly provided in this Article IV and in Section 6.05 hereof.

Section 4.05 Application of Loan Prepayment Fund. Any money credited to the Loan Prepayment Fund shall be applied as set forth in Sections 4.03(b) and 4.03(c) hereof; provided, however, that to the extent any money credited to the Loan Prepayment Fund is in excess of the amount necessary to effect the prepayments described in Sections 4.03(b) and 4.03(c) hereof it shall be applied to make up any deficiency in the Loan Payment Fund on any Interest Payment Date, to the extent money then available in accordance with Section 4.03(d) hereof in the Revenue Fund is insufficient to make up such deficiency; provided that no money

to be used to effect a prepayment for which a notice of prepayment has been provided shall be so transferred to the Loan Payment Fund.

On or before each Interest Payment Date, any Investment Income on amounts on deposit in the Loan Prepayment Fund shall be credited by the Fiscal Agent to the Revenue Fund.

No amount shall be charged against the Loan Prepayment Fund except as expressly provided in this Article IV and in Section 6.05 hereof.

Section 4.06 Administration Fund. Subject to Section 2.12 hereof, the Fiscal Agent shall deposit into the Administration Fund, promptly upon receipt thereof, all amounts received from the Servicer (or the Borrower and/or the Guarantor if no Servicer exists for the Loans) designated for deposit into such fund. Amounts in the Administration Fund shall be withdrawn or maintained, as appropriate, by the Fiscal Agent and used **FIRST**, to pay to the Fiscal Agent when due the Ordinary Fiscal Agent's Fees and Expenses; **SECOND**, to pay to the Governmental Lender when due the Ongoing Governmental Lender Fee; **THIRD**, to pay when due the reasonable fees and expenses of a Rebate Analyst in connection with the computations relating to arbitrage rebate required under this Funding Loan Agreement and the Project Loan Agreement, upon receipt of an invoice from the Rebate Analyst; **FOURTH**, to pay to the Fiscal Agent any Extraordinary Fiscal Agent's Fees and Expenses due and payable from time to time, as set forth in an invoice submitted to the Borrower and the Servicer; **FIFTH**, to pay to the Governmental Lender any extraordinary expenses it may incur in connection with the Loans or this Funding Loan Agreement from time to time, as set forth in an invoice submitted to the Fiscal Agent and the Servicer; **SIXTH**, to pay to the Funding Lender Representative any unpaid amounts due under the Continuing Covenant Agreement, as certified in writing by the Funding Lender Representative to the Fiscal Agent; **SEVENTH**, to make up any deficiency in the Loan Prepayment Fund on any prepayment date of the Funding Loan, to the extent money then available in accordance with Section 4.03(d) hereof in the Loan Prepayment Fund is insufficient to prepay the Funding Loan scheduled for prepayment on such prepayment date; and **EIGHTH**, to transfer any remaining balance not required for the forgoing purposes as aforesaid to the Revenue Fund.

In the event that the amounts on deposit in the Administration Fund are not equal to the amounts payable from the Administration Fund as provided in the preceding paragraph on any date on which such amounts are due and payable, the Fiscal Agent shall give written notice to the Borrower and the Servicer of such deficiency and of the amount of such deficiency and request payment within two (2) Business Days to the Fiscal Agent of the amount of such deficiency. Upon payment by the Borrower (or the Guarantor with respect to a deficiency in the payment to the Governmental Lender of the Subordinate Ongoing Governmental Lender Fee caused by the Surplus Cash Limitation (as defined in the following paragraph)) or the Servicer of such deficiency, the amounts for which such deficiency was requested shall be paid by the Fiscal Agent.

Notwithstanding anything in this Funding Loan Agreement to the contrary, in no event shall the Borrower use or be required to use more than 75% of Surplus Cash (as defined herein) then available toward the payment of the Subordinate Ongoing Governmental Lender Fee (the "Surplus Cash Limitation"). Notwithstanding the immediately preceding sentence, the Guarantor shall, pursuant to the Fee Payment Guaranty, be responsible for paying or causing to be paid any

and all deficiencies in the amount available to pay the Subordinate Ongoing Governmental Lender Fee as a result of the Surplus Cash Limitation. For the avoidance of doubt, the payment provisions relating to the Subordinate Ongoing Governmental Lender Fee are included in this Funding Loan Agreement solely as an administrative matter at the request of the Governmental Lender to provide a procedure for the collection and payment thereof to the Governmental Lender, and the obligation to pay the Subordinate Ongoing Governmental Lender Fee is solely an obligation (i) of the Borrower under the Subordinate Loan Documents, and (ii) upon a deficiency in the amount available to pay the Subordinate Ongoing Governmental Lender Fee as a result of the Surplus Cash Limitation, of the Guarantor under the Fee Payment Guaranty, and a failure to pay the Subordinate Ongoing Governmental Lender Fee, in whole or in part, shall not constitute a breach of an obligation or an Event of Default under this Funding Loan Agreement or any other Financing Document.

On or before each Interest Payment Date, any Investment Income on amounts on deposit in the Administration Fund not needed to pay the foregoing amounts shall be credited by the Fiscal Agent to the Revenue Fund.

No amount shall be charged against the Administration Fund except as expressly provided in this Article IV and Section 6.05 hereof.

Section 4.07 [Reserved].

Section 4.08 Investment of Funds. The money held by the Fiscal Agent shall constitute trust funds for the purposes hereof. Any money attributable to each of the funds and accounts hereunder shall be, except as otherwise expressly provided herein, invested by the Fiscal Agent, at the written direction of the Borrower (or, in the case of the Rebate Fund, as provided in Section 5.07(b)), in Qualified Investments which mature or shall be subject to prepayment or withdrawal at par without penalty on or prior to the earlier of (i) six months from the date of investment and (ii) the date such money is needed; provided, that if the Fiscal Agent shall have entered into any investment agreement requiring investment of money in any fund or account hereunder in accordance with such investment agreement and if such investment agreement constitutes a Qualified Investment, such money shall be invested in accordance with such requirements. Such investments may be made through the investment or securities department of the Fiscal Agent. The Fiscal Agent may purchase from or sell to itself or an affiliate, as principal or agent, securities herein authorized. The Fiscal Agent shall be entitled to assume, absent receipt by the Fiscal Agent of written notice to the contrary, that any investment which at the time of purchase is a Qualified Investment remains a Qualified Investment thereafter.

The Fiscal Agent may conclusively rely upon the Borrower's written instructions as to both the suitability and legality of the directed investments so long as the directed investment is a Qualified Investment. In the absence of investment instructions from the Borrower, the Fiscal Agent shall hold the moneys held by it hereunder uninvested.

Qualified Investments representing an investment of money attributable to any fund or account shall be deemed at all times to be a part of said fund or account, and, except as otherwise may be provided expressly in other Sections hereof, the interest thereon and any profit arising on the sale thereof shall be credited to the Revenue Fund, and any loss resulting on the sale thereof

shall be charged against the Revenue Fund. Such investments shall be sold at the best price obtainable (at least par) whenever it shall be necessary so to do in order to provide money to make any transfer, withdrawal, payment or disbursement from said fund or account. In the case of any required transfer of money to another such fund or account, such investments may be transferred to that fund or account in lieu of the required money if permitted hereby as an investment of money in that fund or account. The Fiscal Agent shall not be liable or responsible for any loss resulting from any investment made in accordance herewith.

The Governmental Lender acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory agency grant the Governmental Lender the right to receive brokerage confirmations of the security transactions as they occur, to the extent permitted by law, the Governmental Lender specifically waives compliance with 12 C.F.R. 12 and hereby notifies the Fiscal Agent hereunder, that no brokerage confirmations need be sent relating to the security transactions as they occur.

In computing for any purpose hereunder the amount in any fund or account on any date, obligations so purchased shall be valued at Fair Market Value.

Section 4.09 [Reserved].

Section 4.10 Accounting Records. The Fiscal Agent shall maintain accurate books and records for all funds and accounts established hereunder.

Section 4.11 Amounts Remaining in Funds. After full payment of the Funding Loan (or provision for payment thereof having been made in accordance with Section 9.01 hereof) and full payment of the fees, charges and expenses of the Governmental Lender, the Fiscal Agent, the Rebate Analyst, the Funding Lender and the Servicer and other amounts required to be paid hereunder or under any Project Loan Document, including, but not limited to, the Continuing Covenant Agreement (as certified in writing to the Fiscal Agent by the Governmental Lender with respect to amounts due to the Governmental Lender and by the Funding Lender Representative or the Servicer on its behalf with respect to amounts owed under the Continuing Covenant Agreement and by the Rebate Analyst with respect to amounts due to the Rebate Analyst), any amounts remaining in any fund or account hereunder other than the Rebate Fund shall be paid to the Borrower.

Section 4.12 Rebate Fund; Compliance with Tax Certificate. The Rebate Fund shall be established by the Fiscal Agent and held and applied as provided in this Section 4.12. On any date on which any amounts are required by applicable federal tax law to be rebated to the federal government, amounts shall be deposited into the Rebate Fund by the Borrower for such purpose. All money at any time deposited in the Rebate Fund shall be held by the Fiscal Agent in trust, to the extent required to satisfy the rebate requirement (as set forth in the Tax Certificate) and as calculated by the Rebate Analyst, for payment to the government of the United States of America, and neither the Governmental Lender, the Borrower nor the Funding Lender shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section 4.12 and by the Tax Certificate. The Fiscal Agent shall conclusively be deemed to have complied with such provisions if it follows the written instructions of the Governmental Lender, Bond Counsel or the Rebate Analyst, including supplying all necessary information in the manner set forth in the Tax Certificate, and shall not

be required to take any actions under the Tax Certificate in the absence of written instructions from the Governmental Lender, Bond Counsel or the Rebate Analyst.

Within 55 days of the end of each fifth Rebate Year, the Borrower shall cause the Rebate Analyst to calculate the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Treasury Regulations (taking into account any exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (e.g., the temporary investments exceptions of Section 148(f)(4)(B) and (C) of the Code)), for this purpose treating the last day of the applicable Rebate Year as a (computation) date, within the meaning of Section 1.148-1(b) of the Treasury Regulations (the “**Rebatable Arbitrage**”). Pursuant to Section 2.04 of the Project Loan Agreement, the Borrower shall cause the Rebate Analyst to provide such calculations to the Fiscal Agent and the Governmental Lender. In the event that the Borrower fails to provide such information to the Fiscal Agent and the Governmental Lender within 55 days of the end of each fifth Rebate Year, the Fiscal Agent, at the expense of the Borrower, shall select the Rebate Analyst, with the prior written approval of the Governmental Lender, and shall cause the Rebate Analyst to calculate the amount of rebatable arbitrage as required herein.

Within 55 days of the end of each fifth Rebate Year, upon the written direction of the Governmental Lender, Bond Counsel or the Rebate Analyst, an amount shall be deposited to the Rebate Fund by the Fiscal Agent from amounts provided by the Borrower, if and to the extent required so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with the preceding paragraph.

The Fiscal Agent shall pay, as directed by the Governmental Lender, Bond Counsel or the Rebate Analyst, to the United States Department of the Treasury, out of amounts in the Rebate Fund:

- (i) Not later than 60 days after the end of (A) the fifth Rebate Year, and (B) each applicable fifth Rebate Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Rebate Year; and
- (ii) Not later than 60 days after the payment in whole of the Funding Loan, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Rebate Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code.

Each payment required to be made under this Section shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 (or such other address provided in such direction), on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, which shall be prepared by the Rebate Analyst and provided to the Fiscal Agent.

Notwithstanding any provision of this Funding Loan Agreement to the contrary, the obligation to remit payment of the Rebatable Arbitrage to the United States of America and to comply with all other requirements of Sections 2.04 and 4.03 of the Project Loan Agreement and this Section 4.12, and the requirements of the Tax Certificate shall survive the defeasance or payment in full of the Funding Loan.

Any funds remaining in the Rebate Fund after payment in full of the Funding Loan and payment and satisfaction of any Rebate Requirement, or provision made therefor satisfactory to the Fiscal Agent, shall be withdrawn and remitted to the Borrower.

The Fiscal Agent shall obtain and keep such records of the computations made pursuant to this Section 4.12 as are required under Section 148(f) of the Code to the extent furnished to the Fiscal Agent. The Borrower shall or shall cause the Rebate Analyst to provide to the Governmental Lender and the Fiscal Agent copies of all rebate computations made pursuant to this Section 4.12. The Fiscal Agent shall keep and make available to the Borrower such records concerning the investments of the gross proceeds of the Funding Loan and the investments of earnings from those investments made by the Fiscal Agent as may be requested by the Borrower in order to enable the Borrower to cause the Rebate Analyst to make the aforesaid computations as are required under Section 148(f) of the Code.

Notwithstanding the foregoing, the computations and payments of Rebatable Arbitrage need not be made to the extent that neither the Governmental Lender nor the Borrower will thereby fail to comply with any requirements of Section 148(f) of the Code based on an opinion of Bond Counsel, to the effect that such failure will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Governmental Note, a copy of which shall be provided to the Fiscal Agent and the Funding Lender Representative, at the expense of the Borrower.

Section 4.13 Cost of Issuance Fund. The Fiscal Agent shall use money on deposit to the credit of the Cost of Issuance Fund to pay the costs of issuance on the Delivery Date or as soon as practicable thereafter in accordance with a Requisition in the form of Exhibit D to be given to the Fiscal Agent by the Borrower on the Delivery Date, along with appropriate invoices for such expenses. Amounts in the Cost of Issuance Fund funded with proceeds of the Funding Loan, if any, shall be expended prior to the application of the Costs of Issuance Deposit. Investment Income on amounts on deposit in the Cost of Issuance Fund shall be retained in such fund. Amounts remaining on deposit in the Cost of Issuance Fund six (6) months after the Delivery Date shall be transferred to the Borrower. Upon such final disbursement, the Fiscal Agent shall close the Cost of Issuance Fund.

Section 4.14 Reports From the Fiscal Agent. The Fiscal Agent shall, on or before the fifteenth (15th) day of each month, file with the Funding Lender Representative, the Servicer, the Governmental Lender (at its written request) and the Borrower a statement setting forth in respect of the preceding calendar month:

- (i) the amount withdrawn or transferred by it, and the amount deposited within or on account of each fund and account held by it under the provisions of this Funding Loan Agreement, including the amount of investment income on each fund and account;
- (ii) the amount on deposit with it at the end of such month to the credit of each fund and account;
- (iii) a brief description of all obligations held by it as an investment of money in each such fund and account; and

(iv) any other information which the Funding Lender Representative or the Governmental Lender may reasonably request and to which the Fiscal Agent has access in the ordinary course of its operations.

Upon the written request of the Funding Lender, the Fiscal Agent, at the cost of the Borrower, shall provide a copy of such statement to Funding Lender. All records and files pertaining to the Pledged Security shall be open at all reasonable times to the inspection of the Governmental Lender and the Funding Lender Representative or the Servicer and their agents and representatives upon reasonable prior notice during normal business hours.

ARTICLE V

GENERAL COVENANTS AND REPRESENTATIONS

Section 5.01 Payment of Principal and Interest. The Governmental Lender covenants that it will promptly pay or cause to be paid, but only from the sources identified herein, sufficient amounts to provide for the payment of the principal of, premium, if any, and interest on the Funding Loan at the place, on the dates and in the manner provided herein and in the Governmental Note, according to the true intent and meaning thereof.

Section 5.02 Performance of Covenants. The Governmental Lender covenants that it will faithfully perform at all times any and all of its covenants, undertakings, stipulations and provisions contained in this Funding Loan Agreement, in the Governmental Note and in all proceedings pertaining thereto.

Section 5.03 Instruments of Further Assurance. The Governmental Lender covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such supplements hereto, and such further acts, instruments and transfers as may be reasonably required for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Fiscal Agent all and singular its interest in the property herein described and the revenues, receipts and other amounts pledged hereby to the payment of the principal of, premium, if any, and interest on the Funding Loan. Any and all interest in property hereafter acquired which is of any kind or nature herein provided to be and become subject to the lien hereof shall and without any further conveyance, assignment or act on the part of the Governmental Lender or the Fiscal Agent, become and be subject to the lien of this Funding Loan Agreement as fully and completely as though specifically described herein, but nothing in this sentence contained shall be deemed to modify or change the obligations of the Governmental Lender under this Section 5.03. The Governmental Lender covenants and agrees that, except as herein otherwise expressly provided, it has not and will not sell, convey, mortgage, encumber or otherwise dispose of any part of its interest in the Pledged Security or the revenues or receipts therefrom.

The Governmental Lender will promptly notify the Fiscal Agent, the Funding Lender Representative and the Servicer in writing of the occurrence of any of the following:

(i) the submission of any claim or the initiation of any legal process, litigation or administrative or judicial investigation against the Governmental Lender with respect to the Loans of which the Governmental Lender has actual knowledge;

(ii) any change in the location of the Governmental Lender's principal office or any change in the location of the Governmental Lender's books and records relating to the transactions contemplated hereby;

(iii) the occurrence of any default or Event of Default of which the Governmental Lender has actual knowledge;

(iv) the commencement of any proceedings or any proceedings instituted by or against the Governmental Lender in any federal, state or local court or before any governmental body or agency, or before any arbitration board, relating to the Notes of which the Governmental Lender has actual knowledge; or

(v) the commencement of any proceedings by or against the Governmental Lender under any applicable bankruptcy, reorganization, liquidation, rehabilitation, insolvency or other similar law now or hereafter in effect or of any proceeding in which a receiver, liquidator, conservator, trustee or similar official shall have been, or may be, appointed or requested for the Governmental Lender or any of its assets relating to the Loans of which the Governmental Lender has actual knowledge.

Section 5.04 Inspection of Project Books. The Governmental Lender covenants and agrees that all books and documents in its possession relating to the Project shall, upon reasonable prior written notice, during normal business hours, be open to inspection and copying by such accountants or other agents as the Fiscal Agent or the Funding Lender Representative may from time to time reasonably designate.

Section 5.05 No Modification of Security; Additional Indebtedness. The Governmental Lender covenants to and for the benefit of the Funding Lender that it will not, without the prior written consent of the Funding Lender Representative, take any of the following actions:

(i) alter, modify or cancel, or agree to consent to alter, modify or cancel any agreement to which the Governmental Lender is a party, or which has been assigned to the Governmental Lender, and which relates to or affects the security for the Loans or the payment of any amount owed under the Financing Documents; or

(ii) create or suffer to be created any lien upon the Pledged Security or any part thereof other than the lien created hereby and by the Security Instrument.

Section 5.06 Damage, Destruction or Condemnation. Net Proceeds resulting from casualty to or condemnation of the Project shall be applied as provided in the Continuing Covenant Agreement and, to the extent consistent therewith, Section 3.01(b)(i) hereof.

Section 5.07 Tax Covenants.

(a) *Governmental Lender's Covenants.* The Governmental Lender covenants to and for the benefit of the Funding Lender that it will:

(i) neither make or use nor cause to be made or used any investment or other use of the proceeds of the Funding Loan or the money and investments held in the funds

and accounts in any manner which would cause the Governmental Note to be an “arbitrage bond” under Section 148 of the Code and the Regulations issued under Section 148 of the Code (the “**Regulations**”) or which would otherwise cause the interest payable on the Governmental Note to be includable in gross income for federal income tax purposes;

(ii) enforce or cause to be enforced all obligations of the Borrower under the Tax Regulatory Agreement in accordance with its terms;

(iii) not take or cause to be taken any other action or actions, or fail to take any action or actions, if the same would cause the interest payable on the Governmental Note to be includable in gross income for federal income tax purposes;

(iv) at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Governmental Lender on the Funding Loan will be excluded from the gross income for federal income tax purposes, of the Funding Lender pursuant to the Code, except in the event where the Funding Lender is a “substantial user” of the facilities financed with the Loans or a “related person” within the meaning of the Code; and

(v) not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Governmental Note to be “federally guaranteed” within the meaning of Section 149(b) of the Code and the Regulations.

In furtherance of the covenants in this Section 5.07, the Governmental Lender and the Borrower shall execute, deliver and comply with the provisions of the Tax Certificate, which is by this reference incorporated into this Funding Loan Agreement and made a part of this Funding Loan Agreement as if set forth in this Funding Loan Agreement in full, and by its acceptance of this Funding Loan Agreement the Fiscal Agent acknowledges receipt of the Tax Certificate and acknowledges its incorporation into this Funding Loan Agreement by this reference and agrees to comply with the terms specifically applicable to it.

(b) *Fiscal Agent’s Covenants.* The Fiscal Agent agrees that it will invest funds held under this Funding Loan Agreement in accordance with the covenants and terms of this Funding Loan Agreement and the Tax Certificate (this covenant shall extend through the term of the Funding Loan, to all funds and accounts created under this Funding Loan Agreement and all money on deposit to the credit of any such fund or account). The Fiscal Agent covenants to and for the benefit of the Funding Lender that, notwithstanding any other provisions of this Funding Loan Agreement or of any other Financing Document, it will not knowingly make or cause to be made any investment or other use of the money in the funds or accounts created hereunder which would cause the Governmental Note to be classified as an “arbitrage bond” within the meaning of Sections 103(b) and 148 of the Code or would cause the interest on the Governmental Note to be includable in gross income for federal income tax purposes; provided that the Fiscal Agent shall be deemed to have complied with such requirements and shall have no liability to the extent it reasonably follows the written directions of the Borrower, the Governmental Lender, the Funding Lender Representative, Bond Counsel or the Rebate Analyst. This covenant shall extend, throughout the term of the Funding Loan, to all funds created under this Funding Loan

Agreement and all money on deposit to the credit of any such fund. Pursuant to this covenant, with respect to the investments of the funds and accounts under this Funding Loan Agreement, the Fiscal Agent obligates itself to comply throughout the term of the Funding Loan with the requirements of Sections 103(b) and 148 of the Code; provided that the Fiscal Agent shall be deemed to have complied with such requirements and shall have no liability to the extent it reasonably follows the written directions of the Borrower, the Governmental Lender, Bond Counsel or the Rebate Analyst. The Fiscal Agent further covenants that should the Governmental Lender or the Borrower file with the Fiscal Agent (it being understood that neither the Governmental Lender nor the Borrower has an obligation to so file), or should the Fiscal Agent receive, an opinion of Bond Counsel to the effect that any proposed investment or other use of proceeds of the Funding Loan would cause the Governmental Note to become an “arbitrage bond,” then the Fiscal Agent will comply with any written instructions of the Governmental Lender, the Borrower, the Funding Lender Representative or Bond Counsel regarding such investment (which shall, in any event, be a Qualified Investment) or use so as to prevent the Governmental Note from becoming an “arbitrage bond,” and the Fiscal Agent will bear no liability to the Governmental Lender, the Borrower, the Funding Lender or the Funding Lender Representative for investments made in accordance with such instructions.

Section 5.08 Representations and Warranties of the Governmental Lender. The Governmental Lender hereby represents and warrants as follows:

- (a) The Governmental Lender is a public body corporate and politic duly created, organized and existing under the laws of the State.
- (b) The Governmental Lender has all necessary power and authority to issue the Governmental Note and to execute and deliver this Funding Loan Agreement, the Project Loan Agreement and the other Financing Documents to which it is a party, and to perform its duties and discharge its obligations hereunder and thereunder.
- (c) The revenues and assets pledged for the repayment of the Funding Loan are and will be free and clear of any pledge, lien or encumbrance prior to, or equal with, the pledge created by this Funding Loan Agreement, and all action on the part of the Governmental Lender to that end has been duly and validly taken.
- (d) The Financing Documents to which the Governmental Lender is a party have been validly authorized, executed and delivered by the Governmental Lender, and assuming due authorization, execution and delivery by the other parties hereto and thereto, constitute valid and binding obligations of the Governmental Lender, enforceable against the Governmental Lender in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium or other laws affecting creditors’ rights generally and the application of equitable principles.

ARTICLE VI

DEFAULT PROVISIONS AND REMEDIES OF FISCAL AGENT AND FUNDING LENDER

Section 6.01 Events of Default. Each of the following shall be an event of default with respect to the Funding Loan (an “Event of Default”) under this Funding Loan Agreement:

(a) failure to pay the principal of, premium, if any, or interest on the Funding Loan when due, whether on an Interest Payment Date, at the stated maturity thereof, by proceedings for prepayment thereof, by acceleration or otherwise; or

(b) failure to observe the covenants set forth in Section 5.05 hereof; or

(c) failure to observe or perform any of the covenants, agreements or conditions on the part of the Governmental Lender (other than those set forth in Sections 5.01 and 5.05 hereof) set forth in this Funding Loan Agreement or in the Governmental Note and the continuance thereof for a period of thirty (30) days (or such longer period, if any, as is specified herein for particular defaults) after written notice thereof to the Governmental Lender from the Fiscal Agent or the Funding Lender Representative specifying such default and requiring the same to be remedied; provided that if such default cannot be cured within such thirty (30) day period through the exercise of diligence and the Governmental Lender commences the required cure within such thirty (30) day period and continues the cure with diligence and the Governmental Lender reasonably anticipates that the default could be cured within sixty (60) days, the Governmental Lender shall have sixty (60) days following receipt of such notice to effect the cure; or

(d) receipt by the Fiscal Agent of written notice from the Funding Lender Representative of the occurrence of an “Event of Default” under the Project Loan Agreement or the Continuing Covenant Agreement.

The Fiscal Agent will promptly notify the Borrower, the Governmental Lender, the Servicer and the Funding Lender Representative in writing after a Responsible Officer obtains actual knowledge of the occurrence of an Event of Default or obtains actual knowledge of the occurrence of an event which would become an Event of Default with the passage of time or the giving of notice or both.

Section 6.02 Acceleration; Other Remedies Upon Event of Default.

Upon the occurrence of an Event of Default, the Fiscal Agent shall, upon the written request of the Funding Lender Representative, by notice in writing delivered to the Governmental Lender, declare the principal of the Funding Loan and the interest accrued thereon immediately due and payable, and interest shall continue to accrue thereon until such amounts are paid.

At any time after the Funding Loan shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or

entered, the Fiscal Agent may, but only if directed in writing by the Funding Lender Representative, by written notice to the Governmental Lender and the Fiscal Agent, rescind and annul such declaration and its consequences if the Governmental Lender or the Borrower shall pay to or deposit with the Fiscal Agent a sum sufficient to pay all principal on the Funding Loan then due (other than solely by reason of such declaration) and all unpaid installments of interest (if any) on the Funding Loan then due, with interest at the rate borne by the Funding Loan on such overdue principal and (to the extent legally enforceable) on such overdue installments of interest, and the reasonable fees and expenses of the Fiscal Agent (including its counsel) shall have been made good or cured or adequate provision shall have been made therefor, and all outstanding amounts then due and unpaid under the Financing Documents (collectively, the “**Cure Amount**”) shall have been paid in full, and all other defaults hereunder shall have been made good or cured or waived in writing by the Funding Lender Representative; but no such rescission and annulment shall extend to or shall affect any subsequent default, nor shall it impair or exhaust any right or power consequent thereon.

Upon the occurrence and during the continuance of an Event of Default, the Fiscal Agent in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the Funding Lender, may also proceed to protect and enforce any rights of the Fiscal Agent and, to the full extent that the Funding Lender itself might do, the rights of the Funding Lender under the laws of the State or under this Funding Loan Agreement by such of the following remedies as the Fiscal Agent shall deem most effectual to protect and enforce such rights; provided that, the Fiscal Agent may undertake any such remedy only upon the receipt of the prior written consent of the Funding Lender Representative (which consent may be given in the sole discretion of the Funding Lender Representative):

- (i) by mandamus or other suit, action or proceeding at law or in equity, to enforce the payment of the principal of, premium, if any, or interest on the Funding Loan and to require the Governmental Lender to carry out any covenants or agreements with or for the benefit of the Funding Lender and to perform its duties under the Act, this Funding Loan Agreement, the Project Loan Agreement or the Tax Regulatory Agreement (as applicable) to the extent permitted under the applicable provisions thereof;
- (ii) by pursuing any available remedies under the Project Loan Agreement, the Tax Regulatory Agreement or any other Financing Document;
- (iii) by realizing or causing to be realized through sale or otherwise upon the security pledged hereunder; and
- (iv) by action or suit in equity enjoin any acts or things that may be unlawful or in violation of the rights of the Funding Lender and execute any other papers and documents and do and perform any and all such acts and things as may be necessary or advisable in the opinion of the Fiscal Agent in order to have the claim of the Funding Lender against the Governmental Lender allowed in any bankruptcy or other proceeding.

No remedy by the terms of this Funding Loan Agreement conferred upon or reserved to the Fiscal Agent or to the Funding Lender is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Fiscal Agent or the Funding Lender hereunder or under the Project Loan Agreement,

the Tax Regulatory Agreement, the Continuing Covenant Agreement or any other Financing Document, as applicable, or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default hereunder, whether by the Fiscal Agent or the Funding Lender, shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereto.

Section 6.03 Funding Lender Representative Control of Proceedings. If an Event of Default has occurred and is continuing, notwithstanding anything to the contrary herein, the Funding Lender Representative shall have the sole and exclusive right at any time to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Funding Loan Agreement, or for the appointment of a receiver or any other proceedings hereunder, in accordance with the provisions of law and of this Funding Loan Agreement. In addition, subject to Section 7.06 of the Project Loan Agreement, the Funding Lender Representative shall have the sole and exclusive right at any time to directly enforce all rights and remedies hereunder and under the other Financing Documents with or without the involvement of the Fiscal Agent or the Governmental Lender (and in connection therewith the Fiscal Agent shall transfer or assign to the Funding Lender Representative all of its interest in the Pledged Security at the request of the Funding Lender Representative). In no event shall the exercise of any of the foregoing rights result in an acceleration of the Funding Loan without the express direction of the Funding Lender Representative.

Section 6.04 Waiver by Governmental Lender. Upon the occurrence of an Event of Default, to the extent that such right may then lawfully be waived, neither the Governmental Lender nor anyone claiming through or under it shall set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or prepayment laws now or hereinafter in force, in order to prevent or hinder the enforcement of this Funding Loan Agreement; and the Governmental Lender, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws and all right of appraisement and prepayment to which it may be entitled under the laws of the State and the United States of America.

Section 6.05 Application of Money After Default. All money collected by the Fiscal Agent at any time pursuant to this Article shall, except to the extent, if any, otherwise directed by a court of competent jurisdiction, be credited by the Fiscal Agent to the Revenue Fund. Such money so credited to the Revenue Fund and all other money from time to time credited to the Revenue Fund shall at all times be held, transferred, withdrawn and applied as prescribed by the provisions of Article IV hereof and this Section 6.05.

In the event that at any time the money credited to the Revenue Fund, the Loan Payment Fund and the Loan Prepayment Fund available for the payment of interest or principal then due with respect to the Governmental Note shall be insufficient for such payment, such money shall be applied as follows and in the following order of priority:

- (a) For payment of all amounts due to the Fiscal Agent incurred in performance of its duties under this Funding Loan Agreement, including, without

limitation, the payment of all reasonable fees and expenses of the Fiscal Agent incurred in exercising any remedies under this Funding Loan Agreement.

(b) To the extent directed in writing by the Funding Lender Representative, to the reimbursement of any unreimbursed advances made by or on behalf of the Funding Lender pursuant to the Continuing Covenant Agreement or the Security Instrument.

(c) Unless the full principal amount of the Funding Loan shall have become or have been declared due and payable:

FIRST: to the Funding Lender, all installments of interest then due on the Funding Loan in the order of the maturity of such installments; and

SECOND: to the Funding Lender, unpaid principal of and premium, if any, on the Funding Loan which shall have become due, whether at maturity or by call for repayment, in the order in which they became due and payable.

(d) If the full principal amount of the Governmental Note shall have become or have been declared due and payable, to the Funding Lender for the payment of the principal of, premium, if any, and interest then due and unpaid on the Funding Loan without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest.

Section 6.06 Remedies Not Exclusive. No right or remedy conferred upon or reserved to the Fiscal Agent, the Funding Lender or the Funding Lender Representative by the terms of this Funding Loan Agreement is intended to be exclusive of any other right or remedy, but each and every such remedy shall be cumulative and shall be in addition to every other right or remedy given to the Fiscal Agent, the Funding Lender or the Funding Lender Representative under this Funding Loan Agreement or existing at law or in equity or by statute (including the Act).

Section 6.07 Fiscal Agent May Enforce Rights Without Governmental Note. All rights of action and claims, including the right to file proof of claims, under this Funding Loan Agreement may be prosecuted and enforced by the Fiscal Agent at the written direction of the Funding Lender Representative without the possession of the Governmental Note or the production thereof in any trial or other proceedings relating thereto. Subject to the rights of the Funding Lender Representative to direct proceedings hereunder, any such suit or proceeding instituted by the Fiscal Agent shall be brought in its name as Fiscal Agent without the necessity of joining as plaintiffs or defendants any Funding Lender, and any recovery or judgment shall be for the benefit as provided herein of the Funding Lender.

Section 6.08 [Reserved].

Section 6.09 Termination of Proceedings. In case the Fiscal Agent (at the written direction of the Funding Lender Representative) or the Funding Lender Representative shall have proceeded to enforce any right under this Funding Loan Agreement by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the

Governmental Lender, the Fiscal Agent, the Funding Lender Representative, the Borrower and the Funding Lender shall be restored to their former positions and rights hereunder with respect to the Pledged Security herein conveyed, and all rights, remedies and powers of the Fiscal Agent and the Funding Lender Representative shall continue as if no such proceedings had been taken.

Section 6.10 Waivers of Events of Default. The Fiscal Agent shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on the Funding Loan upon the written direction of the Funding Lender Representative. In case of any such waiver or rescission, or in case any proceeding taken by the Fiscal Agent on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Governmental Lender, the Fiscal Agent, the Borrower, the Servicer, the Funding Lender Representative and the Funding Lender shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereto.

Section 6.11 Interest on Unpaid Amounts and Default Rate for Nonpayment. In the event that principal of or interest payable on the Funding Loan is not paid when due, there shall be payable on the amount not timely paid, on each Interest Payment Date, interest at the Default Rate, to the extent permitted by law. Interest on the Funding Loan shall accrue at the Default Rate until the unpaid amount, together with interest thereon, shall have been paid in full.

Section 6.12 Assignment of Project Loan; Remedies Under the Project Loan.

(a) The Funding Lender Representative shall have the right, with respect to the Project Loan, in its sole and absolute discretion, without directing the Fiscal Agent to effect an acceleration of the Funding Loan, to instruct the Fiscal Agent in writing to assign the Project Note, the Security Instrument and the other Project Loan Documents to the Funding Lender Representative, in which event the Fiscal Agent shall (a) endorse and deliver the Project Note to the Funding Lender Representative and assign (in recordable form) the Security Instrument, (b) execute and deliver to the Funding Lender Representative all documents prepared by the Funding Lender Representative necessary to assign (in recordable form) all other Project Loan Documents to the Funding Lender Representative and (c) execute all such documents prepared by the Funding Lender Representative as are necessary to legally and validly effectuate the assignments provided for in the preceding clauses (a) and (b). The Fiscal Agent's assignments to the Funding Lender Representative pursuant to this Section 6.12 shall be without recourse or warranty except that the Fiscal Agent shall represent and warrant in connection therewith (A) that the Fiscal Agent has not previously endorsed or assigned any such documents or instruments and (B) that the Fiscal Agent has the corporate authority to endorse and assign such documents and instruments and such endorsements and assignments have been duly authorized.

(b) The Funding Lender Representative shall have the right, in its own name or on behalf of the Governmental Lender or the Fiscal Agent, to declare any default and exercise any remedies under the Project Loan Agreement, the Project Note or the Security Instrument, whether or not the Governmental Note has been accelerated or declared due and payable by reason of an Event of Default or the occurrence of a mandatory prepayment.

Section 6.13 Substitution. Upon receipt of written notice from the Funding Lender Representative and the approval and consent of the Governmental Lender, as and to the extent

permitted under the Tax Regulatory Agreement, the Fiscal Agent shall exchange the Project Note and the Security Instrument for a new Project Note and Security Instrument, evidencing and securing the loan, as assumed (the “New Project Loan”), which may be executed by a person other than the Borrower (the “New Borrower”), provided that if the Fiscal Agent, the Funding Lender or a nominee of the Fiscal Agent or the Funding Lender has acquired the Project through foreclosure, by accepting a deed in lieu of foreclosure or by comparable conversion of the Project, no approval from the Governmental Lender of such exchange shall be required. Prior to accepting a New Project Loan, the Fiscal Agent shall have received (i) written evidence that the New Borrower shall have executed and recorded a document substantially in the form of the Tax Regulatory Agreement (or executed and recorded an assumption of all of the Borrower’s obligations under the Tax Regulatory Agreement in form and substance acceptable to the Governmental Lender and approved by its governing body) and that the Project Loan Documents have been modified as necessary to be applicable to the New Project Loan, and (ii) an opinion of Bond Counsel, to the effect that such exchange and modification, in and of itself, shall not affect the exclusion, from gross income, for federal income tax purposes of the interest payable on the Governmental Note.

ARTICLE VII

CONCERNING THE FISCAL AGENT

Section 7.01 Standard of Care. The Fiscal Agent, prior to an Event of Default as defined in Section 6.01 hereof and after the curing or waiver of all such events which may have occurred (i) shall perform such duties and only such duties as are specifically set forth in this Funding Loan Agreement, and (ii) no implied covenants or obligations should be read into this Funding Loan Agreement against the Fiscal Agent. The Fiscal Agent, during the existence of any such Event of Default (which shall not have been cured or waived), shall exercise such rights and powers vested in it by this Funding Loan Agreement and use the same degree of care and skill in its exercise as a prudent Person would exercise or use under similar circumstances in the conduct of such Person’s own affairs.

The permissive right of the Fiscal Agent to do things enumerated in this Funding Loan Agreement or the Project Loan Agreement shall not be construed as a duty. No provision of this Funding Loan Agreement shall be construed to relieve the Fiscal Agent from liability for its own negligence or willful misconduct, except that:

(a) prior to an Event of Default hereunder, and after the curing or waiver of all such Events of Default which may have occurred:

(i) the duties and obligations of the Fiscal Agent shall be determined solely by the express provisions of this Funding Loan Agreement, and the Fiscal Agent shall not be liable except with regard to the performance of such duties and obligations as are specifically set forth in this Funding Loan Agreement; and

(ii) in the absence of bad faith on the part of the Fiscal Agent, the Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion

furnished to the Fiscal Agent by the Person or Persons authorized to furnish the same;

(b) at all times, regardless of whether or not any such Event of Default shall exist:

(i) the Fiscal Agent shall not be liable for any error of judgment made in good faith by an officer or employee of the Fiscal Agent except for willful misconduct or negligence by the officer or employee of the Fiscal Agent as the case may be; and

(ii) the Fiscal Agent shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Funding Lender Representative relating to the time, method and place of conducting any proceeding for any remedy available to the Fiscal Agent, or exercising any trust or power conferred upon the Fiscal Agent under this Funding Loan Agreement.

Before taking any action under this Funding Loan Agreement relating to an Event of Default or in connection with its duties under this Funding Loan Agreement other than making payments of principal and interest on the Governmental Note as they become due or causing an acceleration of the Governmental Note whenever required by the Funding Loan Agreement, the Fiscal Agent may require that satisfactory indemnity be furnished to it for the reimbursement of all expenses to which it may be put and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances, but except for liability which is adjudicated to have resulted from the Fiscal Agent's own negligence or willful misconduct in connection with any action so taken.

When the Fiscal Agent incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 7.02 Reliance Upon Documents. Except as otherwise provided in Section 7.01 hereof:

(a) the Fiscal Agent may rely upon the authenticity or truth of the statements and the correctness of the opinions expressed in, and shall be protected in acting and relying upon any resolution, certificate, statement, instrument, opinion (including an opinion of independent counsel), report, notice, notarial seal, stamp, affidavit, letter, telegram acknowledgment, verification, request, consent, order, bond or other paper or document in good faith deemed by it to be genuine and correct and to have been signed or sent by the proper party or parties, including any Electronic Notice as permitted hereunder or under the Project Loan Agreement;

(b) any notice, request, direction, election, order or demand of the Governmental Lender mentioned herein shall be sufficiently evidenced by an instrument

signed in the name of the Governmental Lender by an Authorized Officer of the Governmental Lender (unless other evidence in respect thereof be herein specifically prescribed), and any resolution of the Governmental Lender may be evidenced to the Fiscal Agent by a copy of such resolution duly certified by an Authorized Officer of the Governmental Lender;

(c) any notice, request, certificate, statement, requisition, direction, election, order or demand of the Borrower mentioned herein shall be sufficiently evidenced by an instrument purporting to be signed in the name of the Borrower by any Authorized Officer of the Borrower (unless other evidence in respect thereof be herein specifically prescribed), and any resolution or certification of the Borrower may be evidenced to the Fiscal Agent by a copy of such resolution duly certified by a secretary or other authorized representative of the Borrower;

(d) any notice, request, certificate, statement, requisition, direction, election, order or demand of the Servicer mentioned herein shall be sufficiently evidenced by an instrument signed in the name of the Servicer by an Authorized Officer of the Servicer (unless other evidence in respect thereof be herein specifically prescribed);

(e) any notice, request, direction, election, order or demand of the Funding Lender Representative mentioned herein shall be sufficiently evidenced by an instrument purporting to be signed in the name of the Funding Lender Representative by any Authorized Officer of the Funding Lender Representative (unless other evidence in respect thereof be herein specifically prescribed);

(f) [Intentionally Omitted];

(g) [Intentionally Omitted];

(h) in the administration of the trusts of this Funding Loan Agreement, (i) the Fiscal Agent may execute any of the trusts or powers hereby granted directly or through its agents, custodians, nominees, receivers or attorneys appointed with due care, and (ii) the Fiscal Agent may consult with counsel (who may be counsel for the Governmental Lender, the Servicer or the Funding Lender Representative) concerning all matters of trusts hereof and duties hereunder, and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the opinion of such counsel;

(i) whenever in the administration of the trusts of this Funding Loan Agreement, the Fiscal Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or permitting any action hereunder, such matters (unless other evidence in respect thereof be herein specifically prescribed), may in the absence of negligence or willful misconduct on the part of the Fiscal Agent, be deemed to be conclusively proved and established by a certificate of an officer or authorized agent of the Governmental Lender or the Borrower and such certificate shall in the absence of bad faith on the part of the Fiscal Agent be full warrant to the Fiscal Agent for any action taken or permitted by it under the provisions of this Funding Loan Agreement, but in its

discretion the Fiscal Agent may in lieu thereof accept other evidence of such matter or may require such further or additional evidence as it may deem reasonable;

(j) the recitals herein and in the Governmental Note (except the Fiscal Agent's certificate of authentication thereon) shall not be considered as made by or imposing any obligation or liability upon the Fiscal Agent. The Fiscal Agent makes no representations as to the value or condition of the Pledged Security or any part thereof, or as to the title of the Governmental Lender or the Borrower to the Pledged Security, or as to the security of this Funding Loan Agreement, or of the Governmental Note issued hereunder, and the Fiscal Agent shall incur no liability or responsibility in respect of any of such matters;

(k) the Fiscal Agent shall not be personally liable for debts contracted or liability for damages incurred in the management or operation of the Pledged Security except for its own willful misconduct or negligence; and every provision of this Funding Loan Agreement relating to the conduct or affecting the liability of or affording protection to the Fiscal Agent shall be subject to the provisions of this Section 7.02(k);

(l) the Fiscal Agent shall not be required to ascertain or inquire as to the performance or observance of any of the covenants or agreements (except to the extent they obligate the Fiscal Agent) herein or in any contracts or securities assigned or conveyed to or pledged with the Fiscal Agent hereunder, except Events of Default that are evident under Section 6.01(a) hereof. The Fiscal Agent shall not be required to take notice or be deemed to have notice or actual knowledge of any default or Event of Default specified in Section 6.01 hereof (except defaults under Section 6.01(a) hereof to the extent they are collecting loan payments hereunder) unless the Fiscal Agent shall receive from the Governmental Lender or the Funding Lender Representative written notice stating that a default or Event of Default has occurred and specifying the same, and in the absence of such notice the Fiscal Agent may conclusively assume that there is no such default. Every provision contained in this Funding Loan Agreement or related instruments or in any such contract or security wherein the duty of the Fiscal Agent depends on the occurrence and continuance of such default shall be subject to the provisions of this Section 7.02(l);

(m) the Fiscal Agent shall be under no duty to confirm or verify any financial or other statements or reports or certificates furnished pursuant to any provisions hereof, except to the extent such statement or reports are furnished by or under the direction of the Fiscal Agent, and shall be under no other duty in respect of the same except to retain the same in its files and permit the inspection of the same at reasonable times by the Funding Lender; and

(n) the Fiscal Agent shall be under no obligation to exercise those rights or powers vested in it by this Funding Loan Agreement, other than such rights and powers which it shall be obliged to exercise in the ordinary course of acting as Fiscal Agent under the terms and provisions of this Funding Loan Agreement and as required by law, at the request or direction of the Funding Lender Representative pursuant to Section 6.03 hereof, unless the Funding Lender Representative shall have offered to the Fiscal Agent

reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in the compliance with such request or direction.

None of the provisions contained in this Funding Loan Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

The Fiscal Agent is authorized and directed to execute in its capacity as Fiscal Agent, the Project Loan Agreement and the Tax Regulatory Agreement and shall have no responsibility or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the delivery of the Governmental Note. In acting or omitting to act pursuant to the Project Loan Agreement, the Tax Regulatory Agreement or any other documents executed in connection herewith, the Fiscal Agent shall be entitled to all of the rights, immunities and indemnities accorded to it under this Funding Loan Agreement, including, but not limited to, this Article VII.

The Fiscal Agent or any of its affiliates may act as advisor or sponsor with respect to any Qualified Investments.

The Fiscal Agent agrees to accept and act upon Electronic Notice of written instructions and/or directions pursuant to this Funding Loan Agreement.

Any resolution, certification, notice, request, direction, election, order or demand delivered to the Fiscal Agent pursuant to this Section 7.02 shall remain in effect until the Fiscal Agent receives written notice to the contrary from the party that delivered such instrument accompanied by revised information for such party.

The Fiscal Agent shall have no responsibility for the value of any collateral or with respect to the perfection or priority of any security interest in any collateral except as otherwise provided in Section 7.17 hereof.

Section 7.03 Use of Proceeds. The Fiscal Agent shall not be accountable for the use or application of the Governmental Note authenticated or delivered hereunder or of the proceeds of the Funding Loan except as provided herein.

Section 7.04 Escrowed Funds.

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

Section 7.05 Trust Imposed. All money received by the Fiscal Agent shall, until used or applied as herein provided, be held in trust for the purposes for which it was received.

Section 7.06 Compensation of Fiscal Agent. The Fiscal Agent shall be entitled to its Ordinary Fiscal Agent's Fees and Expenses in connection with the services rendered by it in the execution of the trusts hereby created and in the exercise and performance of any of the powers and duties of the Fiscal Agent hereunder or under any Financing Document to the extent money is available therefor, in accordance with Section 4.06 hereof, exclusive of Extraordinary Services. The Fiscal Agent shall be entitled to Extraordinary Fiscal Agent's Fees and Expenses in connection with any Extraordinary Services performed consistent with the duties hereunder or under any of the Financing Documents; provided the Fiscal Agent shall not incur any Extraordinary Fiscal Agent's Fees and Expenses without the consent of the Funding Lender Representative. If any property, other than cash, shall at any time be held by the Fiscal Agent subject to this Funding Loan Agreement, or any supplement hereto, as security for the Funding Loan, the Fiscal Agent, if and to the extent authorized by a receivership, bankruptcy, or other court of competent jurisdiction or by the instrument subjecting such property to the provisions of this Funding Loan Agreement as such security for the Funding Loan, shall be entitled to make advances for the purpose of preserving such property or of discharging tax liens or other liens or encumbrances thereon. Payment to the Fiscal Agent for its services and reimbursement to the Fiscal Agent for its expenses, disbursements, liabilities and advances, shall be limited to the sources described in the Project Loan Agreement and in Sections 4.06, 4.11 and 6.05 hereof. The Governmental Lender shall have no liability for Fiscal Agent's fees, costs or expenses. Subject to the provisions of Section 7.09 hereof, the Fiscal Agent agrees that it shall continue to perform its duties hereunder and under the Financing Documents even in the event that money designated for payment of its fees shall be insufficient for such purposes or in the event that the Borrower fails to pay the Ordinary Fiscal Agent's Fees and Expenses or, if applicable, the Extraordinary Fiscal Agent's Fees and Expenses as required by the Project Loan Agreement.

The Borrower shall indemnify and hold harmless the Fiscal Agent and its officers, directors, officials, employees, agents, receivers, attorneys, accountants, advisors, consultants and servants, past, present or future, from and against (a) any and all claims by or on behalf of any person arising from any cause whatsoever in connection with this Funding Loan Agreement or transactions contemplated hereby, the Project, or the delivery of the Governmental Note or the Loans; (b) 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 Project, or the delivery of the Governmental Note or the Loans; and (c) all costs, 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, willful misconduct or unlawful acts of such person or which arise from events occurring after the Borrower ceases to own the Project. In the event that any action or proceeding is brought or claim made against the Fiscal Agent, or any of its officers, directors, officials, employees, agents, receivers, attorneys, accountants, advisors, consultants or servants, with respect to which indemnity may be sought hereunder, the Borrower, upon written notice thereof from the indemnified party, shall assume the investigation and defense thereof, including the employment of counsel and the payment of all expenses (except for matters attributable to negligence or willful misconduct of such person). The indemnified party shall have the right to approve a settlement to which it is a party and to employ separate counsel in any such action or proceedings and to participate in the investigation and defense thereof, and the Borrower shall pay the reasonable fees and expenses of such separate counsel. The provisions of this Section 7.06 shall survive the termination of this Funding Loan Agreement.

Section 7.07 Qualifications of Fiscal Agent. There shall at all times be a Fiscal Agent hereunder which shall be an association or a corporation organized and doing business under the laws of the United States of America or any state thereof, authorized under such laws to exercise corporate trust powers. Any successor Fiscal Agent shall have a combined capital and surplus of at least \$50,000,000 (or shall be a wholly-owned subsidiary of an association or corporation that has such combined capital and surplus), and be subject to supervision or examination by federal or state authority, or shall have been appointed by a court of competent jurisdiction pursuant to Section 7.11 hereof. If such association or corporation publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority referred to above, then for the purposes of this Section 7.07, the combined capital and surplus of such association or corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Fiscal Agent shall cease to be eligible in accordance with the provisions of this Section 7.07 and another association or corporation is eligible, the Fiscal Agent shall resign immediately in the manner and with the effect specified in Section 7.09 hereof.

Section 7.08 Merger of Fiscal Agent. Any association or corporation into which the Fiscal Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any association or corporation resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party shall, ipso facto, be and become successor Fiscal Agent hereunder and vested with all the title to the whole property or Pledged Security and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instruments or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding, and shall also be and become successor Fiscal Agent in respect of the legal interest of the Fiscal Agent in the Loans.

Section 7.09 Resignation by the Fiscal Agent. The Fiscal Agent may at any time resign from the trusts hereby created by giving written notice to the Governmental Lender, the Borrower, the Servicer and the Funding Lender Representative. Such notice to the Governmental Lender, the Borrower, the Servicer and the Funding Lender Representative may be served personally or sent by certified mail or overnight delivery service. The resignation of the Fiscal Agent shall not be effective until a successor Fiscal Agent has been appointed as provided herein and such successor Fiscal Agent shall have agreed in writing to be bound by the duties and obligations of the Fiscal Agent hereunder.

Section 7.10 Removal of the Fiscal Agent. The Fiscal Agent may be removed upon 30 days' written notice at any time, either with or without cause, with the consent of the Funding Lender Representative (which consent of the Funding Lender Representative shall not be unreasonably withheld), by a written instrument signed by the Governmental Lender and delivered to the Fiscal Agent, the Servicer and the Borrower. The Fiscal Agent may also be removed upon 30 days' written notice by a written instrument signed by the Funding Lender Representative and delivered to the Fiscal Agent, the Servicer, the Governmental Lender and the Borrower. In each case written notice of such removal shall be given to the Servicer, the Borrower and to the Funding Lender. Any such removal shall take effect on the day specified in such written instrument(s), but the Fiscal Agent shall not be discharged from the trusts hereby created until a successor Fiscal Agent has been appointed and has accepted such appointment

and has agreed in writing to be bound by the duties and obligations of the Fiscal Agent hereunder.

Section 7.11 Appointment of Successor Fiscal Agent.

(a) In case at any time the Fiscal Agent shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or shall be adjudged a bankrupt or insolvent, or if a receiver of the Fiscal Agent or of its property shall be appointed, or if a public supervisory office shall take charge or control of the Fiscal Agent or of its property or affairs, a vacancy shall forthwith and ipso facto be created in the office of such Fiscal Agent hereunder, and the Governmental Lender, shall as soon as practically possible appoint a successor Fiscal Agent. Any such appointment shall be made by a written instrument executed by an Authorized Officer of the Governmental Lender. If the Governmental Lender fails to appoint a successor Fiscal Agent within ninety (90) days following receipt of notice of the resignation or removal of the Fiscal Agent pursuant to Section 7.09 or Section 7.10 hereunder, as applicable, the Funding Lender Representative may appoint a successor Fiscal Agent.

(b) If, in a proper case, no appointment of a successor Fiscal Agent shall be made pursuant to subsection (a) of this Section 7.11 within sixty (60) days following delivery of all required notices of resignation given pursuant to Section 7.09 hereof or of removal of the Fiscal Agent pursuant to Section 7.10 hereof, the retiring Fiscal Agent may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. The court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Fiscal Agent.

Section 7.12 Concerning Any Successor Fiscal Agent. Every successor Fiscal Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Governmental Lender a written instrument accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the Pledged Security and the rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Governmental Lender, the Borrower or the Funding Lender Representative, or of its successor, and upon payment of all amounts due such predecessor, including but not limited to fees and expenses of counsel, execute and deliver such instruments as may be appropriate to transfer to such successor Fiscal Agent all the Pledged Security and the rights, powers and trusts of such predecessor hereunder; and every predecessor Fiscal Agent shall deliver all securities and money held by it as Fiscal Agent hereunder to its successor. Should any instrument in writing from the Governmental Lender be required by a successor Fiscal Agent for more fully and certainly vesting in such successor the Pledged Security and all rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, and at the expense of the Borrower, be executed, acknowledged and delivered by the Governmental Lender. The resignation of any Fiscal Agent and the instrument or instruments removing any Fiscal Agent and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed and/or recorded by the successor Fiscal Agent in each recording office where this Funding Loan Agreement shall have been filed and/or recorded. Each successor Fiscal Agent shall mail notice by first class mail, postage prepaid, at least once within 30 days of such appointment, to the Funding Lender.

Section 7.13 Successor Fiscal Agent. In the event of a change in the office of Fiscal Agent, the predecessor Fiscal Agent which shall have resigned or shall have been removed shall cease to be Fiscal Agent with respect to the Governmental Note, and the successor Fiscal Agent shall become such Fiscal Agent.

Section 7.14 Appointment of Co-Fiscal Agent or Separate Fiscal Agent. It is the intent of the Governmental Lender and the Fiscal Agent that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banking corporations or associations to transact business as Fiscal Agent in such jurisdiction. It is recognized that in case of litigation under or connected with this Funding Loan Agreement, the Project Loan Agreement or any of the other Financing Documents, and, in particular, in case of the enforcement of any remedies on default, or in case the Fiscal Agent deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein or therein granted to the Fiscal Agent or hold title to the properties in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Fiscal Agent, with the written consent of the Governmental Lender and the Funding Lender Representative, appoint an additional individual or institution as a co-fiscal agent or separate fiscal agent.

In the event that the Fiscal Agent appoints an additional individual or institution as a co-fiscal agent or separate fiscal agent, in the event of the incapacity or lack of authority of the Fiscal Agent, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers, trusts and remedies granted to the Fiscal Agent herein or to hold title to the Pledged Security or to take any other action that may be necessary or desirable in connection therewith, each and every remedy, power, right, obligation, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Funding Loan Agreement to be imposed upon, exercised by or vested in or conveyed to the Fiscal Agent with respect thereto shall be imposed upon, exercisable by and vest in such separate fiscal agent or co-fiscal agent, but only to the extent necessary to enable such co-fiscal agent or separate fiscal agent to exercise such powers, rights, trusts and remedies, and every covenant and obligation necessary to the exercise thereof by such co-fiscal agent or separate fiscal agent shall run to and be enforceable by either of them, subject to the remaining provisions of this Section 7.14. Such co-fiscal agent or separate fiscal agent shall deliver an instrument in writing acknowledging and accepting its appointment hereunder to the Governmental Lender and the Fiscal Agent.

Should any instrument in writing from the Governmental Lender be required by the co-fiscal agent or separate fiscal agent so appointed by the Fiscal Agent for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Governmental Lender, the Fiscal Agent and the Borrower. If the Governmental Lender shall fail to deliver the same within thirty (30) days of such request, the Fiscal Agent is hereby appointed attorney-in-fact for the Governmental Lender solely for the purpose of executing, acknowledging and delivering such instruments in the Governmental Lender's name and stead. In the event Fiscal Agent is appointed attorney-in-fact for the Governmental Lender solely for the limited purposes described in the immediately preceding sentence, such appointment shall not extend to or be deemed to apply to any subsequent failure of Governmental Lender to execute, acknowledge and deliver such written instruments described above in this Section 7.14 within the thirty (30) day time period provided herein. In case any

co-fiscal agent or separate fiscal agent, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such co-fiscal agent or separate fiscal agent, so far as permitted by law, shall vest in and be exercised by the Fiscal Agent until the appointment of a new Fiscal Agent or successor to such co-fiscal agent or separate fiscal agent.

Every co-fiscal agent or separate fiscal agent shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

(a) the Governmental Note shall be authenticated and delivered, and all rights, powers, trusts, duties and obligations by this Funding Loan Agreement conferred upon the Fiscal Agent in respect of the custody, control or management of money, papers, securities and other personal property shall be exercised solely by the Fiscal Agent;

(b) all rights, powers, trusts, duties and obligations conferred or imposed upon the Fiscal Agent shall be conferred or imposed upon or exercised or performed by the Fiscal Agent, or by the Fiscal Agent and such co-fiscal agent, or separate fiscal agent jointly, as shall be provided in the instrument appointing such co-fiscal agent or separate fiscal agent, except to the extent that under the law of any jurisdiction in which any particular act or acts are to be performed the Fiscal Agent shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co-fiscal agent or separate fiscal agent;

(c) any request in writing by the Fiscal Agent to any co-fiscal agent or separate fiscal agent to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking or the refraining from taking of such action by such co-fiscal agent or separate fiscal agent;

(d) any co-fiscal agent or separate fiscal agent to the extent permitted by law shall delegate to the Fiscal Agent the exercise of any right, power, trust, duty or obligation, discretionary or otherwise;

(e) the Fiscal Agent at any time by an instrument in writing with the concurrence of the Governmental Lender evidenced by a certified resolution may accept the resignation of or remove any co-fiscal agent or separate fiscal agent appointed under this Section 7.14 and in case an Event of Default shall have occurred and be continuing, the Fiscal Agent shall have power to accept the resignation of or remove any such co-fiscal agent or separate fiscal agent without the concurrence of the Governmental Lender, and upon the request of the Fiscal Agent, the Governmental Lender shall join with the Fiscal Agent in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-fiscal agent or separate fiscal agent so resigned or removed may be appointed in the manner provided in this Section 7.14;

(f) no Fiscal Agent or co-fiscal agent hereunder shall be personally liable by reason of any act or omission of any other Fiscal Agent hereunder;

(g) any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing executed by the Funding Lender Representative and/or the Governmental Lender and delivered to the Fiscal Agent shall be deemed to have been delivered to each such co-fiscal agent or separate fiscal agent; and

(h) any money, papers, securities or other items of personal property received by any such co- fiscal agent or separate fiscal agent hereunder shall forthwith, so far as may be permitted by law, be turned over to the Fiscal Agent.

The total compensation of the Fiscal Agent and any co fiscal agent or separate fiscal agent shall be as, and may not exceed the amount, provided in Section 7.06 hereof.

Section 7.15 Notice of Certain Events. The Fiscal Agent shall give written notice to the Governmental Lender, the Servicer and the Funding Lender Representative of any failure by the Borrower to comply with the terms of the Tax Regulatory Agreement or any Determination of Taxability of which a Responsible Officer has actual knowledge.

Section 7.16 Intentionally Omitted.

Section 7.17 Filing of Financing Statements. The Fiscal Agent shall, at the expense of the Borrower, file or record or cause to be filed or recorded all UCC continuation statements for the purpose of continuing without lapse the effectiveness of those financing statements which have been filed on or approximately on the Delivery Date in connection with the security for the Funding Loan pursuant to the authority of the UCC. Upon the filing of any such continuation statement the Fiscal Agent shall immediately notify the Governmental Lender, the Borrower, the Funding Lender Representative and the Servicer that the same has been done. If direction is given by the Servicer or the Funding Lender Representative, the Fiscal Agent shall file all continuation statements in accordance with such directions.

Notwithstanding anything to the contrary contained herein, the Fiscal Agent shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the Uniform Commercial Code, and unless the Fiscal Agent shall have been notified by the Funding Lender that any such initial filing or description of collateral was or has become defective, the Fiscal Agent shall be fully protected in relying on such initial filing and descriptions in filing any continuation statements or modifications thereto pursuant to this Section 7.17 and in filing any continuation statements in the same filing offices as the initial filings were made.

Section 7.18 USA Patriot Act Requirements of the Fiscal Agent. To help the government of the United States of America fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a non-individual Person such as a business entity, a charity, a trust, or other legal entity, the Fiscal Agent may request documentation to verify such Person's formation and existence as a legal entity. The Fiscal Agent may also request financial statements, licenses, identification and authorization documents from individuals claiming authority to represent such Person or other relevant documentation.

ARTICLE VIII

AMENDMENTS OF CERTAIN DOCUMENTS

Section 8.01 Amendments to this Funding Loan Agreement. Any of the terms of this Funding Loan Agreement and the Governmental Note may be amended or waived only by an instrument signed by the Fiscal Agent and the Governmental Lender, and with the prior written consent of the Funding Lender Representative.

Section 8.02 Amendments to Financing Documents Require Consent of Funding Lender Representative. Neither the Governmental Lender nor the Fiscal Agent shall consent to any amendment, change or modification of any Financing Document without the prior written consent of the Funding Lender Representative. The Fiscal Agent shall enter into such amendments to the Financing Documents as shall be directed in writing by the Funding Lender Representative.

Section 8.03 Opinion of Bond Counsel Required. No amendment to this Funding Loan Agreement, the Governmental Note, the Project Loan Agreement, the Project Note, the Security Instrument or the Tax Regulatory Agreement shall become effective unless and until (i) the Funding Lender Representative shall have consented to the same in writing in its sole discretion and (ii) the Funding Lender Representative, the Governmental Lender and the Fiscal Agent shall have received, at the expense of the Borrower, (A) an opinion of Bond Counsel to the effect that such amendment, change or modification will not, in and of itself, cause interest on the Governmental Note to be includable in gross income of the holders thereof for federal income tax purposes, and (B) an opinion of counsel acceptable to the Funding Lender Representative to the effect that any such proposed such amendment, change or modification is authorized and complies with the provisions of this Funding Loan Agreement and is a legal, valid and binding obligation of the parties thereto, subject to normal exceptions relating to bankruptcy, insolvency and equitable principles limitations.

ARTICLE IX

SATISFACTION AND DISCHARGE OF FUNDING LOAN AGREEMENT

Section 9.01 Discharge of Lien. If the Governmental Lender shall pay or cause to be paid to the Funding Lender the principal, interest and premium, if any, to become due with respect to the Funding Loan at the times and in the manner stipulated herein and in the Governmental Note, in any one or more of the following ways:

- (a) by the payment of all unpaid principal of (including Prepayment Premium, if any) and interest on the Funding Loan; or
- (b) prior to the Window Period, by the deposit to the account of the Fiscal Agent, in trust, of money or securities in the necessary amount to pay the principal, Prepayment Premium and interest to the Maturity Date; or
- (c) by the delivery of the Governmental Note by the Funding Lender to the Fiscal Agent for cancellation;

and shall have paid all amounts due and owing under the other Financing Documents, and shall have paid all fees and expenses of and any other amounts due to the Fiscal Agent, the Servicer and the Rebate Analyst, and if the Governmental Lender shall keep, perform and observe all and singular the covenants and promises in the Governmental Note and in this Funding Loan Agreement expressed as to be kept, performed and observed by it or on its part, then these presents and the estates and rights hereby granted shall cease, determine and be void, and thereupon the Fiscal Agent shall cancel and discharge the lien of this Funding Loan Agreement and execute and deliver to the Governmental Lender such instruments in writing as shall be requisite to satisfy the lien hereof, and reconvey to the Governmental Lender the estate hereby conveyed, and assign and deliver to the Governmental Lender any interest in property at the time subject to the lien of this Funding Loan Agreement which may then be in its possession, except amounts held by the Fiscal Agent for the payment of principal of, interest and premium, if any, on the Governmental Note, the payment of any amounts owed to the United States of America pursuant to Section 4.12 hereof.

Prior to the Window Period and subject to the satisfaction of the conditions set forth in Section 4.04(c) of the Project Loan Agreement, the Funding Loan shall, prior to the Maturity Date, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this Section 9.01 based on a deposit of moneys or securities with the Fiscal Agent pursuant to Section 9.01(b) if, under circumstances which do not cause interest on the Governmental Note to become includable in the holders' gross income for purposes of federal income taxation, the following conditions shall have been fulfilled: (a) there shall be on deposit with the Fiscal Agent either money or noncallable and nonprepayable direct obligations of the United States of America (or other defeasance securities constituting Qualified Investments approved in writing by the Funding Lender Representative) in an amount, together with anticipated earnings thereon (but not including any reinvestment of such earnings), which will be sufficient to pay, when due, the principal and interest due and to become due on the Funding Loan up to and on the Maturity Date; (b) the Fiscal Agent shall have received a verification report of a firm of certified public accountants or financial analyst reasonably acceptable to the Fiscal Agent and the Funding Lender Representative as to the adequacy of the amounts or securities so deposited to fully pay the Funding Loan; (c) the Fiscal Agent and the Funding Lender Representative shall have received a written opinion of nationally recognized counsel experienced in bankruptcy matters to the effect that if the Borrower, any general partner, member or guarantor of the Borrower, or the Governmental Lender were to become a debtor in a proceeding under the Bankruptcy Code (x) payment of such money to the Funding Lender would not constitute a voidable preference under Section 547 of the Bankruptcy Code and (y) the automatic stay provisions of Section 362(a) of the Bankruptcy Code would not prevent application of such money to the payment of the Funding Loan; (d) the Fiscal Agent and the Funding Lender Representative shall have received an opinion of Bond Counsel to the effect that the defeasance of the Funding Loan is in accordance with the provisions of the Funding Loan Agreement and that such defeasance will not adversely affect the exclusion of interest on the Governmental Note from gross income for federal income tax purposes; and (e) the Fiscal Agent shall have received written confirmation that all fees, expenses or reimbursement of any advances due to the Funding Lender and the Servicer under the Financing Documents have been fully paid.

Section 9.02 Discharge of Liability on Funding Loan. Upon the deposit with the Fiscal Agent, in trust, at or before maturity, of money or securities in the necessary amount (as

provided in Section 9.01 above) to pay or prepay the Funding Loan (whether upon or prior to their maturity or the prepayment date of the Funding Loan) provided that, if the Funding Loan is to be prepaid prior to the maturity thereof, notice of such prepayment shall have been given as in Article III provided or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice, all liability of the Governmental Lender in respect of the Funding Loan shall cease, terminate and be completely discharged, except only that thereafter the Funding Lender shall be entitled to payment by the Governmental Lender, and the Governmental Lender shall remain liable for such payment, but only out of the money or securities deposited with the Fiscal Agent as aforesaid for their payment, subject, however, to the provisions of Section 9.03 hereof.

Section 9.03 Payment of Funding Loan After Discharge of Funding Loan Agreement. Notwithstanding any provisions of this Funding Loan Agreement, and subject to applicable unclaimed property laws of the State, any money deposited with the Fiscal Agent or any paying agent in trust for the payment of the principal of, interest or premium on the Governmental Note remaining unclaimed for five (5) years after the maturity or earlier payment date: (a) shall be reported and disposed of by the Fiscal Agent in accordance with applicable unclaimed property laws; or (b) to the extent permitted by applicable law, shall be paid to the Borrower, whereupon all liability of the Governmental Lender and the Fiscal Agent with respect to such money shall cease, and the Funding Lender shall thereafter look solely to the Borrower for payment of any amounts then due. All money held by the Fiscal Agent and subject to this Section 9.03 shall be held uninvested and without liability for interest thereon.

ARTICLE X

INTENTIONALLY OMITTED

ARTICLE XI

MISCELLANEOUS

Section 11.01 Servicing of the Loans. The Funding Lender Representative may appoint a Servicer (which may be the Funding Lender Representative if the Funding Lender Representative elects to service the Loans) to service the Loans as provided in Section 3.02 of the Project Loan Agreement.

Section 11.02 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or to be implied from this Funding Loan Agreement or the Governmental Note is intended or shall be construed to give to any Person other than the Parties hereto, the Funding Lender, the Funding Lender Representative, the Servicer and the Borrower, any legal or equitable right, remedy or claim under or in respect to this Funding Loan Agreement or any covenants, conditions and provisions hereof.

Section 11.03 Construction of Conflicts; Severability. Notwithstanding anything provided herein, or in any of the documents referred to herein, in the event that any contracts or other documents executed by the Borrower or any other arrangements agreed to by the Borrower in order to finance or refinance the Project with the proceeds of the Funding Loan, the interest on which is excluded from gross income for federal income tax purposes under Section 103(a) of

the Code are inconsistent with the Project Loan Documents, then the Project Loan Documents shall be controlling in all respects. If any provision of this Funding Loan Agreement shall be held or deemed to be, or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution, statute, rule of law or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or sections in this Funding Loan Agreement contained, shall not affect the remaining portions of this Funding Loan Agreement, or any part thereof.

Section 11.04 Notices.

(a) Whenever in this Funding Loan Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the Person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Any notice, request, complaint, demand, communication or other paper required or permitted to be delivered to the Governmental Lender, the Fiscal Agent, the Funding Lender Representative, the Borrower or the Servicer shall be sufficiently given and shall be deemed given (unless another form of notice shall be specifically set forth herein) on the Business Day following the date on which such notice or other communication shall have been delivered to a national overnight delivery service (receipt of which to be evidenced by a signed receipt from such overnight delivery service) addressed to the appropriate party at the addresses set forth below or as may be required or permitted by this Funding Loan Agreement by Electronic Notice. The Governmental Lender, the Fiscal Agent, the Funding Lender Representative, the Borrower or the Servicer may, by notice given as provided in this paragraph, designate any further or different address to which subsequent notices or other communication shall be sent.

The Governmental Lender: Housing Finance Authority of Broward County, Florida
110 N.E. 3rd Street, Suite 300
Ft. Lauderdale, Florida 33301
Attention: Executive Director

The Fiscal Agent: The Bank of New York Mellon Trust Company, N.A.
10161 Centurion Parkway
Jacksonville, Florida 32256
Attention: Corporate Trust Department
Telephone: (904) 645-1900
Facsimile: (904) 645-1930

The Borrower: Pompano Beach Leased Housing Associates II, LLLP
c/o Pompano Beach Leased Housing Associates II, LLC
2905 Northwest Blvd., Ste. 150

Plymouth, Minnesota 55441
Attention: Paul R. Sween and Mark G. Sween
Telephone: (763) 354-5500
Email: psween@dominiuminc.com; and
msween@dominiuminc.com

with a copy to:

Winthrop & Weinstine, P.A.
225 S. Sixth Street, Ste. 3500
Minneapolis, Minnesota 55402
Attention: John Nolde, Esq.
Telephone: (612) 604-6400
Email: jnolde@winthrop.com

The Investor Limited
Partner:

c/o Alliant Capital, Ltd.
340 Royal Poinciana Way, Suite 338
Palm Beach, Florida 33480
Attention: Brian Goldberg
Telephone: (561) 833-5050
Facsimile: (561) 833-3694

with a copy to:

c/o Alliant Asset Management Company LLC
21600 Oxnard Street, Suite 1200
Woodland Hills, California 91367
Attention: General Counsel
Telephone: (818) 668-6800
Facsimile: (818) 668-2828

Funding Lender
Representative
(as of Freddie Mac
Purchase Date):

Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive, MS B4P
McLean, Virginia 22102
Attention: Multifamily Operations - Loan Accounting
Email: mfla@freddiemac.com
Telephone: (703) 714-4177

with a copy to:

Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive, MS 210
McLean, Virginia 22102
Attention: Managing Associate General Counsel –
Multifamily Legal Division
Email: joshua_schonfeld@freddiemac.com
Telephone: (703) 903-2000

Initial Funding Lender
and Servicer:

Citibank, N.A.
388 Greenwich Street, 8th Floor
Attention: Transaction Management Group
Re: Regency Gardens Apartments Deal ID No. _____
Facsimile: (212) 723-8209

with a copy to:

Citibank, N.A.
c/o Berkadia Commercial Servicing Department
323 Norristown Road, Suite 300
Ambler, Pennsylvania 19002
Attention: Client Relations Manager
Re: Regency Gardens Apartments Deal ID No. _____
Facsimile: (215) 328-0305

A duplicate copy of each notice or other communication given hereunder by any party to the Servicer shall also be given to the Funding Lender Representative and by any party to the Funding Lender Representative to the Servicer.

A duplicate copy of each notice or other communication given hereunder by any party to the Borrower shall also be given to the Investor Limited Partner (as such term is defined in the Tax Regulatory Agreement).

The Fiscal Agent agrees to accept and act upon Electronic Notice of written instructions and/or directions pursuant to this Funding Loan Agreement. Notwithstanding the immediately preceding sentence, the Fiscal Agent shall have the right to accept and act upon instructions involving funds transfer instructions ("Instructions") given pursuant to this Funding Loan Agreement and related financing documents and delivered using Electronic Notice; provided, however, that the Governmental Lender and/or the Borrower, as applicable, shall provide to the Fiscal Agent an incumbency certificate listing its Authorized Officers with the authority to provide such Instructions and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Governmental Lender and/or the Borrower, as applicable, whenever a person is to be added or deleted from the listing. If the Governmental Lender and/or the Borrower, as applicable, elects to give the Fiscal Agent Instructions using Electronic Notice and the Fiscal Agent in its discretion elects to act upon such Instructions, the Fiscal Agent's understanding of such Instructions shall be deemed controlling. The Governmental Lender and the Borrower understand and agree that the Fiscal Agent cannot determine the identity of the actual sender of such Instructions and that the Fiscal Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Fiscal Agent have been sent by such Authorized Officer. The Governmental Lender and the Borrower shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Fiscal Agent and that the Governmental Lender, the Borrower and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Governmental Lender and/or the Borrower, as applicable. The Fiscal Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Fiscal Agent's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction.

The Governmental Lender and the Borrower agree: (i) to assume all risks arising out of the use of Electronic Notice to submit Instructions to the Fiscal Agent, including without limitation the risk of the Fiscal Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Fiscal Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Governmental Lender and/or the Borrower, as applicable; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Fiscal Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

(b) The Fiscal Agent shall provide to the Funding Lender Representative and the Servicer (i) prompt notice of the occurrence of any Event of Default pursuant to Section 6.01 hereof and (ii) any written information or other written communication received by the Fiscal Agent hereunder within ten (10) Business Days of receiving a written request from the Funding Lender Representative and the Servicer for any such information or other communication.

Section 11.05 Funding Lender Representative.

(a) The Initial Funding Lender is the initial Funding Lender Representative with respect to the Governmental Note. Upon the Freddie Mac Purchase Date, Freddie Mac shall be the Funding Lender Representative. The Funding Lender Representative shall be entitled to all the rights and privileges of the Funding Lender hereunder and under the other Financing Documents.

(b) The Funding Lender Representative may provide written notice to the Fiscal Agent designating particular individuals or Persons authorized to execute any consent, waiver, approval, direction or other instrument on behalf of the Funding Lender Representative, and such notice may be amended or rescinded by the Funding Lender Representative at any time by subsequent written notice. The Funding Lender Representative may be removed and a successor appointed by a written notice in the form of Exhibit B hereto given by the Funding Lender to the Fiscal Agent, the Governmental Lender, the Servicer and the Borrower. The removal and reappointment shall be effective immediately upon receipt of such notice by the Fiscal Agent. The Funding Lender may appoint any Person to act as Funding Lender Representative, including, without limitation, the Servicer. If, for any reason, a Funding Lender Representative resigns by written notice provided to the Fiscal Agent, the Funding Lender, the Governmental Lender, the Servicer and the Borrower, all references to Funding Lender Representative herein and in the other Financing Documents shall be deemed to refer to the Funding Lender until a successor Funding Lender Representative is appointed by the Funding Lender.

(c) Whenever pursuant to this Funding Loan Agreement or any other Financing Document, the Funding Lender Representative exercises any right given to it to approve or disapprove, any arrangement or term hereof, the decision of the Funding Lender Representative to approve or disapprove or to decide whether arrangements or terms are acceptable or not acceptable shall be in the sole discretion of the Funding Lender Representative, except as otherwise specifically indicated.

(d) Each Funding Lender, by their purchase or other acquisition of the Funding Loan, shall be deemed to have acknowledged and agreed to the provisions of this Funding Loan Agreement and the other Financing Documents with respect to the Funding Lender Representative and the rights and privileges thereof, including but not limited to the right to control all remedies in respect of the Governmental Note and the Loans.

Section 11.06 Payments Due on Non-Business Days. In any case where a date of payment with respect to the Funding Loan shall be a day other than a Business Day, then such payment need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on such date, and no interest shall accrue for the period after such date provided that payment is made on such next succeeding Business Day.

Section 11.07 Counterparts. This Funding Loan 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 11.08 Laws Governing Funding Loan Agreement. The effect and meanings of this Funding Loan Agreement and the rights of all parties hereunder shall be governed by, and construed according to, the internal laws of the State without regard to conflicts of laws principles.

Section 11.09 No Recourse. No recourse under or upon any obligation, covenant, warranty or agreement contained in this Funding Loan Agreement or in the Governmental Note, or under any judgment obtained against the Governmental Lender, or the enforcement of any assessment, or any legal or equitable proceedings by virtue of any constitution or statute or otherwise, or under any circumstances under or independent of this Funding Loan Agreement, shall be had against any of the members, officers, commissioners, directors, agents or employees of the Governmental Lender (past, present or future), either directly or through the Governmental Lender or otherwise, for the payment for or to the Governmental Lender or any receiver of the Governmental Lender, or for or to the owner of the Governmental Note, or otherwise, of any sum that may be due and unpaid by the Governmental Lender upon the Governmental Note. Any and all personal liability of every nature whether at common law or in equity or by statute or by constitution or otherwise of any such member, officer, commissioner, director, agent or employee, as such, by reason of any act of omission on his or her part or otherwise, for the payment for or to the owner of the Governmental Note or otherwise of any sum that may remain due and unpaid upon the Governmental Note secured by this Funding Loan Agreement or any of them is, by the acceptance of the Governmental Note, expressly waived and released as a condition of and in consideration for the execution of this Funding Loan Agreement and the execution, delivery and placement of the Governmental Note. Anything in this Funding Loan Agreement to the contrary notwithstanding, it is expressly understood by the parties to this Funding Loan Agreement that (a) the Governmental Lender may rely exclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Governmental Lender by the Fiscal Agent, the Servicer, the Borrower, the Initial Funding Lender or the Funding Lender Representative as to the existence of any fact or state of affairs, (b) the Governmental Lender shall not be under any obligation under this Funding Loan Agreement to perform any record keeping or to provide any legal services, it being understood that such services shall be performed or caused to be performed by the Fiscal Agent, the Borrower or the Servicer and its respective counsel, as applicable, and (c) none of the provisions of this Funding

Loan Agreement shall require the Governmental Lender to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Funding Loan Agreement, unless it shall first have been adequately indemnified to its satisfaction against any costs, expenses and liability which it may incur as a result of taking such action. No recourse for the payment of any part of the principal of, premium, if any, or interest on the Governmental Note or for the satisfaction of any liability arising from, founded upon or existing by reason of the execution, delivery and placement, purchase or ownership of the Governmental Note shall be had against any officer, member, commissioner, director, agent or employee of the Governmental Lender, as such, all such liability being expressly released and waived as a condition of and as a part of the consideration for the execution of this Funding Loan Agreement and the execution, delivery and placement of the Governmental Note. No covenant, stipulation, obligation or agreement of the Governmental Lender contained in this Funding Loan Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, commissioner, director, agent or employee of the Governmental Lender in other than that person's official capacity. No member, officer, commissioner, director, agent or employee of the Governmental Lender shall be individually or personally liable for the payment of the principal or redemption price of or interest on the Governmental Note or be subject to any personal liability or accountability by reason of the execution, delivery and placement of the Governmental Note.

It is recognized that notwithstanding any other provision of this Funding Loan Agreement, none of the Borrower, the Fiscal Agent or any holder of the Governmental Note shall look to the Governmental Lender for damages suffered by the Borrower, the Fiscal Agent or such owner as a result of the failure of the Governmental Lender to perform any covenant, undertaking or obligation under this Funding Loan Agreement, the Project Loan Agreement, the Governmental Note or any of the other documents referred to herein, or as a result of the incorrectness of any representation made by the Governmental Lender in any of such documents, or for any other reason. Although this Funding Loan Agreement recognizes that such documents shall not give rise to any pecuniary liability of the Governmental Lender, nothing contained in this Funding Loan Agreement shall be construed to preclude in any way any action or proceeding (other than that element of any action or proceeding involving a claim for monetary damages against the Governmental Lender) in any court or before any governmental body, agency or instrumentality or otherwise against the Governmental Lender or any of its officers or employees to enforce the provisions of any of such documents which the Governmental Lender is obligated to perform and the performance of which the Governmental Lender has not assigned to the Fiscal Agent or any other person.

Section 11.10 Successors and Assigns. All the covenants and representations contained in this Funding Loan Agreement by or on behalf of the parties hereto shall bind and inure to the benefit of their successors and assigns, whether so expressed or not.

COUNTERPART SIGNATURE PAGES TO FOLLOW

IN WITNESS WHEREOF, the Governmental Lender, the Initial Funding Lender and the Fiscal Agent have caused this Funding Loan Agreement to be executed and delivered by duly authorized officers thereof as of the day and year first written above.

**HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA**

Witnesses:

By: _____
Milette Manos, Chair

Printed Name: _____

Printed Name: _____ [SEAL]

Witnesses:

Attest:

Printed Name: _____

By: _____
Daniel D. Reynolds, Secretary

Printed Name: _____

CITIBANK, N.A., a national banking
association

By: _____
Name: _____
Title: _____

[Initial Funding Lender's Signature Page to Regency Gardens Apartments
Funding Loan Agreement]

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.**, a national banking
association, as Fiscal Agent

By: _____
Name: _____
Title: _____

EXHIBIT A

FORM OF GOVERNMENTAL NOTE

BY ITS ACQUISITION HEREOF, THE HOLDER OF THIS NOTE AGREES (A) THAT, (I) IF APPLICABLE, IT HAS EXECUTED A TRANSFEREE REPRESENTATIONS LETTER IN SUBSTANTIALLY THE FORM REQUIRED BY THE FUNDING LOAN AGREEMENT, AND (II) THAT IT WILL NOT SELL OR OTHERWISE TRANSFER THIS NOTE, OR ANY INTERESTS HEREIN, EXCEPT AS PROVIDED IN THE FUNDING LOAN AGREEMENT, AND (B) THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
MULTIFAMILY MORTGAGE REVENUE NOTE, 2019 SERIES A-1
(REGENCY GARDENS APARTMENTS)**

\$ _____

June ____, 2019

FOR VALUE RECEIVED, the undersigned, HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (the “**Obligor**”), promises to pay (but solely from the sources and in the manner provided for in the Funding Loan Agreement referenced below) to the order of CITIBANK, N.A. (the “**Funding Lender**”), and its assigns, the principal sum of _____ MILLION _____ HUNDRED THOUSAND AND NO/100 DOLLARS (\$ _____ .00), plus premium, if any, and interest thereon and to pay the other amounts owing from time to time hereunder, all as set forth below.

This \$ _____ Housing Finance Authority of Broward County, Florida Multifamily Mortgage Revenue Note, 2019 Series A-1 (Regency Gardens Apartments) (this “**Note**”) is being delivered pursuant to that certain Funding Loan Agreement dated as of June 1, 2019 (together with any and all amendments, modifications, supplements and restatements, the “**Funding Loan Agreement**”), among the Funding Lender, the Obligor and The Bank of New York Mellon Trust Company, N.A. (the “**Fiscal Agent**”), pursuant to which the Obligor has incurred a loan in the original principal amount of \$ _____ (the “**Funding Loan**”), and this Note is entitled to the benefits of the Funding Loan Agreement and is subject to the terms, conditions and provisions thereof. The Obligor is using the proceeds of the Funding Loan to make a loan to Pompano Beach Leased Housing Associates II, LLLP, a Minnesota limited liability limited partnership (the “**Borrower**”) pursuant to the Project Loan Agreement dated as of June 1, 2019 (the “**Project Loan Agreement**”), among the Obligor, the Borrower and the Fiscal Agent.

1. **Defined Terms.** As used in this Note, (i) the term “Funding Lender” means the holder of this Note, and (ii) the term “Indebtedness” means the principal of, premium, if any, and interest on or any other amounts due at any time under this Note or the Funding Loan Agreement. “Event of Default” and other capitalized terms used but not defined in this Note shall have the meanings given to such term in the Funding Loan Agreement.

2. **Payments of Principal and Interest.** The Obligor shall pay (but solely from the sources and in the manner provided for in the Funding Loan Agreement) on the first calendar day of each month commencing August, 2019, interest on this Note at the rate of ___% per annum (or such higher rate of interest borne by the Funding Loan upon any default) (the “**Interest Rate**”) on the outstanding principal balance of this Note, and shall also pay interest on this Note at the Interest Rate on the date of any optional or mandatory prepayment or acceleration of all or part of the Funding Loan pursuant to the Funding Loan Agreement, in an amount equal to the accrued and unpaid interest to the date of prepayment on the portion of this Note subject to prepayment (each such date for payment an “**Interest Payment Date**”). Interest on this Note shall be computed on the basis of a 360-day year and the actual number of days elapsed.

The Obligor shall pay (but solely from the sources and in the manner provided for in the Funding Loan Agreement) the outstanding principal of this Note in full on July 1, 2035 (the “**Maturity Date**”) and in monthly installments on each date set forth on the Funding Loan Amortization Schedule attached as Schedule 1 hereto in an amount equal to the corresponding amounts set forth thereon, or at such earlier times and in such amounts as may be required, in the event of an optional or mandatory prepayment or acceleration of the Funding Loan pursuant to the Funding Loan Agreement. The outstanding principal hereof is subject to acceleration at the time or times and under the terms and conditions, and with notice, if any, as provided under the Funding Loan Agreement.

3. **Manner of Payment.** All payments under this Note shall be made in lawful currency of the United States and in immediately available funds as provided for herein and in the Funding Loan Agreement.

4. **Application of Payments.** If at any time the Funding Lender receives any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, the Funding Lender may apply that payment to amounts then due and payable in any manner and in any order determined by the Funding Lender, in the Funding Lender’s discretion. Neither the Funding Lender’s acceptance of a payment in an amount that is less than all amounts then due and payable nor the Funding Lender’s application of such payment shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction.

5. **Security.** The Indebtedness is secured by, among other things, the Pledged Security pledged pursuant to the Funding Loan Agreement.

6. **Acceleration.** If an Event of Default has occurred and is continuing, the entire unpaid principal balance, any accrued interest, and all other amounts payable under this Note shall at once become due and payable, at the option of the Funding Lender, as governed by the Funding Loan Agreement, without any prior notice to the Obligor (unless required by applicable law). The Funding Lender may exercise this option to accelerate regardless of any prior forbearance.

7. **Prepayment; Prepayment Premium.** This Note is subject to prepayment as specified in the Funding Loan Agreement. Prepayment Premium, if any, shall be payable as specified in the Funding Loan Agreement.

8. **Forbearance.** Any forbearance by the Funding Lender in exercising any right or remedy under this Note or any other document evidencing or securing the Funding Loan or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of that or any other right or remedy. The acceptance by the Funding Lender of any payment after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of the Funding Lender's right to require prompt payment when due of all other payments or to exercise any right or remedy with respect to any failure to make prompt payment. Enforcement by the Funding Lender of any security for the obligations under this Note shall not constitute an election by the Funding Lender of remedies so as to preclude the exercise of any other right or remedy available to the Funding Lender.

9. **Waivers.** Presentment, demand, notice of dishonor, protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for payment, notice of nonpayment, grace and diligence in collecting the Indebtedness are waived by the Obligor and all endorsers and guarantors of this Note and all other third-party obligors.

10. **Loan Charges.** Neither this Note nor any of the other Financing Documents will be construed to create a contract for the use, forbearance, or detention of money requiring payment of interest at a rate greater than the rate of interest which results in the maximum amount of interest allowed by applicable law (the "**Maximum Interest Rate**"). If any applicable law limiting the amount of interest or other charges permitted to be collected from Obligor in connection with the Funding Loan is interpreted so that any interest or other charge provided for in any Financing Document, whether considered separately or together with other charges provided for in any other Financing Document, violates that law, and Obligor is entitled to the benefit of that law, that interest or charge is hereby reduced to the extent necessary to eliminate that violation. The amounts, if any, previously paid to Funding Lender in excess of the permitted amounts will be applied by Funding Lender to reduce the unpaid principal balance of this Note. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Obligor has been violated, all indebtedness that constitutes interest, as well as all other charges made in connection with the indebtedness that constitute interest, will be deemed to be allocated and spread ratably over the stated term of this Note. Unless otherwise required by applicable law, such allocation and spreading will be effected in such a manner that the rate of interest so computed is uniform throughout the stated term of this Note.

11. **Governing Law.** This Note shall be governed by the internal laws of the State of Florida (the "**Property Jurisdiction**").

12. **Captions.** The captions of the paragraphs of this Note are for convenience only and shall be disregarded in construing this Note.

13. **Address for Payment.** All payments due under this Note shall be payable at the principal office of the Funding Lender as designated by the Funding Lender in writing to the Fiscal Agent and the Servicer.

14. **Default Rate.** So long as (a) any monthly installment under this Note remains past due, or (b) any other Event of Default has occurred and is continuing, interest under this Note shall accrue on the unpaid principal balance from the earlier of the due date of the first

unpaid monthly installment or the occurrence of such other Event of Default, as applicable, at a rate (the “**Default Rate**”) equal to the lesser of (i) the Interest Rate otherwise in effect notwithstanding the default plus four percent (4%) per annum or (ii) the Maximum Interest Rate. If the unpaid principal balance and all accrued interest are not paid in full on the Maturity Date, the unpaid principal balance and all accrued interest shall bear interest from the Maturity Date at the Default Rate.

15. **Limited Obligation.** Notwithstanding any other provision of the Funding Loan Agreement or this Note to the contrary:

THIS NOTE IS EXECUTED AND DELIVERED PURSUANT TO THE COUNTY AUTHORIZATION, THE RESOLUTION AND IN ACCORDANCE WITH THE ACT, AND IS A LIMITED OBLIGATION OF THE OBLIGOR. NEITHER THE OBLIGOR NOR ANY OFFICIAL OR EMPLOYEE OF THE OBLIGOR NOR ANY PERSON EXECUTING THIS NOTE SHALL BE LIABLE PERSONALLY ON THIS NOTE OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF ITS EXECUTION, DELIVERY AND PLACEMENT. THIS NOTE AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE OBLIGOR, PAYABLE ONLY FROM THE SOURCES DESCRIBED IN THE FUNDING LOAN AGREEMENT. NEITHER THE OBLIGOR, THE STATE NOR ANY OTHER POLITICAL CORPORATION OR SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF THIS NOTE, PREMIUM, IF ANY, OR THE INTEREST THEREON OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE MONEY PLEDGED THEREFOR. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE NOR ANY POLITICAL CORPORATION OR SUBDIVISION OR AGENCY THEREOF NOR THE FAITH AND CREDIT OF THE OBLIGOR IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS NOTE OR OTHER COSTS INCIDENT THERETO. THE OBLIGOR HAS NO TAXING POWER. THIS NOTE IS NOT A DEBT OF THE UNITED STATES OF AMERICA.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Obligor has caused this Governmental Note to be duly executed by the manual or facsimile signature of its Chair and attested by the manual or facsimile signature of its Secretary.

**HOUSING FINANCE AUTHORITY
OF BROWARD COUNTY, FLORIDA**

[SEAL]

By: _____
Milette Manos, Chair

ATTEST:

By: _____
Daniel D. Reynolds, Secretary

CERTIFICATE OF AUTHENTICATION

This Governmental Note is issued under the provisions of and described in the within-mentioned Funding Loan Agreement.

Date of Authentication: _____ __, 2019

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.**, a national
banking association, as Fiscal Agent

By: _____
Authorized Signer

SCHEDULE 1
FUNDING LOAN AMORTIZATION SCHEDULE

EXHIBIT B

**FORM OF NOTICE OF APPOINTMENT
OF FUNDING LENDER REPRESENTATIVE**

The Bank of New York Mellon Trust Company, N.A.
Jacksonville, Florida

Pompano Beach Leased Housing Associates II, LLLP
Plymouth, Minnesota

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

Citibank, N.A.
New York, New York

Re: Regency Gardens Apartments

Ladies and Gentlemen:

The undersigned is the holder (the "**Funding Lender**") of that certain \$ _____ Housing Finance Authority of Broward County, Florida Multifamily Mortgage Revenue Note, 2019 Series A-1 (Regency Gardens Apartments), dated June __, 2019 (the "**Governmental Note**") delivered pursuant to the Funding Loan Agreement dated as of June 1, 2019 (the "**Funding Loan Agreement**"), among CITIBANK, N.A., a national banking association, in its capacity as Initial Funding Lender (the "**Initial Funding Lender**"), the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA, a public body corporate and politic created, organized and existing under the laws of the State of Florida (the "**Governmental Lender**") and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association (the "**Fiscal Agent**"). Pursuant to Section 11.05 of the Funding Loan Agreement, you are hereby notified that, effective immediately upon receipt of this notice by the Fiscal Agent, the Funding Lender Representative appointed under Section 11.05 of the Funding Loan Agreement shall be _____. [The person or entity previously appointed as Funding Lender Representative shall upon the effectiveness of this notice no longer have any further rights or obligations as Funding Lender Representative.]

The following individual or individuals shall have the authority to execute any consent, waiver, approval, direction or other instrument on behalf of the Funding Lender Representative and the signature(s) set forth next to his/her (their) name(s) is (are) his/her (their) true and correct signature(s).

NAME	SIGNATURE
_____	_____
_____	_____
_____	_____
_____	_____

Additional individuals may be given such authority by written notice to you from the Funding Lender Representative or from the Funding Lender.

This notice is dated as of the _____ day of _____, _____.

[FUNDING LENDER SIGNATURE BLOCK]

By: _____

EXHIBIT C

FORM OF TRANSFEREE REPRESENTATIONS LETTER

[To be prepared on letterhead of transferee]

[Date]

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

The Bank of New York Mellon Trust Company, N.A.
Jacksonville, Florida

Re: Regency Gardens Apartments

Ladies and Gentlemen:

The undersigned (the "Funding Lender") hereby acknowledges receipt of that certain \$_____ Housing Finance Authority of Broward County, Florida Multifamily Mortgage Revenue Note, 2019 Series A-1 (Regency Gardens Apartments), dated June __, 2019 (the "Governmental Note") delivered pursuant to the Funding Loan Agreement dated as of June 1, 2019 (the "Funding Loan Agreement"), among CITIBANK, N.A., a national banking association, in its capacity as Initial Funding Lender (the "Initial Funding Lender"), the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA, a public body corporate and politic created, organized and existing under the laws of the State of Florida (the "Governmental Lender") and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, as fiscal agent (the "Fiscal Agent"). Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Funding Loan Agreement.

In connection with the [origination/purchase] of the Funding Loan by the Funding Lender, the Funding Lender hereby makes the following representations upon which you may rely:

1. The Funding Lender has authority to [origination/purchase] the Funding Loan and to execute this letter, and any other instruments and documents required to be executed by the Funding Lender in connection with the [origination/purchase] of the Funding Loan.

2. The Funding Lender is an "accredited investor" under Regulation D of the Securities Act of 1933 (the "Act") or a "qualified institutional buyer" under Rule 144(a) of said Act (such "accredited investor" or "qualified institutional buyer", a "Qualified Transferee"), and therefore, has sufficient knowledge and experience in financial and business matters (i) in general, and the purchase and ownership of municipal and tax-exempt obligations in particular, and (ii) with respect to the evaluation of residential real estate developments such as the Project, and the Funding Lender is capable of evaluating the risks and merits of its investment represented by the Funding Loan.

3. The Funding Lender acknowledges that it is [originating/purchasing] the Funding Loan for investment for its own account and not with a present view toward resale or the distribution thereof (except as set forth below), in that it does not now intend to resell or otherwise dispose of all or any part of its interests in the Funding Loan (except as set forth below). The Funding Lender understands that it may need to bear the risks of this investment for an indefinite time, including the total loss of such investment, since any sale prior to maturity may not be possible. The Funding Lender is able to bear such risks. Notwithstanding the foregoing and the terms of Paragraph 4 below, the Funding Lender may, (i) transfer the Funding Loan to any affiliate or other party related to the Funding Lender that is a Qualified Transferee or (ii) sell or transfer the Funding Loan to a special purpose entity, a trust or a custodial or similar pooling arrangement from which the Funding Loan or securitized interests therein are not expected to be sold except to (x) owners or beneficial owners thereof that are Qualified Transferees or (y) in circumstances where secondary market credit enhancement is provided for such securitized interests resulting in a rating thereof of at least “A” or better; provided, however, the Funding Lender has originated and funded the Funding Loan with the expectation that the Funding Loan will be sold to the Federal Home Loan Mortgage Corporation (“Freddie Mac”) pursuant to the commitment dated _____, 2019.

4. In addition to the right to sell or transfer the Funding Loan as set forth in Paragraph 3 above, the Funding Lender further acknowledges its right to sell or transfer the Funding Loan, subject, as required under the Funding Loan Agreement, to the delivery to the Governmental Lender and the Fiscal Agent of a transferee representations letter from the transferee to substantially the same effect as this Transferee Representations Letter or in such other form authorized by the Funding Loan Agreement with no revisions except as may be approved in writing by the Governmental Lender. The Funding Lender will not utilize any offering memorandum, placement memorandum or any other similar document in connection with any sale or transfer solely of the Funding Loan without providing the Governmental Lender with a draft of any such offering memorandum, placement memorandum or other similar document to be provided to any subsequent transferee, buyer or beneficial owner of the Funding Loan (or any interest therein), and the Governmental Lender shall have the right to approve any description of the Governmental Lender and the Funding Loan therein (which approval shall not be unreasonably withheld). The Funding Lender acknowledges that any costs associated with any such approval by the Governmental Lender shall be paid or caused to be paid by the Funding Lender or any such transferee.

5. The Funding Lender understands that the Governmental Note is not registered under the Act and that such registration is not legally required as of the date hereof; and further understands that the Governmental Note (a) is not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating service and (d) will be delivered in a form which may not be readily marketable.

6. The Funding Lender understands that (a) the Governmental Note and the Funding Loan are limited obligations of the Governmental Lender, (b) the Funding Loan is not secured by any pledge of any moneys received or to be received from taxation by the State of Florida or any political subdivision thereof (including Broward County, Florida (the “County”)) and that the Governmental Lender has no taxing power, (c) the Funding Loan does not and will not represent or constitute a general obligation or a pledge of the faith and credit of the Governmental Lender,

the State of Florida or any political subdivision thereof (including the County); and (d) the liability of the Governmental Lender with respect to the Funding Loan is limited to the Pledged Security as set forth in the Funding Loan Agreement.

7. The Funding Lender has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and which information the Funding Lender considers necessary to make an informed decision in connection with the [origination/purchase] of the Funding Loan, and the Funding Lender has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Borrower, the Project, the Funding Loan, the use of proceeds of the Funding Loan and the security therefor so that, as a reasonable investor, the Funding Lender has been able to make its decision to purchase the Funding Loan. The Funding Lender acknowledges that it has made the decision to purchase the Funding Loan based on its own independent investigation regarding the Funding Loan, the Borrower and the Project and has not relied upon either of the addressees hereof for any information in connection with the Funding Lender's purchase of the Funding Loan. In addition, the Funding Lender has not relied upon the use of any offering memorandum, placement memorandum or any other similar document with regards to its decision to purchase the Funding Loan. The Funding Lender is making its decision to purchase the Funding Loan directly through its credit review and due diligence concerning the Project and the Borrower. The undersigned is purchasing the Funding Loan directly from the Governmental Lender and not through a placement of the Funding Loan with the Funding Lender through any financial institution acting as an intermediary between the Governmental Lender and the Funding Lender.. The Funding Lender has not relied upon the Governmental Lender for any information in connection with its purchase of the Funding Loan.

8. The Funding Lender has made its own inquiry and analysis with respect to the Funding Loan and the security therefor, and other material factors affecting the security and payment of the Funding Loan. The Funding Lender is aware that the business of the Borrower involves certain economic variables and risks that could adversely affect the security for the Funding Loan.

9. The Funding Lender acknowledges and understands that the addressees to this Transferee Representations Letter are relying and will continue to rely on the statements made herein.

All agreements, representations and warranties made herein shall survive the execution and delivery of this letter agreement and, notwithstanding any investigation heretofore or hereafter, shall continue in full force and effect.

**[FUNDING LENDER SIGNATURE
BLOCK]**

By: _____
Name: _____
Title: _____

EXHIBIT D

**COSTS OF ISSUANCE REQUISITION
(Cost of Issuance Fund)**

The Bank of New York Mellon Trust Company, N.A., as Fiscal Agent
Jacksonville, Florida

Re: Regency Gardens Apartments

Fiscal Agent:

You are requested to disburse funds from the Cost of Issuance Fund pursuant to Section 4.13 of the Funding Loan Agreement in the amount(s), to the person(s) and for the purpose(s) set forth in this requisition (the “**Requisition**”). The terms used in this requisition shall have the meaning given to those terms in the Funding Loan Agreement (the “**Funding Loan Agreement**”), dated as of June 1, 2019, by and among CITIBANK, N.A., a national banking association, in its capacity as Initial Funding Lender (the “Initial Funding Lender”), the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA, a public body corporate and politic created, organized and existing under the laws of the State of Florida, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, as fiscal agent, securing that certain \$_____ Housing Finance Authority of Broward County, Florida Multifamily Mortgage Revenue Note, 2019 Series A-1 (Regency Gardens Apartments), dated June __, 2019 (the “**Governmental Note**”).

REQUISITION NO.:
PAYMENT DUE TO:
AMOUNT TO BE DISBURSED: \$

The undersigned, on behalf of POMPANO BEACH LEASED HOUSING ASSOCIATES II, LLLP, a Minnesota limited liability limited partnership duly organized and existing under the laws of the Florida (the “**Borrower**”), certifies that:

(a) the expenditures for which money is requisitioned by this Requisition represent proper charges against the Cost of Issuance Fund, have not been included in any previous requisition and are set forth in the Schedule attached to this Requisition, with invoices attached for any sums for which reimbursement is requested; and

(b) the money requisitioned is not greater than those necessary to meet obligations due and payable or to reimburse the applicable party for funds actually advanced for Costs of Issuance.

Attached to this Requisition is a Schedule, together with copies of invoices or bills of sale covering all items for which payment is being requested.

Date of Requisition: _____

**POMPANO BEACH LEASED HOUSING
ASSOCIATES II, LLLP**, a Minnesota limited
liability limited partnership

By: Pompano Beach Leased Housing
Associates II, LLC, a Minnesota limited
liability company, its general partner

By: _____
Mark G. Sween
Vice President

EXHIBIT E

**PROJECT LOAN FUND REQUISITION
(Project Loan Fund)**

The Bank of New York Mellon Trust Company, N.A., as Fiscal Agent
Jacksonville, Florida

Re: Regency Gardens Apartments

You are requested to disburse funds from the Project Loan Fund pursuant to Section 4.02 of the Funding Loan Agreement in the amount(s), to the person(s) and for the purpose(s) set forth in this requisition (the “**Requisition**”). The terms used in this requisition shall have the meaning given to those terms in the Funding Loan Agreement (the “**Funding Loan Agreement**”), dated as of June 1, 2019, by and among CITIBANK, N.A., a national banking association, in its capacity as Initial Funding Lender (the “**Initial Funding Lender**”), the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA, a public body corporate and politic created, organized and existing under the laws of the State of Florida (the “**Governmental Lender**”) and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, as fiscal agent (the “**Fiscal Agent**”), securing that certain \$ _____ Housing Finance Authority of Broward County, Florida Multifamily Mortgage Revenue Note, 2019 Series A-1 (Regency Gardens Apartments), dated June __, 2019 (the “**Governmental Note**”).

REQUISITION NO.:
PAYMENT DUE TO:
AMOUNT(S) TO BE DISBURSED: \$ _____ from the Project Account
\$ _____ from the Borrower Equity Account
\$ _____ from the Bridge Loan Account

The undersigned Borrower hereby represents and warrants that the following information and certifications provided in connection with this Requisition are true and correct as of the date hereof and authorizes Servicer to submit this Requisition to the Fiscal Agent on behalf of Borrower:

1. Purposes for which disbursement is requested are specified in the **attached Schedule**.
2. Party or parties to whom the disbursements shall be made are specified in the **attached Schedule** (may be the undersigned in the case of reimbursement for advances and payments made or cost incurred for work done by the undersigned); provided, that no reimbursement shall be made for advances and payments made prior to _____, 20____).
3. The undersigned certifies that:
 - a. *the conditions precedent to disbursement set forth in the Continuing Covenant Agreement have been satisfied;*

- b. *the disbursement requested pursuant to this Requisition will be used solely to pay a cost or costs allowable under the Funding Loan Agreement and the Continuing Covenant Agreement;*
- c. *none of the items for which disbursement is requested pursuant to this Requisition has formed the basis for any disbursement previously made from the Project Loan Fund and all such items have been properly recorded in Borrower's books and are set forth on the Schedule attached hereto, along with paid invoices attached for any sum for which reimbursement is requested and invoices or bills of sales for all other items;*
- d. *all labor and materials for which disbursements have been requested have been incorporated into the Project in accordance with reasonable and standard building practices, the Continuing Covenant Agreement and all applicable laws, ordinances, rules and regulations of any governmental authority having jurisdiction over the Project;*
- e. *the materials, supplies and equipment furnished or installed for the Improvements are not subject to any lien or security interest or that the funds to be disbursed pursuant to this Requisition are to be used to satisfy any such lien or security interest;*
- f. *all of the funds being requisitioned are being used in compliance with all tax covenants set forth in the Funding Loan Agreement, the Project Loan Agreement, the Tax Regulatory Agreement and the Tax Certificate, with respect to the Bridge Loan Account, the Bridge Loan Documents, including that none of the proceeds of the Funding Loan (including investment earnings thereon) will be used to provide an airplane, a skybox or any other private luxury box, any facility primarily used for gambling, health club facility or any store the principal business of which is the sale of alcoholic beverages for consumption off premises;*
- g. *with respect to amounts from the Project Account of the Project Loan Fund, not less than 95% of the sum of:*
 - (A) *the amounts requisitioned by this Requisition; plus*
 - (B) *all amounts previously requisitioned and disbursed from the Project Account of the Project Loan Fund;**have been or will be applied by Borrower to pay the Costs of the Project;*
- h. *Borrower is not in default under the Project Loan Agreement, the Continuing Covenant Agreement or any other Project Loan Document to which it is a party and nothing has occurred to the knowledge of Borrower that would prevent the performance of its obligations under such documents;*
- i. *no amounts being requisitioned hereby will be used to pay, or reimburse, any Costs of Issuance incurred in connection with the delivery of the Governmental Note or pay debt service with respect to the Loans; and*

j. *Funds deposited with Borrower for further disbursement to third parties shall be paid to such third parties by check or wire dated the date of such deposit and Borrower reasonably expects such funds will be disbursed from its account within five Business Days of such deposit.*

[Following items may not be required for Initial Disbursement]

- 4. Estimated costs of completing the uncompleted Repairs (as defined in the Continuing Covenant Agreement) as of the date of this Requisition: _____.
- 5. Percent of the Repairs completed as of the date this request: _____%
- 6. The Borrower certifies that monthly occupancy for the month preceding this Requisition was _____, as indicated by the **attached rent roll** which is true, correct and complete.
- 7. The Borrower certifies that net operating income for the month preceding this Requisition was _____, as indicated by the **attached operating statement**.

IN WITNESS WHEREOF, the undersigned has executed this Requisition as of the day and date written below.

Date: _____

POMPANO BEACH LEASED HOUSING ASSOCIATES II, LLLP, a Minnesota limited liability limited partnership

By: Pompano Beach Leased Housing Associates II, LLC, a Minnesota limited liability company, its general partner

By: _____
Mark G. Sween
Vice President

APPROVED:

**CITIBANK, N.A.,
A national banking association**

By: _____
Name: _____
Title: _____

GREAT SOUTHERN BANK, as Bridge Lender

By: _____

Name: _____

Title: _____

EXHIBIT “B”
FORM OF
PROJECT LOAN AGREEMENT
[ATTACHED]

PROJECT LOAN AGREEMENT

among

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA,
as Governmental Lender**

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

and

**POMPANO BEACH LEASED HOUSING ASSOCIATES II, LLLP,
as Borrower**

Dated as of June 1, 2019

Relating to

\$_____

**Housing Finance Authority of Broward County, Florida
Multifamily Mortgage Revenue Note, 2019 Series A-1
(Regency Gardens Apartments)**

All of the right, title and interest of the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (except for its Unassigned Rights) in and to this Project Loan Agreement are being assigned to THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Fiscal Agent, as security for the Funding Loan made pursuant to that certain Funding Loan Agreement dated as of June 1, 2019, by and among the Governmental Lender, the Initial Funding Lender named therein and the Fiscal Agent.

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS

Section 1.01	Definitions.....	2
Section 1.02	Interpretation.....	3

ARTICLE II REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.01	Representations, Warranties and Covenants of the Governmental Lender.....	4
Section 2.02	Representations, Warranties and Covenants of the Borrower	5
Section 2.03	Representations and Warranties of the Fiscal Agent	9
Section 2.04	Arbitrage and Rebate Fund Calculations	10
Section 2.05	Tax Covenants of the Borrower	10

ARTICLE III THE PROJECT LOAN

Section 3.01	Conditions to Funding the Project Loan	12
Section 3.02	Terms of the Project Loan; Servicing	13
Section 3.03	Initial Deposits	14
Section 3.04	Pledge and Assignment to Fiscal Agent.....	14
Section 3.05	Investment of Funds.....	14
Section 3.06	Damage; Destruction and Eminent Domain	15
Section 3.07	Enforcement of Financing Documents.....	15

ARTICLE IV LOAN PAYMENTS

Section 4.01	Payments Under the Project Note; Independent Obligation of Borrower.....	15
Section 4.02	Additional Payments Under the Project Note and this Project Loan Agreement.....	16
Section 4.03	Payments to Rebate Fund.....	18
Section 4.04	Prepayment.....	19
Section 4.05	Borrower's Obligations Upon Prepayment.....	19
Section 4.06	Limits on Personal Liability.....	19

ARTICLE V SPECIAL COVENANTS OF BORROWER

Section 5.01	Performance of Obligations	20
Section 5.02	Compliance With Applicable Laws	20
Section 5.03	Funding Loan Agreement Provisions.....	20
Section 5.04	Reserved.....	20

Section 5.05	Borrower to Maintain Its Existence; Certification of No Default.....	20
Section 5.06	Borrower to Remain Qualified in State and Appoint Agent	21
Section 5.07	Sale or Other Transfer of Project	21
Section 5.08	Right to Perform Borrower’s Obligations.....	21
Section 5.09	Notice of Certain Events	21
Section 5.10	Survival of Covenants	21
Section 5.11	Access to Project; Records.....	21
Section 5.12	Tax Regulatory Agreement	22
Section 5.13	Damage, Destruction and Condemnation	22
Section 5.14	Obligation of the Borrower To Rehabilitate the Project	22
Section 5.15	Filing of Financing Statements	23

**ARTICLE VI
INDEMNIFICATION**

Section 6.01	Indemnification	23
Section 6.02	Limitation With Respect to the Funding Lender.....	25

**ARTICLE VII
EVENTS OF DEFAULT AND REMEDIES**

Section 7.01	Events of Default.....	26
Section 7.02	Remedies on Default	27
Section 7.03	No Remedy Exclusive.....	27
Section 7.04	Agreement to Pay Attorneys’ Fees and Expenses.....	28
Section 7.05	No Additional Waiver Implied by One Waiver	28
Section 7.06	Control of Proceedings.....	28
Section 7.07	Assumption of Obligations	30

**ARTICLE VIII
MISCELLANEOUS**

Section 8.01	Notices30	
Section 8.02	Concerning Successors and Assigns	31
Section 8.03	Governing Law.....	32
Section 8.04	Modifications in Writing.....	32
Section 8.05	Further Assurances and Corrective Instruments	32
Section 8.06	Captions.....	32
Section 8.07	Severability	32
Section 8.08	Counterparts	32
Section 8.09	Amounts Remaining in Loan Payment Fund or Other Funds.....	32
Section 8.10	Effective Date and Term	32
Section 8.11	Cross References.....	33
Section 8.12	Funding Lender Representative and Servicer as Third-Party Beneficiaries	33
Section 8.13	Reserved.....	33
Section 8.14	Non-Liability of Governmental Lender	33
Section 8.15	No Liability of Officers.....	33

Section 8.16 Capacity of the Fiscal Agent 34
Section 8.17 Reliance..... 34

PROJECT LOAN AGREEMENT

THIS PROJECT LOAN AGREEMENT (this “**Project Loan Agreement**”) is made and entered into as of June 1, 2019, by and among the **HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA** (the “**Governmental Lender**”), a public body corporate and politic created, organized and existing under the laws of the State of Florida (the “**State**”), **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, having a corporate trust office in Jacksonville, Florida (together with any successor Fiscal Agents appointed under the Funding Loan Agreement, the “**Fiscal Agent**”), and **POMPANO BEACH LEASED HOUSING ASSOCIATES II, LLLP**, a limited liability limited partnership duly organized and existing under the laws of the State of Minnesota (together with its successors and assigns permitted hereunder, the “**Borrower**”).

RECITALS

A. Pursuant to Ordinance No. 79-41, enacted on June 20, 1979 by the Board of County Commissioners of Broward County, Florida (the “**County**”), and in accordance with Chapter 159, Part IV, Florida Statutes, as amended (the “**Act**”) and this Project Loan Agreement, the Governmental Lender is agreeing to make a mortgage loan to the Borrower in the original principal amount of \$_____ (the “**Project Loan**”) to provide for the financing of a multifamily rental housing development located at 1525 Northwest 17th Avenue in Pompano Beach, Florida, known as Regency Gardens Apartments (the “**Project**”).

B. The Governmental Lender is making the Project Loan to the Borrower with the proceeds received from the loan in the original principal amount of \$_____ (the “**Funding Loan**” and together with the Project Loan, the “**Loans**”) made to the Governmental Lender pursuant to the Funding Loan Agreement (the “**Funding Loan Agreement**”), by and among CITIBANK, N.A., a national banking association, in its capacity as Initial Funding Lender (the “**Initial Funding Lender**”), the Governmental Lender and the Fiscal Agent. The Funding Loan is being originated and funded by the Initial Funding Lender and is evidenced by that certain \$_____ Housing Finance Authority of Broward County, Florida Multifamily Mortgage Revenue Note, 2019 Series A-1 (Regency Gardens Apartments), dated June __, 2019 (together with all riders and addenda thereto, the “**Governmental Note**”) delivered by the Governmental Lender to the Initial Funding Lender.

C. The Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise (“**Freddie Mac**”), has entered into a commitment with the Initial Funding Lender dated _____, 2019 (the “**Freddie Mac Commitment**”), whereby Freddie Mac has agreed to purchase the Funding Loan upon the satisfaction of the conditions set forth in the Freddie Mac Commitment (the “**Freddie Mac Purchase Date**”). On the Freddie Mac Purchase Date, the Initial Funding Lender will assign to Freddie Mac all of its rights and interest in the Governmental Note, the Funding Loan Agreement, the Continuing Covenant Agreement and the other Financing Documents (as such terms are herein defined).

D. The Borrower has agreed to use the proceeds of the Project Loan to finance the acquisition and rehabilitation of the Project [and to pay certain closing costs with respect to the Loans].

E. The Borrower's repayment obligations in respect of the Project Loan will be evidenced by a Project Note dated June __, 2019 (together with all riders and modifications thereto, the "**Project Note**") delivered to the Governmental Lender, which Project Note will be endorsed by the Governmental Lender to the Fiscal Agent as security for the Funding Loan.

F. To secure the Borrower's obligations under the Project Note, the Borrower will execute and deliver to the Governmental Lender a Multifamily Mortgage, Assignment of Rents and Security Agreement (Florida) dated as of the date hereof (the "**Security Instrument**") with respect to the Project, which Security Instrument will be assigned by the Governmental Lender to the Fiscal Agent as security for the Funding Loan.

G. On and after the Freddie Mac Purchase Date, Freddie Mac will act as Funding Lender Representative with respect to the Loans (in such capacity and any successor in such capacity, the "**Funding Lender Representative**"). **CITIBANK, N.A.** (the "**Servicer**") will act as initial servicer for the Loans on behalf of the Funding Lender Representative.

H. The Borrower is also entering into a Continuing Covenant Agreement dated as of the date hereof with the Initial Funding Lender (the "**Continuing Covenant Agreement**"), which sets forth various other requirements with respect to the Project, and which agreement is being assigned to Freddie Mac on the Freddie Mac Purchase Date.

NOW, THEREFORE, for and in consideration of the mutual covenants and representations hereinafter contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. All words and phrases (except for Event of Default) defined in the Funding Loan Agreement and the Continuing Covenant Agreement shall have the same meanings for the purposes of this Project Loan Agreement. In addition to the words and phrases defined in the Funding Loan Agreement and elsewhere herein, the following words and phrases shall have the following meanings:

"*Administrative Limited Partner*" means Alliant ALP 2019, LLC, a California limited liability company, the administrative limited partner of the Borrower and its permitted successors and assigns.

"*Event of Default*" means any of those events specified in and defined by the applicable provisions of Article VII hereof to constitute an event of default.

"*Fee Component*" means the regular, ongoing fees due from time to time to the Governmental Lender, the Fiscal Agent and the Rebate Analyst, if any, expressed as a flat, fixed

amount or in terms of a percentage of the unpaid principal amount of the Funding Loan on an annual basis.

[“*Loan Equalization Payment*” means a mandatory prepayment of the Project Loan at the discretion of the Funding Lender Representative in an amount [required by the Project Note] [not to exceed \$_____] if the Project does not meet the achievement standards set forth in the Continuing Covenant Agreement.]

“*Limited Partner*” means, initially, Alliant Credit Facility, Ltd., a Florida limited partnership, the investor limited partner of the Borrower and its successors and assigns.

“*Project Loan Agreement*” means this Project Loan Agreement, together with any amendments hereto.

“*Project Loan Amortization Schedule*” means the Project Loan Amortization Schedule attached as Schedule 1 to the Project Note.

“*Project Loan Payment*” means each payment of the Project Loan on each Project Loan Payment Date pursuant to the Project Note and this Project Loan Agreement.

“*Project Loan Payment Date*” means (A) the first day of each calendar month, commencing August, 2019, or (B) any other date on which the Project Loan is prepaid or paid, whether at scheduled maturity or upon prepayment or acceleration of the maturity thereof; provided, however, that if a Project Loan Payment Date is not a Business Day, payment shall be made on the first Business Day following such Project Loan Payment Date.

“*Servicing Fee*” means the ordinary fee payable to the Servicer in connection with the servicing of the Project Loan and the Funding Loan payable monthly in an amount equal to one twelfth of .10% of the outstanding principal balance of the Project Loan, computed on the basis of a 360-day year and the actual number of days elapsed.

“*Taxes*” means all taxes, water rents, sewer rents, assessments and other governmental or municipal or public or private dues, fees, charges and levies and any liens (including federal tax liens) which are or may be levied, imposed or assessed upon the Project or any part thereof, or upon any leases pertaining thereto, or upon the rents, issues, income or profits thereof, whether any or all of the aforementioned be levied directly or indirectly or as excise taxes or as income taxes.

Section 1.02 Interpretation. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. Words importing persons include firms, partnerships, limited liability companies, joint ventures, associations and corporations. References to Articles, Sections and other subdivisions of this Project Loan Agreement are the Articles, sections and other subdivisions of this Project Loan Agreement as originally executed.

The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms refer to this Project Loan Agreement; the term “heretofore” means before the date of execution

of this Project Loan Agreement; and the term “hereafter” means after the date of execution of this Project Loan Agreement.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.01 *Representations, Warranties and Covenants of the Governmental Lender.* The Governmental Lender makes the following representations, warranties and covenants for the benefit of the Borrower, the Fiscal Agent, the Funding Lender and the Servicer:

(a) The Governmental Lender is a public body corporate and politic duly created, organized and existing under the laws of the State.

(b) The Governmental Lender has all necessary power and authority to incur the indebtedness of the Funding Loan evidenced by the Governmental Note and to make the Project Loan from the proceeds thereof, and to execute, and deliver this Project Loan Agreement, the Funding Loan Agreement, and the other Financing Documents to which it is a party, and to perform its duties and discharge its obligations hereunder and thereunder.

(c) The Governmental Lender has taken all action on its part to incur the Funding Loan evidenced by the Governmental Note and make the Project Loan from the proceeds thereof and for the sale, execution and delivery thereof.

(d) Each of the Financing Documents to which the Governmental Lender is a party has been duly and validly authorized, executed and delivered by the Governmental Lender and, assuming due authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the Governmental Lender, enforceable against the Governmental Lender in accordance with its respective terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium or other laws affecting creditors' rights generally and the application of equitable principles.

(e) The Governmental Lender has complied with the provisions of the laws of the State, including, but not limited to, the Act, which are prerequisites to the consummation of the transactions on the part of the Governmental Lender described or contemplated in the Financing Documents. The execution and delivery of the Governmental Note and the Financing Documents to which the Governmental Lender is a party, the consummation of the transactions on the part of the Governmental Lender contemplated thereby and the fulfillment of or compliance with the terms and conditions thereof do not conflict with or result in the breach of any of the terms, conditions or provisions of any agreement or instrument or judgment, order or decree to which the Governmental Lender is now a party or by which it is bound, nor do they constitute a default under any of the foregoing or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature upon any property or assets of the Governmental Lender under the terms of any instrument or agreement.

(f) No authorization, consent, approval, order, registration, declaration or withholding of objection on the part of, or filing of or with any governmental authority, other than those already obtained, is required for the due execution and delivery by the Governmental Lender of, and performance by the Governmental Lender of its obligations under, the Financing Documents.

(g) There is no action, suit, proceeding, inquiry or investigation pending or, to the knowledge of the Governmental Lender, threatened against the Governmental Lender by or before any court, governmental agency or public board or body, nor, to the Governmental Lender's knowledge, is there any basis therefor, which (i) affects or questions the existence or the territorial jurisdiction of the Governmental Lender or the title to office of any member of the governing body of the Governmental Lender; (ii) affects or seeks to prohibit, restrain or enjoin the execution and delivery of any Financing Documents or the issuance, sale, execution or delivery of the Governmental Note; (iii) affects or questions the validity or enforceability of the Governmental Note or any Financing Document; (iv) questions the tax-exempt status of the Governmental Note; or (v) questions the power or authority of the Governmental Lender to perform its obligations under the Governmental Note or any Financing Document, or to carry out the transactions contemplated by the Governmental Note and the Financing Documents.

(h) No officer or other official of the Governmental Lender has any personal financial interest in the Project or the Borrower or in the transactions contemplated by this Project Loan Agreement.

(i) Upon the discovery by the Governmental Lender of any noncompliance by the Borrower with this Project Loan Agreement, the Tax Certificate or the Tax Regulatory Agreement, the Governmental Lender will, in writing, promptly notify the Borrower, the Fiscal Agent, the Servicer and the Funding Lender Representative of such noncompliance and will, subject to the provisions of Article VII hereof, and subject to any applicable cure periods, promptly institute action, or cause the Fiscal Agent to institute action, to correct such noncompliance, will diligently pursue such action and will attempt to correct such noncompliance within sixty (60) days after such discovery, subject to the provisions of the Funding Loan Agreement, this Project Loan Agreement, the Tax Certificate and the Tax Regulatory Agreement.

It is expressly acknowledged that the Governmental Lender makes no representation as to the financial position or business condition of the Borrower and does not represent or warrant as to any of the statements, materials (financial or otherwise), representations or certifications furnished or to be made and furnished by the Borrower in connection with the issuance, sale, execution and delivery of the Governmental Note, or as to the correctness, completeness or accuracy of such statements.

Section 2.02 *Representations, Warranties and Covenants of the Borrower.* The Borrower makes the following representations, warranties and covenants, all of which, together with the other representations and agreements of the Borrower contained in this Project Loan Agreement, are relied upon by the Governmental Lender, the Funding Lender, the Servicer and

the Fiscal Agent and serve as a basis for the undertakings of the Governmental Lender, the Servicer and the Fiscal Agent contained in this Project Loan Agreement:

(a) The Borrower is a limited liability limited partnership duly organized, validly existing and in good standing under the laws of the state in which it has been organized and is duly qualified to conduct its business under the laws of the State and in every other state in which the nature of its business requires such qualification, has full legal right, power and authority to enter into this Project Loan Agreement and the other Financing Documents to which it is a party, and to carry out and consummate all transactions contemplated hereby and by the other Financing Documents, and by proper action has duly authorized the execution, delivery and performance of this Project Loan Agreement and the other Financing Documents to which it is a party. All corporate or limited liability company general partners, if any, of the Borrower are duly organized and in good standing under the laws of their respective states of organization and are duly qualified to transact business in the State as either domestic or foreign corporations or limited liability company, as applicable. All partnership general partners, if any, are duly formed and in good standing under the laws of their respective states of formation and, to the extent required by the laws of the State, are duly qualified to transact business in the State as either domestic or foreign partnerships or limited liability companies, as applicable.

(b) The Borrower has the legal right, power and authority to (i) own its properties and assets, including, but not limited to, the Project, (ii) to carry on its business as now being conducted and the Borrower contemplates it to be conducted with respect to the Project and (iii) execute and deliver, carry out its obligations under, and close the transactions provided for in, the Financing Documents to which it is a party.

(c) Each of the Financing Documents to which the Borrower is a party has been duly authorized, executed and delivered by the Borrower and, assuming due authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and general principles of equity.

(d) No authorization, consent, approval, order, registration, declaration or withholding of objection on the part of, or filing of or with any governmental authority, other than those already obtained or those necessary to be obtained during the course of rehabilitation of the Project, is required for the due execution and delivery or approval, as the case may be, by the Borrower of, and the performance by the Borrower of its obligations under, the Financing Documents.

(e) None of the execution and delivery of the Financing Documents to which the Borrower is a party, the consummation of the transactions provided for in the Financing Documents, or the Borrower's fulfillment of or compliance with the terms and conditions of the Financing Documents (i) violates or will violate any law, rule or regulation of any governmental agency or body having jurisdiction over the Borrower, or

any of its activities or properties, or any judgment, order, writ, injunction or decree to which the Borrower is subject, or any of the organizational or other governing documents of the Borrower, (ii) conflicts or will conflict with any agreement, instrument or license to which the Borrower is now a party or by which it or any of its properties or assets is bound or results or will result in a breach of, or constitutes or will constitute a default (with due notice or the passage of time or both) under, any such agreement, instrument or license, (iii) contravenes or will contravene any such law, rule or regulation or any such judgment, order, writ, injunction or decree, or (iv) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower, except for any lien, charge or encumbrance permitted under the terms of the Financing Documents.

(f) Reserved.

(g) There is no action, suit, proceeding, inquiry or investigation pending or, to the Borrower's knowledge, threatened against or affecting the Borrower or any of its properties (including, without limitation, the Project), which, if adversely determined, would (i) impair the right of the Borrower to carry on its business substantially as now conducted and as contemplated by the Financing Documents, (ii) adversely affect the financial condition of the Borrower, (iii) prohibit, restrain or enjoin the making of the Funding Loan or the Project Loan or the execution and delivery of any of the Financing Documents, (iv) adversely affect the validity or enforceability of any of the Financing Documents, or (v) adversely affect the exclusion from gross income for federal income tax purposes of interest on the Governmental Note.

(h) The Project and the operation of the Project (in the manner contemplated by the Financing Documents) conform and, following completion of the rehabilitation of the Project, will continue to conform in all material respects with the requirements of the Act as well as all applicable zoning, planning, building and environmental laws, ordinances and regulations of governmental authorities having jurisdiction over the Project.

(i) The Borrower has filed or caused to be filed all federal, state and local tax returns which are required to be filed or has obtained appropriate extensions therefor, and has paid or caused to be paid all taxes as shown on said returns or on any assessment received by it, to the extent that such taxes have become due.

(j) The Borrower is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party which default would materially adversely affect the transactions contemplated by the Financing Documents or the operations of the Borrower or the enforceability of the Financing Documents to which the Borrower is a party or the ability of the Borrower to perform all obligations thereunder.

(k) The Borrower agrees to pay all costs of maintenance and repair, all Taxes and assessments, insurance premiums (including public liability insurance and insurance against damage to or destruction of the Project) concerning or in any way related to the

Project, or any part thereof, and any expenses or renewals thereof, and any other governmental charges and impositions whatsoever, foreseen or unforeseen, and all utility and other charges and assessments concerning or in any way related to the Project.

(l) If the Borrower is a partnership, all of the partnership interests in the Borrower are validly issued and are fully registered, if required, with the applicable governmental authorities and/or agencies, and there are no outstanding options or rights to purchase or acquire those interests other than as set forth in the Borrower's [Amended and Restated Agreement of Limited Partnership]. If the Borrower is a limited liability company, all of the ownership interests in the Borrower are validly issued and are fully registered, if required, with the applicable governmental authorities and/or agencies, and there are no outstanding options or rights to purchase or acquire those interests. Nothing in this Project Loan Agreement shall prevent the Borrower from issuing additional partnership interests or ownership interests if such units are issued in accordance with all applicable securities laws.

(m) The representations and warranties of the Borrower contained in the Tax Certificate and Tax Regulatory Agreement are true and accurate in all material respects.

(n) The information, statements or reports furnished in writing to the Governmental Lender, the Servicer and the Funding Lender Representative by the Borrower in connection with this Project Loan Agreement or the consummation of the transactions contemplated hereby do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading; and the representations and warranties of the Borrower and the statements, information and descriptions contained in the Borrower's closing certificates, as of the Delivery Date, are true and correct in all material respects, do not contain any untrue statement of a material fact, and do not omit to state a material fact necessary to make the representations, warranties, statements, information and descriptions contained therein, in the light of the circumstances under which they were made, not misleading; and any estimates or assumptions contained in any certificate of the Borrower delivered as of the Delivery Date are reasonable.

(o) To the knowledge of the Borrower, no commissioner, member, officer or employee of the Governmental Lender has been or is in any manner interested, directly or indirectly, in that person's own name or in the name of any other person, in the Financing Documents, the Borrower or the Project, in any contract for property or materials to be furnished or used in connection with the Project, or in any aspect of the transactions contemplated by the Financing Documents.

(p) The Borrower intends to hold the Project for its own account and has no current plans to sell, and has not entered into any agreement, to sell all or any portion of the Project.

(q) The Project is located wholly within the boundaries of the County.

(r) The Borrower shall make no changes to the Project or to the operation thereof which would affect the qualification of the Project under the Act or impair the exclusion from gross income for federal income tax purposes of the interest on the Governmental Note. The Borrower shall operate the Project as required by the Tax Regulatory Agreement.

(s) The Funding Loan Agreement has been submitted to the Borrower for examination, and the Borrower, by execution of this Project Loan Agreement, acknowledges and agrees that it has participated in the drafting of the Funding Loan Agreement and that it is bound by, shall adhere to the provisions of, covenants and agrees to perform all obligations required of the Borrower pursuant to, and shall have the rights set forth by the applicable terms and conditions of, the Funding Loan Agreement.

(t) The Borrower will have a fee simple interest in the land and improvements on the Project, subject only to liens permitted under the Security Instrument.

(u) The Borrower acknowledges that (i) it understands the nature and structure of the transactions relating to the financing of the Project, (ii) it is familiar with the provisions of all of the documents and instruments relating to the financing, (iii) it understands the risks inherent in such transactions, including without limitation the risk of loss of the Project, and (iv) it has not relied on the Governmental Lender, the Fiscal Agent, Freddie Mac, the Funding Lender, the Funding Lender Representative or the Servicer for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by the Financing Documents or otherwise relied on the Governmental Lender, the Fiscal Agent, Freddie Mac, the Funding Lender, the Funding Lender Representative or the Servicer in any manner.

Section 2.03 *Representations and Warranties of the Fiscal Agent.* The Fiscal Agent makes the following representations and warranties for the benefit of the Governmental Lender, the Borrower, the Funding Lender and the Servicer:

(a) The Fiscal Agent is a national banking association, duly organized and existing under the laws of the United States of America. The Fiscal Agent is duly authorized to act as a fiduciary and to execute the trust created by the Funding Loan Agreement, and meets the qualifications to act as Fiscal Agent under the Funding Loan Agreement.

(b) The Fiscal Agent has complied with the provisions of law which are prerequisite to the consummation of, and has all necessary power (including trust powers) and authority (i) to execute and deliver this Project Loan Agreement and the other Financing Documents to which it is a party, (ii) to perform its obligations under this Project Loan Agreement and the other Financing Documents to which it is a party, and (iii) to consummate the transactions contemplated by this Project Loan Agreement and the other Financing Documents to which it is a party.

(c) The Fiscal Agent has duly authorized (i) the execution and delivery of this Project Loan Agreement and the other Financing Documents to which it is a party, (ii) the

performance by the Fiscal Agent of its obligations under this Project Loan Agreement and the other Financing Documents to which it is a party, and (iii) the actions of the Fiscal Agent contemplated by this Project Loan Agreement and the other Financing Documents to which it is a party.

(d) Each of the Financing Documents to which the Fiscal Agent is a party has been duly executed and delivered by the Fiscal Agent and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a valid and binding obligation of the Fiscal Agent, enforceable against the Fiscal Agent in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and 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).

(e) The Fiscal Agent meets the qualifications to act as Fiscal Agent under the Funding Loan Agreement.

(f) The Fiscal Agent has complied with the provisions of law which are prerequisites to the consummation of the transactions on the part of the Fiscal Agent described or contemplated in the Financing Documents.

(g) No approval, permit, consent, authorization or order of any court, governmental agency or public board or body not already obtained is required to be obtained by the Fiscal Agent as a prerequisite to (i) the execution and delivery of this Project Loan Agreement and the other Financing Documents to which the Fiscal Agent is a party, (ii) the authentication or delivery of the Governmental Note, (iii) the performance by the Fiscal Agent of its obligations under this Project Loan Agreement and the other Financing Documents to which it is a party, or (iv) the consummation of the transactions contemplated by this Project Loan Agreement and the other Financing Documents to which the Fiscal Agent is a party. The Fiscal Agent makes no representation or warranty relating to compliance with any federal or state securities laws.

Section 2.04 *Arbitrage and Rebate Fund Calculations.* The Borrower shall (a) take or cause to be taken all actions necessary or appropriate in order to fully and timely comply with Section 4.12 of the Funding Loan Agreement, and (b) if required to do so under Section 4.12 of the Funding Loan Agreement, select at the Borrower's expense, a Rebate Analyst reasonably acceptable to the Governmental Lender for the purpose of making any and all calculations required under Section 4.12 of the Funding Loan Agreement. Such calculations, if required, shall be made in the manner and at such times as specified in Section 4.12 of the Funding Loan Agreement. The Borrower shall cause the Rebate Analyst to provide such calculations to the Fiscal Agent and the Governmental Lender at such times and with such directions as are necessary to comply fully with the arbitrage and rebate requirements set forth in the Funding Loan Agreement and to comply fully with Section 148 of the Code, including the timely payment of any arbitrage rebate owed.

Section 2.05 *Tax Covenants of the Borrower.* The Borrower covenants and agrees that:

(a) It will at all times comply with the terms of the Tax Certificate and the Tax Regulatory Agreement;

(b) It will not take, or permit to be taken on its behalf, any action which would cause the interest payable on the Governmental Note to be included in gross income of the Funding Lender, for federal income tax purposes, and will take such action as may be necessary in the opinion of Bond Counsel to continue such exclusion from gross income, including, without limitation, the preparation and filing of all statements required to be filed by it in order to maintain the exclusion (including, but not limited to, the filing of all reports and certifications required by the Tax Regulatory Agreement);

(c) No changes will be made to the Project, no actions will be taken by the Borrower and the Borrower will not omit to take any actions, which will in any way adversely affect the tax-exempt status of the Governmental Note;

(d) It will comply with the requirements of Section 148 of the Code and the Regulations issued thereunder throughout the term of the Funding Loan and the Project Loan and will not make any use of the proceeds of the Funding Loan or the Project Loan, or of any other funds which may be deemed to be proceeds of the Governmental Note under the Code and the related regulations of the United States Treasury, which would cause the Governmental Note to be “arbitrage bonds” within the meaning of Section 148 of the Code;

(e) If the Borrower becomes aware of any situation, event or condition which would, to the best of its knowledge, result in the interest on the Governmental Note becoming includable in gross income of the Funding Lender for federal income tax purposes, it will promptly give written notice of such circumstance, event or condition to the Governmental Lender, the Fiscal Agent, the Funding Lender Representative and the Servicer;

(f) The full amount of each disbursement of proceeds of the Project Loan will be applied to pay or to reimburse the Borrower for the payment of Costs of the Project and, after taking into account any proposed disbursement, (i) at least 95% of the net proceeds of the Governmental Note (as defined in Section 150 of the Code) will be used to provide a qualified residential rental project (as defined in Section 142(d) of the Code) and (ii) less than 25% of the net proceeds of the Governmental Note will have been disbursed to pay or to reimburse the Borrower for the cost of acquiring land; none of the proceeds of the Governmental Note (as defined for purposes of Section 147(g) of the Code) will be disbursed to provide working capital;

(g) The Borrower will cause all of the residential units in the Project to be rented or available for rental on a basis which satisfies the applicable requirements of the Act, the Code and the Tax Regulatory Agreement;

(h) All leases will comply with all applicable laws and the Tax Regulatory Agreement;

(i) In connection with any lease or grant by the Borrower of the use of the Project, the Borrower will require that the lessee or user of any portion of the Project not use that portion of the Project in any manner which would violate the covenants set forth in this Project Loan Agreement or the Tax Regulatory Agreement;

(j) No proceeds of the Funding Loan shall be used for the acquisition of any tangible property or an interest therein, other than land or an interest in land, unless the first use of such property is pursuant to such acquisition; provided, however, that this limitation shall not apply with respect to any building (and the equipment therefor) if rehabilitation expenditures (as defined in Section 147(d) of the Code) with respect to such building equal or exceed 15 percent of the portion of the cost of acquiring such building (and equipment) financed with the proceeds; and provided, further, that this limitation shall not apply with respect to any structure other than a building if rehabilitation expenditures with respect to such structure equal or exceed 100 percent of the portion of the cost of acquiring such structure financed with the proceeds;

(k) From the proceeds of the Funding Loan and investment earnings thereon, an amount not in excess of two percent (2%) of the proceeds of the Funding Loan, will be used for Costs of Issuance of the Governmental Note, all within the meaning of Section 147(g)(1) of the Code; and

(l) No proceeds of the Funding Loan shall be used directly or indirectly to provide any airplane, skybox or other private luxury box, health club facility, facility used for gambling or store the principal business of which is the sale of alcoholic beverages for consumption off premises.

In the event of a conflict between the terms and requirements of this Section 2.05 and the Tax Certificate, the terms and requirements of the Tax Certificate shall control.

ARTICLE III

THE PROJECT LOAN

Section 3.01 *Conditions to Funding the Project Loan.* On the Delivery Date, the Governmental Lender shall cause the proceeds of the Funding Loan to be deposited with the Fiscal Agent in accordance with Section 2.11 of the Funding Loan Agreement and Section 3.03 hereof. The Fiscal Agent shall use such proceeds as provided in Article II of the Funding Loan Agreement to make the Project Loan, provided that no such disbursements of proceeds shall be made until the following conditions have been met:

(a) The Borrower shall have executed and delivered to the Governmental Lender the Project Note and the Governmental Lender shall have endorsed the Project Note to the Fiscal Agent;

(b) The Security Instrument and the Assignment, with only such changes therein as shall be approved in writing by Funding Lender Representative, shall have been executed and delivered by the Borrower and the Governmental Lender, respectively,

and delivered to the title company for recording in the appropriate office for officially recording real estate documents in the jurisdiction in which the Project is located (the “**Recorder’s Office**”);

(c) The Tax Regulatory Agreement shall have been executed and delivered by the parties thereto and shall have been delivered to the title company for recording in the Recorder’s Office, and the Fiscal Agent shall have received evidence satisfactory to it of such delivery;

(d) All other Financing Documents not listed above shall have been executed and delivered by all parties thereto and copies thereof delivered to the Fiscal Agent; and

(e) The Borrower shall have delivered to the Fiscal Agent, the Governmental Lender, the Funding Lender Representative and the Servicer a certificate confirming, as of the Delivery Date, the matters set forth in Section 2.02 hereof and an opinion of its counsel or other counsel satisfactory to the Fiscal Agent, the Governmental Lender, Bond Counsel, the Funding Lender Representative, Freddie Mac and the Servicer.

Section 3.02 *Terms of the Project Loan; Servicing.*

(a) The Project Loan shall (i) be evidenced by the Project Note; (ii) be secured by the Security Instrument; (iii) be in the original principal amount of \$_____ ; (iv) bear interest as provided in the Project Note; (v) provide for principal and interest payments in accordance with the Project Note; and (vi) be subject to optional and mandatory prepayment at the times, in the manner and on the terms, and have such other terms and provisions, as provided herein and in the Project Note.

(b) The Funding Lender Representative may appoint a Servicer to service the Loans for all or a portion of the term of the Loans. The initial Servicer of the Loans is CITIBANK, N.A., a national banking association, who shall service the Loans pursuant to the terms of the Commitment and the Guide. The Funding Lender Representative may remove a Servicer or appoint a replacement Servicer, in its discretion, by written notice provided to the Governmental Lender, the Fiscal Agent and the Borrower. Any successor Servicer shall signify its acceptance of the duties and obligations imposed upon it by the Funding Loan Agreement and this Project Loan Agreement by executing such instrument(s) as shall be acceptable to the Funding Lender Representative, a copy of which shall be provided to the parties hereto.

(c) During any period that the Servicer services the Loans, the Borrower shall make all payments in connection with the Project Loan to the Servicer, and the Servicer will (i) retain the allocable portion of the monthly Servicing Fee, if any, for its own account, (ii) remit to the Funding Lender all payments of principal of, Prepayment Premium, if any, and interest due with respect to the Funding Loan, together, with any other amounts due to the Funding Lender, (iii) remit to the Fiscal Agent the Ordinary Fiscal Agent's Fees and Expenses, together with any other amounts due to the Fiscal Agent, and (iv) remit to the Fiscal Agent the Ongoing Governmental Lender Fee, together with any other amounts due to the Governmental Lender, all for disbursement to

the Governmental Lender. During a period in which there is no Servicer, all notices to be sent to the Servicer shall be sent to the Funding Lender Representative (to the extent not already provided) and all amounts to be paid to the Servicer by the Borrower shall be paid directly to the Fiscal Agent (unless otherwise directed by the Funding Lender Representative).

(d) The Governmental Lender, the Fiscal Agent and the Borrower hereby acknowledge and agree that (i) the Funding Lender Representative has appointed the Servicer to service and administer the Project Loan, (ii) the selection or removal of any Servicer is in the sole and absolute discretion of the Funding Lender Representative; (iii) none of the Governmental Lender, the Fiscal Agent or the Borrower shall terminate or attempt to terminate any Servicer as the servicer for the Project Loan or appoint or attempt to appoint a substitute servicer for the Project Loan, (iv) the *Guide* is subject to amendment without the consent of the Fiscal Agent, the Governmental Lender or the Borrower; and (v) none of the Fiscal Agent, the Governmental Lender or the Borrower shall have any rights under, or be a third party beneficiary of, the *Guide*.

Section 3.03 *Initial Deposits.* On the Delivery Date, proceeds of the Funding Loan in the amount of \$_____ shall be deposited in the Project Account of the Project Loan Fund [and \$_____ shall be transferred from the Project Account for deposit to the Cost of Issuance Fund]. The Borrower will deposit with the Fiscal Agent the sum of (i) \$_____ for credit to the [Cost of Issuance Fund]; and (ii) \$_____ for credit to the [Borrower Equity Account of the Project Loan Fund]. The Borrower will cause to be deposited with the Fiscal Agent the amount of \$_____ for credit to the Bridge Loan Account of the Project Loan Fund. The Borrower will deposit with the Servicer the sum of \$_____ as the Initial Debt Service Deposit. Subject to the conditions listed in Section 3.01 hereof, amounts on deposit in the Project Loan Fund are to be disbursed to the Borrower or otherwise as provided in Section 2.11(d) of the Funding Loan Agreement.

[To the extent that amounts in the Cost of Issuance Fund from the above-mentioned sources are insufficient to pay all costs of closing the Loans, the Borrower shall pay or cause the payment of such additional costs of closing the Loans to be made on its behalf as such amounts become due.] or [The Borrower shall pay or cause to be paid all costs of closing the Loans through the Title Agent and, to the extent such amounts deposited with the Title Agent are insufficient to pay all costs of closing the Loans, shall cause the payment of such additional costs of closing the Loans to be made on its behalf as such amounts become due.]

Section 3.04 *Pledge and Assignment to Fiscal Agent.* The parties hereto acknowledge, and the Borrower consents to, the pledge and assignment by the Governmental Lender to the Fiscal Agent pursuant to the Funding Loan Agreement of all of the Governmental Lender's right, title and interest in this Project Loan Agreement (excluding the Unassigned Rights), the Project Loan, the Project Note, the Security Instrument, the other Project Loan Documents and the Revenues as security for the payment of the principal of, premium, if any, and interest on the Governmental Note and the payment of any other amounts due under the Financing Documents.

Section 3.05 *Investment of Funds.* Except as otherwise provided in the Funding Loan Agreement, any money held as a part of any fund or account established under the Funding Loan

Agreement shall be invested or reinvested by the Fiscal Agent in Qualified Investments in accordance with Section 4.08 of the Funding Loan Agreement.

Section 3.06 *Damage; Destruction and Eminent Domain.* If, prior to payment in full of the Project Loan, the Project or any portion thereof is destroyed or damaged in whole or in part by fire or other casualty, or title to, or the temporary use of, the Project or any portion thereof shall have been taken by the exercise of the power of eminent domain, and the Governmental Lender, the Borrower, the Fiscal Agent or the Servicer receives Net Proceeds from insurance or any condemnation award in connection therewith, such Net Proceeds shall be utilized as provided in the Project Loan Documents and the Funding Loan Agreement.

Section 3.07 *Enforcement of Financing Documents.* The Fiscal Agent or the Funding Lender Representative may enforce and take all reasonable steps, actions and the proceedings necessary for the enforcement of all terms, covenants and conditions of the Funding Loan Agreement and the other Financing Documents as and to the extent set forth herein and therein.

ARTICLE IV

LOAN PAYMENTS

Section 4.01 *Payments Under the Project Note; Independent Obligation of Borrower.*

(a) **Payment Obligations.** The Borrower agrees to repay the Project Loan on each Project Loan Payment Date as provided in the Project Note, and in all instances at the times and in the amounts necessary to enable the Fiscal Agent, on behalf of the Governmental Lender, or the Servicer, to pay all amounts payable with respect to the Funding Loan, when due, whether at maturity or upon prepayment (with premium, if applicable), acceleration or otherwise. To ensure such timely payment, the Servicer shall collect from the Borrower, and the Borrower shall provide to the Servicer the foregoing payments not less than two (2) Business Days prior to each respective Project Loan Payment Date.

The obligation of the Borrower to make the payments set forth in this Article IV shall be an independent obligation of the Borrower, separate from its obligation to make payments under the Project Note, provided that in all events payments made by the Borrower under and pursuant to the Project Note shall be credited against the Borrower's obligations hereunder on a dollar for dollar basis. If for any reason the Project Note or any provision of the Project Note shall be held invalid or unenforceable against the Borrower by any court of competent jurisdiction, the Project Note or such provision of the Project Note shall be deemed to be the obligation of the Borrower pursuant to this Project Loan Agreement to the full extent permitted by law and such holding shall not invalidate or render unenforceable any of the provisions of this Article IV and shall not serve to discharge any of the Borrower's payment obligations hereunder or eliminate the credit against such obligations to the extent of payments made under the Project Note.

(b) **Obligations Unconditional; No Set-Off.** The obligation of the Borrower to repay the Project Loan, to perform all of its obligations under the Project Loan Documents, to provide indemnification pursuant to Section 6.01 hereof, to pay costs, expenses and charges pursuant to Section 4.02 hereof and to make any and all other payments required by this Project

Loan Agreement, the Funding Loan Agreement or any other documents contemplated by this Project Loan Agreement or by the Project Loan Documents shall, subject to the limitations set forth in Section 4.06 hereof, be absolute and unconditional, and shall, except as set forth in the Project Loan Documents, be paid or performed without notice or demand, and without abatement, deduction, set-off, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and irrespective of whether the Borrower's title to the Project or to any part thereof is defective or nonexistent, and notwithstanding any damage due to loss, theft or destruction of the Project or any part thereof, any failure of consideration or frustration of commercial purpose, the taking by eminent domain of title to or of the right of temporary use of all or any part of the Project, legal curtailment of the Borrower's use thereof, the eviction or constructive eviction of the Borrower, any change in the tax or other laws of the United States of America, the State or any political subdivision thereof, any change in the Governmental Lender's legal organization or status, or any default of the Governmental Lender or the Fiscal Agent hereunder or under any other Financing Document, and regardless of the invalidity of any action of the Governmental Lender or the invalidity of any portion of this Project Loan Agreement.

(c) **Payments from Borrower to Fiscal Agent or Servicer.** Each payment by the Borrower hereunder or under the Project Note shall be made in immediately available funds to the Servicer on each Project Loan Payment Date or such other date when such payment is due; provided, however, such Project Loan Payment shall be made directly to the Fiscal Agent if there is no Servicer or if the Borrower is so directed in writing by the Funding Lender Representative. Each such payment shall be made to the Fiscal Agent or the Servicer, as applicable, by deposit to such account as the Fiscal Agent or the Servicer may designate by written notice to the Borrower. Whenever any Project Loan Payment or any other payment under this Project Loan Agreement or under the Project Note shall be stated to be due on a day that is not a Business Day, such payment shall be made on the first Business Day immediately thereafter.

Section 4.02 *Additional Payments Under the Project Note and this Project Loan Agreement.*

(a) In addition to the payments set forth in Section 4.01 hereof, payments to be made by the Borrower under the Project Note include certain money to be paid in respect of, among others, the Fee Component, the Servicing Fee, and amounts required to be deposited pursuant to the Continuing Covenant Agreement and the other Project Loan Documents, as set forth in subsection (b) of this Section 4.02. To the extent that any portion of the Fee Component, the Servicing Fee, and amounts required to be deposited pursuant to the Continuing Covenant Agreement and the other Project Loan Documents remain due and owing at any time, such amounts remaining due and owing shall be payable from money on deposit in the Administration Fund as provided in Section 4.06 of the Funding Loan Agreement or from other money of the Borrower, to the extent that money in the Administration Fund is insufficient for such purposes. All other fees and expenses shall be payable from money of the Borrower as provided in subsection (b) of this Section 4.02.

(b) In addition to the funding of the initial deposits required of the Borrower described in Section 3.03, the Borrower shall pay (or cause to be paid by the Servicer or the Fiscal Agent (to the extent paid from money on deposit in the Administration Fund or the Cost of

Issuance Fund, as applicable) or the Guarantor pursuant to Section 4.06 of the Funding Loan Agreement to the extent that money in the Administration Fund is insufficient to pay the Subordinate Ongoing Governmental Lender Fee in full as a result of the Surplus Cash Limitation)), in consideration of the funding of the Project Loan, the following fees, expenses and other money payable in connection with the Loans:

(i) On the Delivery Date, from money on deposit [in the Cost of Issuance Fund] [with the Title Agent] or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to Freddie Mac, all third party and out-of-pocket expenses of Freddie Mac (including but not limited to the fees and expenses of counsel to Freddie Mac) in connection with the Loans.

(ii) On the Delivery Date, from money on deposit (1) [in the Cost of Issuance Fund] [with the Title Agent] or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Governmental Lender, an initial financing fee in an amount equal to the Governmental Lender Closing Fee, together with (to the extent not included in the Governmental Lender Closing Fee), all third party and out-of-pocket expenses of the Governmental Lender (including but not limited to the fees and expenses of Bond Counsel and counsel to the Governmental Lender) in connection with the Loans and the issuance of the Governmental Note, and (2) in the Administration Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Governmental Lender, the first annual payment of the Ongoing Governmental Lender Fee in an amount equal to \$_____. The Borrower agrees that the amounts payable to the Governmental Lender pursuant to this Section 4.02(b)(ii) shall be paid to the Fiscal Agent for disbursement to the Governmental Lender pursuant to the terms above.

(iii) On the Delivery Date, from money on deposit [in the Cost of Issuance Fund] [with the Title Agent] or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Servicer, its commitment fees and application fees, together with all third party and out of pocket expenses of the Servicer (including but not limited to the fees and expenses of counsel to the Servicer, if any) in connection with the Loans.

(iv) On the Delivery Date, from money on deposit in the Administration Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Fiscal Agent, (1) an initial acceptance fee in an amount equal to \$2,500, and (2) the initial payment of the Ordinary Fiscal Agent's Fees and Expenses in the amount of \$3,750, together with all third party and out-of-pocket expenses of the Fiscal Agent (including but not limited to the fees and expenses of counsel to the Fiscal Agent) in connection with the Loans and the issuance of the Governmental Note.

(v) To the Fiscal Agent, the Ordinary Fiscal Agent's Fees and Expenses and the Extraordinary Fiscal Agent's Fees and Expenses when due from time to time.

(vi) To the Fiscal Agent, for disbursement to the Governmental Lender, the Ongoing Governmental Lender Fee when due, subject to (1) the Surplus Cash Limitation

described in Section 4.06 of the Funding Loan Agreement, and (2) the payment by the Guarantor, pursuant to the Fee Payment Guaranty, of any insufficient amounts in the Administration Fund available to pay the Subordinate Ongoing Governmental Lender Fee as a result of the Surplus Cash Limitation, and any extraordinary expenses not covered by the Ongoing Governmental Lender Fee the Governmental Lender may incur in connection with the Financing Documents or the Project from time to time. Notwithstanding anything in this Project Loan Agreement to the contrary, the payment provisions relating to the Subordinate Ongoing Governmental Lender Fee are included in this Project Loan Agreement solely as an administrative matter at the request of the Governmental Lender to provide a procedure for the collection and payment thereof to the Governmental Lender, and the obligation to pay the Subordinate Ongoing Governmental Lender Fee is solely an obligation (i) of the Borrower under the Subordinate Loan Documents, and (ii) upon a deficiency in the amount available to pay the Subordinate Ongoing Governmental Lender Fee as a result of the Surplus Cash Limitation, of the Guarantor under the Fee Payment Guaranty, and a failure to pay the Subordinate Ongoing Governmental Lender Fee, in whole or in part, shall not constitute a breach of an obligation or an Event of Default under this Project Loan Agreement or any other Financing Document.

(vii) To the Rebate Analyst, the reasonable fees and expenses of such Rebate Analyst in connection with the computations relating to arbitrage rebate required under the Funding Loan Agreement and this Project Loan Agreement when due from time to time.

(viii) To the Funding Lender Representative, any amount due and owing the Funding Lender Representative from time to time but unpaid under the Continuing Covenant Agreement.

(ix) To the Servicer, the amount of any portion of the Servicing Fee remaining unpaid and any fees, costs and expenses of the Servicer as provided in the Continuing Covenant Agreement.

(x) To the Servicer, the amounts required to be deposited in respect of reserves and impounds required under the Continuing Covenant Agreement and the other Project Loan Documents.

(xi) If the Fiscal Agent is collecting and remitting loan payments under the Funding Loan Agreement, to the Fiscal Agent, within two (2) Business Days of receipt from the Fiscal Agent of a notice of deficiency in the Administration Fund as provided in Section 4.06 of the Funding Loan Agreement, the amount of any such deficiency in the Administration Fund.

Section 4.03 *Payments to Rebate Fund.* The Borrower shall pay when due to the Fiscal Agent at the Principal Office of the Fiscal Agent any amount required to be deposited in the Rebate Fund in accordance with Section 4.12 of the Funding Loan Agreement.

Section 4.04 *Prepayment.*

(a) **Optional Prepayment of the Project Loan.** The Borrower shall have the option to prepay the Project Loan in whole, together with all accrued and unpaid interest thereon, as provided in the Project Note.

(b) **Mandatory Prepayment of the Project Loan.** The Borrower shall be required to pay all or a portion of the outstanding principal balance of the Project Loan, together with accrued interest thereon, and together with any Prepayment Premium due under the Project Note, as provided in the Project Note.

(c) **Defeasance of the Funding Loan.** In addition, prior to the Window Period, the Borrower may cause a defeasance of the Funding Loan resulting in a release of the Pledged Security by satisfying the conditions set forth hereunder and in Article IX of the Funding Loan Agreement. In connection therewith, the Borrower will give written notice (a “**Defeasance Notice**”) to the Funding Lender Representative, the Servicer, the Governmental Lender and the Fiscal Agent of the date the Borrower desires to defease the Funding Loan (the “**Defeasance Date**”). The Defeasance Date may not be more than 60 calendar days, nor less than 30 calendar days, after the delivery of the Defeasance Notice. In connection with the delivery of the Defeasance Notice, the Borrower shall cause to be paid (i) to the Funding Lender Representative the Defeasance Fee set forth in the Continuing Covenant Agreement, and (ii) to the Governmental Lender the Issuer’s Compliance Fee as defined in and provided for pursuant to the Tax Regulatory Agreement. In addition to, and not in limitation of any other provisions of this Project Loan Agreement, the Borrower shall pay all fees, costs and expenses in connection with any defeasance whether or not such defeasance occurs. Following such defeasance in accordance with the terms and conditions hereof and the Funding Loan Agreement, the Project Loan shall be deemed paid in full, and the Borrower shall be entitled to the release of the Security Instrument, the Pledged Security and other security provided by it for the Project Loan, subject to the terms and conditions hereof and the other Financing Documents.

Section 4.05 *Borrower’s Obligations Upon Prepayment.* In the event of any prepayment, the Borrower will timely pay, or cause to be paid through the Servicer, an amount equal to the principal amount of the Funding Loan or portion thereof called for prepayment, together with interest accrued to the prepayment date and premium, if any. In addition, the Borrower will timely pay all fees, costs and expenses associated with any prepayment of the Funding Loan.

Section 4.06 *Limits on Personal Liability.*

(a) Except as otherwise set forth in Section 9 of the Project Note and subsection 4.06(b) below, the obligations of the Borrower under this Project Loan Agreement and the other Financing Documents are non-recourse liabilities of the Borrower which shall be enforced only against the Project and other property of the Borrower encumbered by the Financing Documents and not personally against the Borrower or any partner of the Borrower or any successor or assign of the Borrower. However, nothing in this Section 4.06 shall limit the right of the Governmental Lender, the Fiscal Agent, the Servicer or the Funding Lender Representative to proceed against the Borrower to recover any fees owing to any of them or any actual out-of-

pocket expenses (including but not limited to actual out-of-pocket attorneys' fees incurred by any of them) incurred by any of them in connection with the enforcement of any rights under this Project Loan Agreement or the other Financing Documents. Nothing in this Section 4.06 shall limit any right that the Servicer or the Funding Lender Representative may have to enforce the Project Note, the Security Instrument, or any other Financing Document in accordance with their terms.

(b) Notwithstanding anything contained in any other provision of this Project Loan Agreement to the contrary (but subject to the provisions of Section 7.06 hereof), the following obligations of the Borrower shall be and remain the joint and several full recourse obligations of the Borrower and the Borrower's general partner: (i) the Borrower's obligations to the Governmental Lender and the Fiscal Agent under subsections (b)(ii), (b)(iv), (b)(v), and (b)(vi) of Section 4.02 hereof; (ii) the Borrower's obligations under Sections 2.05 and 6.01 of this Project Loan Agreement; (iii) the Borrower's obligation to pay any and all rebate amounts that may be or become owing with respect to the Funding Loan and fees and expenses of the Rebate Analyst as provided in Sections 2.04 and 4.03 of this Project Loan Agreement and the Tax Certificate; and (iv) the Borrower's obligation to pay legal fees and expenses under Section 7.04 hereof.

ARTICLE V

SPECIAL COVENANTS OF BORROWER

Section 5.01 *Performance of Obligations.* The Borrower shall keep and faithfully perform all of its covenants and undertakings contained herein and in the Financing Documents, including, without limitation, its obligations to make all payments set forth herein and therein in the amounts, at the times and in the manner set forth herein and therein.

Section 5.02 *Compliance With Applicable Laws.* All work performed in connection with the Project shall be performed in strict compliance with all applicable federal, state, county and municipal laws, ordinances, rules and regulations now in force or that may be enacted hereafter.

Section 5.03 *Funding Loan Agreement Provisions.* The execution of this Project Loan Agreement shall constitute conclusive evidence of approval of the Funding Loan Agreement by the Borrower. Whenever the Funding Loan Agreement by its terms imposes a duty or obligation upon the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Funding Loan Agreement, and the Borrower shall carry out and perform all of its obligations under the Funding Loan Agreement as fully as if the Borrower were a party to the Funding Loan Agreement.

Section 5.04 *Reserved.*

Section 5.05 *Borrower to Maintain Its Existence; Certification of No Default.*

(a) The Borrower agrees to maintain its existence and maintain its current legal status with authority to own and operate the Project.

(b) In addition to performing all other similar requirements under the Financing Documents to which the Borrower is a party, the Borrower shall, within 30 days after the end of each calendar year, render to the Fiscal Agent a certificate executed by an Authorized Officer of the Borrower to the effect that the Borrower is not, as of the date of such certificate, in default of any of its covenants, agreements, representations or warranties under any of the Financing Documents to which the Borrower is a party and that, to the best of the Borrower's knowledge, after reasonable investigation, there has occurred no default or Event of Default (as such terms are defined in each respective Financing Document) under any of the Financing Documents.

Section 5.06 *Borrower to Remain Qualified in State and Appoint Agent.* The Borrower will remain duly qualified to transact business in the State and will maintain an agent in the State on whom service of process may be made in connection with any actions against the Borrower.

Section 5.07 *Sale or Other Transfer of Project.* The Borrower may convey and transfer the Project only upon strict compliance with the provisions of the Financing Documents, and to the extent required therein, upon receipt of the prior written consent of the Governmental Lender and the Funding Lender Representative.

Section 5.08 *Right to Perform Borrower's Obligations.* In the event the Borrower fails to perform any of its obligations under this Project Loan Agreement, the Governmental Lender, the Fiscal Agent, the Servicer and/or the Funding Lender Representative, after giving requisite notice, if any, and subject to Section 5.05 of the Funding Loan Agreement, may, but shall be under no obligation to, perform such obligation and pay all costs related thereto, and all such costs so advanced shall become an additional obligation of the Borrower hereunder, secured by the applicable security instrument and payable on demand and if not paid on demand with interest thereon at the default rate of interest payable under the Project Loan Documents.

Section 5.09 *Notice of Certain Events.* The Borrower shall promptly advise the Governmental Lender, the Fiscal Agent, the Funding Lender Representative and the Servicer in writing of the occurrence of any Event of Default hereunder or any event which, with the passage of time or service of notice or both, would constitute an Event of Default, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect thereto.

Section 5.10 *Survival of Covenants.* The provisions of Sections 2.04, 2.05, 4.02, 4.03, 6.01 and 7.04 hereof shall survive the expiration or earlier termination of this Project Loan Agreement and, with regard to the Fiscal Agent, the resignation or removal of the Fiscal Agent.

Section 5.11 *Access to Project; Records.* Subject to reasonable notice and the rights of tenants at the Project, the Governmental Lender, the Fiscal Agent, the Servicer and the Funding Lender Representative, and the respective duly authorized agents of each, shall have the right (but not any duty or obligation) at all reasonable times and during normal business hours: (a) to enter the Project and any other location containing the records relating to the Borrower, the Project, the Loans and the Borrower's compliance with the terms and conditions of the Financing Documents; (b) to inspect and audit any and all of the Borrower's records or accounts pertaining to the Borrower, the Project, the Loans and the Borrower's compliance with the terms and

conditions of the Financing Documents; and (c) to require the Borrower, at the Borrower's sole expense, (i) to furnish such documents to the Governmental Lender, the Fiscal Agent, the Servicer and the Funding Lender Representative, as the Governmental Lender, the Fiscal Agent, the Servicer or the Funding Lender Representative, as the case may be, from time to time, deems reasonably necessary in order to determine that the provisions of the Financing Documents have been complied with and (ii) to make copies of any records that the Governmental Lender, the Fiscal Agent, the Servicer or the Funding Lender Representative or the respective duly authorized agents of each, may reasonably require. The Borrower shall make available to the Governmental Lender, the Fiscal Agent, the Servicer and the Funding Lender Representative, such information concerning the Project, the Security Instrument and the Financing Documents as any of them may reasonably request.

Section 5.12 *Tax Regulatory Agreement.* The covenants of the Borrower in the Tax Regulatory Agreement shall be deemed to constitute covenants of the Borrower running with the land and an equitable servitude for the benefit of the Governmental Lender and the Funding Lender and shall be binding upon any owners of the Project until such time as such restrictions expire as provided in the Tax Regulatory Agreement. The Borrower covenants to file of record in the Recorder's Office the Tax Regulatory Agreement and such other documents, and to take such other steps as are necessary in order to assure that the restrictions contained in the Tax Regulatory Agreement will, subject to the terms of the Tax Regulatory Agreement, be binding upon all owners of the Project. The Borrower covenants to include such restrictions or a reference to such restrictions in any documents transferring any interest in the Project to another to the end that such transferee has notice of, and is bound by, the Tax Regulatory Agreement. Subject to the provisions of Section 7.06 of this Project Loan Agreement, the Governmental Lender and the Fiscal Agent shall have the right to seek specific performance of or injunctive relief to enforce the requirements of any covenants of the Borrower contained in the Tax Regulatory Agreement.

Section 5.13 *Damage, Destruction and Condemnation.* If prior to full payment of the Funding Loan (or provision for payment of the Funding Loan in accordance with the provisions of the Funding Loan Agreement) the Project or any portion of it is destroyed (in whole or in part) or is damaged by fire or other casualty, or title to, or the temporary use of, the Project or any portion of it shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, or shall be transferred pursuant to an agreement or settlement in lieu of eminent domain proceedings, the Borrower shall nevertheless be obligated to continue to pay the amounts specified in this Project Loan Agreement and in the Project Note to the extent the Project Loan is not prepaid in full in accordance with the terms of the Project Loan Documents.

Section 5.14 *Obligation of the Borrower To Rehabilitate the Project.* The Borrower shall proceed with reasonable dispatch (and in no event later than required under the Financing Documents) to complete the rehabilitation, development and equipping of the Project as required by the Financing Documents. If amounts on deposit in the Project Loan Fund designated for the Project and available to be disbursed to the Borrower are not sufficient to pay the costs of such acquisition, rehabilitation, development and equipping, the Borrower shall pay such additional costs from its own funds or from other funds available to the Borrower. The Borrower shall not be entitled to any reimbursement from the Governmental Lender, the Fiscal Agent, the Servicer,

the Funding Lender Representative or the Funding Lender in respect of any such additional costs or to any diminution or abatement in the repayment of the Project Loan. None of the Fiscal Agent, the Governmental Lender, the Funding Lender, the Funding Lender Representative or the Servicer makes any representation or warranty, either express or implied, that money, if any, which will be paid into the Project Loan Fund or otherwise made available to the Borrower will be sufficient to complete the rehabilitation of the Project, and none of the Fiscal Agent, the Governmental Lender, the Funding Lender, the Funding Lender Representative or the Servicer, or any of their respective successors and assigns, shall be liable to the Borrower or any other person if for any reason the rehabilitation of the Project is not completed.

Section 5.15 *Filing of Financing Statements.* The Borrower shall file or record or cause to be filed or recorded on or prior to the Delivery Date all UCC financing statements which are required to be filed or recorded in order fully to protect and preserve the security interests relating to the priority of the Project Loan, the Funding Loan, the Pledged Security and the Security Instrument, and the rights and powers of the Governmental Lender, the Fiscal Agent and the Funding Lender in connection with such security interests. The Borrower shall cooperate with the Fiscal Agent in connection with the filing of any continuation statements for the purpose of continuing without lapse the effectiveness of such financing statements.

ARTICLE VI

INDEMNIFICATION

Section 6.01 *Indemnification.*

(a) **Indemnified Losses.** To the fullest extent permitted by law, the Borrower agrees to indemnify, hold harmless and defend the Governmental Lender, the Fiscal Agent, the Servicer, the Funding Lender and each of their respective officers, governing commissioners, members, directors, officials, employees, attorneys and agents (collectively, the “**Indemnified Parties**” and each, an “**Indemnified Party**”), against any and all losses, damages (including, but not limited to, consequential and punitive damages), claims, actions, liabilities, costs and expenses of any conceivable nature, kind or character (including, without limitation, reasonable attorneys’ fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) to which the Indemnified Parties, or any of them, may become subject under federal or state securities laws or any other statutory law or at common law or otherwise (collectively, “**Losses**”), to the extent arising, directly or indirectly, out of or based upon or in any way relating to:

(i) any breach by the Borrower of its obligations under the Financing Documents or the execution, amendment, restructuring or enforcement thereof, or in connection with transactions contemplated thereby, including the issuance, sale, transfer or resale of the Governmental Note;

(ii) any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees in connection with the Project Loan or the Project, the operation of the Project, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning,

design, acquisition, installation, construction or equipping of, the Project or any part thereof;

(iii) any accident, injury to, or death of persons or loss of or damage to property occurring in, on or about the Project or any part thereof;

(iv) any lien (other than liens permitted under the Continuing Covenant Agreement) or charge upon payments by the Borrower to the Governmental Lender, the Fiscal Agent or the Servicer hereunder, or any Taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Governmental Lender or the Fiscal Agent in respect of any portion of the Project (other than income and similar taxes on fees received or earned in connection therewith);

(v) any violation of any environmental law, rule or regulation with respect to, or the release of any hazardous materials from, the Project or any part thereof;

(vi) [Reserved];

(vii) the enforcement of, or any action taken by the Governmental Lender, the Fiscal Agent or the Funding Lender Representative related to remedies under this Project Loan Agreement, the Funding Loan Agreement or any other Financing Document;

(viii) any untrue statement of a material fact or alleged untrue statement of a material fact by the Borrower contained in any offering statement or document for the Governmental Note or any of the Financing Documents to which the Borrower is a party, or any omission or alleged omission by the Borrower of a material fact from any offering statement or document for the Governmental Note necessary to be stated therein in order to make the statements made therein by the Borrower, in the light of the circumstances under which they were made, not misleading;

(ix) any declaration of taxability of interest on the Governmental Note or allegations (or regulatory inquiry) that interest on the Governmental Note is includable in gross income for federal income tax purposes;

(x) any audit or inquiry by the Internal Revenue Service with respect to the Project and/or the tax-exempt status of the Governmental Note; or

(xi) the Fiscal Agent's acceptance or administration of the trust of the Funding Loan Agreement, or the exercise or performance of any of its powers or duties thereunder or under any of the documents relating to the Governmental Note to which it is a party;

except (A) in the case of the foregoing indemnification of the Fiscal Agent, or any of its respective officers, commissioners, members, directors, officials, employees, attorneys and agents, to the extent such Losses are found by a court of competent jurisdiction in a final judgement to have been caused by the breach of contractual duty, negligence, unlawful acts or willful misconduct of such Indemnified Party; or (B) in the case of the foregoing indemnification of the Servicer, the Funding Lender or the Governmental Lender or any of their respective officers, commissioners, members, directors, officials, employees, attorneys and agents, to the

extent such Losses are caused by the gross negligence or willful misconduct of such Indemnified Party.

(b) **Procedures.** In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the Borrower, upon written notice from such Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected or approved by the Indemnified Party, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that such Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and to participate in the investigation and defense thereof. The Borrower shall pay the reasonable fees and expenses of such separate counsel; provided, however, that such Indemnified Party may employ separate counsel at the expense of the Borrower only if, in such Indemnified Party's good faith judgment, a conflict of interest exists by reason of common representation or if all parties commonly represented do not agree as to the action (or inaction) of counsel.

(c) **Borrower to Remain Obligated.** Notwithstanding any transfer of the Project to another owner in accordance with the provisions of this Project Loan Agreement, the Security Instrument and the Tax Regulatory Agreement, the Borrower shall remain obligated to indemnify each Indemnified Party pursuant to this Section 6.01 for Losses with respect to any claims based on actions or events occurring prior to the date of such transfer unless (i) such subsequent owner assumed in writing at the time of such transfer all obligations of the Borrower under this Section 6.01 (including obligations under this Section 6.01 for Losses with respect to any claims based on actions or events occurring prior to the date of such transfer) and (ii) any such transfer is in compliance with the requirements of the Financing Documents.

(d) **Survival.** The provisions of this Section 6.01 shall survive the termination of this Project Loan Agreement.

Section 6.02 *Limitation With Respect to the Funding Lender.* Notwithstanding anything in this Project Loan Agreement to the contrary, in the event that the Funding Lender (or its nominee) shall become the owner of the Project as a result of a foreclosure or a deed in lieu of foreclosure, or comparable conversion of the Project Loan, the Funding Lender (or its nominee) shall not be liable for any breach or default of any prior owner of the Project under this Project Loan Agreement and shall only be responsible for defaults and obligations incurred or occurring during the period that the Funding Lender (or its nominee) is the owner of the Project. Accordingly, during any period that the Funding Lender (or its nominee) owns the Project and that this Article VI is applicable to the Funding Lender (or its nominee), the Funding Lender's (or its nominee's) obligations under this Article VI shall be limited to acts and omissions of the Funding Lender (or its nominee) occurring during the period of the Funding Lender's (or its nominee's) ownership of the Project.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.01 *Events of Default.* The following shall be “**Events of Default**” under this Project Loan Agreement, and the term “Event of Default” shall mean, whenever it is used in this Project Loan Agreement, one or all of the following events:

(a) Any representation or warranty made by the Borrower in the Financing Documents or any certificate, statement, data or information furnished by the Borrower in connection therewith or included by the Borrower in its application to the Governmental Lender for assistance proves at any time to have been incorrect when made in any material respect;

(b) Failure by the Borrower to pay any amounts due under this Project Loan Agreement, the Project Note or the Security Instrument at the times and in the amounts required by this Project Loan Agreement, the Project Note and the Security Instrument, as applicable;

(c) The Borrower shall fail to observe or perform any other term, covenant, condition or agreement (after taking into account any applicable cure period) set forth in this Project Loan Agreement, which failure continues for a period of 30 days after notice of such failure by the Governmental Lender, the Fiscal Agent or the Funding Lender Representative to the Borrower (unless such default cannot with due diligence be cured within 30 days but can be cured within a reasonable period and will not, in the Funding Lender Representative’s sole discretion, adversely affect the Funding Lender or result in impairment of this Project Loan Agreement or any other Financing Document, in which case no Event of Default shall be deemed to exist so long as Borrower, the Limited Partner, and/or the Administrative Limited Partner shall have commenced to cure the default or Event of Default within 30 days after receipt of notice, and thereafter diligently and continuously prosecutes such cure to completion); provided, however, no such notice or grace periods shall apply in the case of any such failure which could, in the Funding Lender Representative’s judgment, absent immediate exercise by the Funding Lender Representative of a right or remedy under this Agreement, result in harm to the Funding Lender, impairment of this Project Loan Agreement or any other Financing Document;

(d) The occurrence of a default under the Continuing Covenant Agreement or the Security Instrument (after taking into account any applicable cure period thereunder) shall at the discretion of the Funding Lender Representative constitute an Event of Default under this Project Loan Agreement but only if the Fiscal Agent is provided written notice by the Funding Lender Representative that an Event of Default has occurred under such Financing Document and the Fiscal Agent is instructed by the Funding Lender Representative that such default constitutes an Event of Default hereunder. The occurrence of an Event of Default hereunder shall in the discretion of the Funding Lender Representative constitute a default under the other Financing Documents.

Nothing contained in this Section 7.01 is intended to amend or modify any of the provisions of the Financing Documents or to bind the Governmental Lender, the Fiscal Agent, the Servicer or the Funding Lender Representative to any notice and cure periods other than as expressly set forth in the Financing Documents.

Section 7.02 Remedies on Default. Subject to Section 7.06 hereof, whenever any Event of Default hereunder shall have occurred and be continuing, the Funding Lender (or the Fiscal Agent at the direction of the Funding Lender), may take any one or more of the following remedial steps:

(a) The Funding Lender (or the Fiscal Agent at the written direction of the Funding Lender) may take such action, without notice or demand, as the Funding Lender deems advisable to protect and enforce its rights against the Borrower and in and to the Project, including declaring the Project Loan to be immediately due and payable (including, without limitation, declaring the principal of, Prepayment Premium, if any, and interest on and all other amounts due on the Project Note to be immediately due and payable).

(b) The Funding Lender (or the Fiscal Agent at the written direction of the Funding Lender) may, without being required to give any notice (other than to the Governmental Lender or the Fiscal Agent, as applicable), except as provided herein, pursue all remedies of a creditor under the laws of the State, as supplemented and amended, or any other applicable laws.

(c) The Funding Lender (or the Fiscal Agent at the written direction of the Funding Lender) may take whatever action at law or in equity may appear necessary or desirable to collect the payments under this Project Loan Agreement then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Project Loan Agreement.

In addition, subject to Section 7.06 hereof, the Governmental Lender and the Fiscal Agent may pursue remedies with respect to the Unassigned Rights.

Any amounts collected pursuant to Article IV hereof and any other amounts which would be applicable to payment of principal of and interest and any premium on the Funding Loan collected pursuant to action taken under this Section 7.02 shall be applied in accordance with the provisions of the Funding Loan Agreement.

Section 7.03 No Remedy Exclusive. Upon the occurrence of an Event of Default, all or any one or more of the rights, powers, privileges and other remedies available against the Borrower hereunder or under the Financing Documents or otherwise at law or in equity may be exercised by the Funding Lender (or the Fiscal Agent at the written direction of the Funding Lender), at any time and from time to time, whether or not the Funding Lender has accelerated the Project Loan, and whether or not the Funding Lender shall have commenced any foreclosure proceeding or other action for the enforcement of its rights and remedies under any of the Financing Documents. No remedy conferred upon or reserved to the Funding Lender or the Fiscal Agent by this Project Loan Agreement is intended to be exclusive of any other available

remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Project Loan Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Funding Lender (or the Fiscal Agent at the direction of the Funding Lender) to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be expressly required by this Project Loan Agreement.

Section 7.04 *Agreement to Pay Attorneys' Fees and Expenses.* In the event the Borrower shall default under any of the provisions of this Project Loan Agreement and the Governmental Lender, the Fiscal Agent, the Servicer or the Funding Lender Representative shall employ attorneys or incur other expenses for the collection of loan payments or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower contained in this Project Loan Agreement or in the Project Note or in the Tax Regulatory Agreement, the Borrower shall on demand therefor reimburse the reasonable fees of such attorneys and such other expenses so incurred.

Section 7.05 *No Additional Waiver Implied by One Waiver.* In the event any agreement contained in this Project Loan Agreement shall be breached by any party and thereafter waived by the other parties, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 7.06 *Control of Proceedings.*

(a) If an Event of Default has occurred and is continuing, notwithstanding anything to the contrary herein, the Funding Lender Representative shall have the sole and exclusive right at any time to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Project Loan Agreement, or for the appointment of a receiver or any other proceedings hereunder, in accordance with the provisions of law and of this Project Loan Agreement. In addition, the Funding Lender Representative shall have the sole and exclusive right at any time to directly enforce all rights and remedies hereunder and under the other Financing Documents with or without the involvement of the Fiscal Agent or the Governmental Lender. In no event shall the exercise of any of the foregoing rights result in an acceleration of the Project Loan without the express direction of the Funding Lender Representative.

(b) The Governmental Lender and the Fiscal Agent covenant that they will not, without the prior written consent of the Funding Lender Representative, take any of the following actions:

- (i) prosecute any action with respect to a lien on the Project; or
- (ii) 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 under, the Project Loan; or

(iii) interfere with or attempt to influence the exercise by the Funding Lender Representative of any of its rights under the Financing Documents upon the occurrence of any event of default by the Borrower under the Financing Documents; or

(iv) take any action to accelerate or otherwise enforce payment or seek other remedies with respect to the Project Loan or the Funding Loan.

(c) Notwithstanding Sections 7.06(a) and 7.06(b) hereof, the Governmental Lender or the Fiscal Agent may:

(i) specifically enforce the tax covenants of the Borrower specified in Section 2.04 and 2.05 hereof or seek injunctive relief against acts which may be in violation thereof;

(ii) specifically enforce the Tax Regulatory Agreement or seek injunctive relief against acts which may be in violation of the Tax Regulatory Agreement or are otherwise inconsistent with the operation of the Project in accordance with applicable requirements of the Internal Revenue Code and state law (but in neither the case of subsection (c)(i) above or this subsection (c)(ii) may the Governmental Lender or the Fiscal Agent seek any form of monetary damages from the Borrower in connection with such enforcement).

In addition, notwithstanding Section 7.06(a) and 7.06(b) hereof, the Governmental Lender and the Fiscal Agent may seek specific performance of the other Unassigned Rights (provided no monetary damages are sought), and nothing herein shall be construed to limit the rights of the Governmental Lender, the Fiscal Agent or any Indemnified Party related to the Governmental Lender or the Fiscal Agent under Section 6.01 (each a "Related Indemnified Party") to enforce their respective rights against the Borrower under Sections 4.02, 4.03, 6.01 and 7.04 hereof, provided that no obligation of the Borrower to the Governmental Lender, the Fiscal Agent or any Related Indemnified Party under such sections shall be secured by or in any manner constitute a lien on, or security interest in, the Project, whether in favor of the Governmental Lender, the Fiscal Agent or any Related Indemnified Party, and all such obligations are and shall be subordinate in priority, in right to payment and in all other respects to all other obligations, liens, rights (including without limitation the right to payment) and interests arising or created under the Financing Documents (except for the Fiscal Agent's right to receive payment of reasonable fees and expenses pursuant to Section 6.05(a) of the Funding Loan Agreement after an event of default with respect to the Funding Loan, which reasonable fees and expenses of the Fiscal Agent shall be payable as provided thereunder). Accordingly, none of the Governmental Lender, the Fiscal Agent or any Related Indemnified Party shall have the right to enforce any monetary obligation arising under such sections other than directly against the Borrower, without recourse to the Project. In addition, any such enforcement must 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.

Section 7.07 Assumption of Obligations. In the event that the Fiscal Agent or the Funding Lender or their respective assignee or designee shall become the legal or beneficial owner of the Project by foreclosure or deed in lieu of foreclosure, such party shall succeed to the rights and the obligations of the Borrower under this Project Loan Agreement, the Project Note, the Tax Regulatory Agreement, and any other Financing Documents to which the Borrower is a party or with respect to which it is a third-party beneficiary. Such assumption shall be effective from and after the effective date of such acquisition and shall be made with the benefit of the limitations of liability set forth therein and without any liability for the prior acts of the Borrower.

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Notices.

(a) Whenever in this Project Loan Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Any notice, request, complaint, demand, communication or other paper required or permitted to be delivered to the Governmental Lender, the Fiscal Agent, the Funding Lender Representative, the Borrower or the Servicer shall be sufficiently given and shall be deemed given (unless another form of notice shall be specifically set forth herein) on the Business Day following the date on which such notice or other communication shall have been delivered to a national overnight delivery service (receipt of which to be evidenced by a signed receipt from such overnight delivery service) addressed to the appropriate party at the addresses set forth in Section 11.04 of the Funding Loan Agreement or as required or permitted by this Project Loan Agreement by Electronic Notice. The Governmental Lender, the Fiscal Agent, the Funding Lender Representative, the Borrower or the Servicer may, by notice given as provided in this paragraph, designate any further or different address to which subsequent notices or other communication shall be sent.

A duplicate copy of each notice or other communication given hereunder by any party to the Servicer shall also be given to the Funding Lender Representative and a duplicate copy of each notice or other communication given hereunder by any party to the Funding Lender Representative shall be given to the Servicer. Additionally, a duplicate copy of each notice or other communication given hereunder by any party to the Borrower shall also be given to the Limited Partner and the Administrative Limited Partner. The Limited Partner and the Administrative Limited Partner shall have the right, but not the obligation, to cure any default by Borrower hereunder and such cure shall be accepted or rejected on the same basis as if tendered by Borrower.

The Fiscal Agent agrees to accept and act upon Electronic Notice of written instructions and/or directions pursuant to this Project Loan Agreement. Notwithstanding the immediately preceding sentence, the Fiscal Agent shall have the right to accept and act upon instructions involving funds transfer instructions (“Instructions”) given pursuant to this Project Loan Agreement and related financing documents and delivered using Electronic Notice; provided, however, that the Governmental Lender and/or the Borrower, as applicable, shall provide to the Fiscal Agent an incumbency certificate listing its Authorized Officers with the authority to provide such Instructions and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Governmental Lender and/or the Borrower, as applicable, whenever a person is to be added or deleted from the listing. If the Governmental Lender and/or the Borrower, as applicable, elects to give the Fiscal Agent Instructions using Electronic Notice and the Fiscal Agent in its discretion elects to act upon such Instructions, the Fiscal Agent’s understanding of such Instructions shall be deemed controlling. The Governmental Lender and the Borrower understand and agree that the Fiscal Agent cannot determine the identity of the actual sender of such Instructions and that the Fiscal Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Fiscal Agent have been sent by such Authorized Officer. The Governmental Lender and the Borrower shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Fiscal Agent and that the Governmental Lender, the Borrower and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Governmental Lender and/or the Borrower, as applicable. The Fiscal Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Fiscal Agent’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Governmental Lender and the Borrower agree: (i) to assume all risks arising out of the use of Electronic Notice to submit Instructions to the Fiscal Agent, including without limitation the risk of the Fiscal Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Fiscal Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Governmental Lender and/or the Borrower, as applicable; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Fiscal Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

(b) The Fiscal Agent shall provide to the Funding Lender Representative and the Servicer (i) prompt notice of the occurrence of any Event of Default hereunder and (ii) any written information or other communication received by the Fiscal Agent hereunder within ten (10) Business Days of receiving a written request from the Funding Lender Representative for any such information or other communication.

Section 8.02 Concerning Successors and Assigns. All covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the financing herein contemplated and shall continue in full force and effect so long as the obligations hereunder are outstanding. Whenever in this Project Loan Agreement any of the

parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Borrower which are contained in this Project Loan Agreement shall bind its successors and assigns and inure to the benefit of the successors and assigns of the Governmental Lender, the Fiscal Agent, the Servicer, the Funding Lender and the Funding Lender Representative, as applicable.

Section 8.03 *Governing Law.* This Project Loan Agreement and the Exhibits attached hereto shall be construed in accordance with and governed by the internal laws of the State and, where applicable, the laws of the United States of America.

Section 8.04 *Modifications in Writing.* Modification or the waiver of any provisions of this Project Loan Agreement or consent to any departure by the parties therefrom, shall in no event be effective unless the same shall be in writing approved by the parties hereto and shall require the prior written consent of the Funding Lender Representative and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Borrower in any case shall entitle it to any other or further notice or demand in the same circumstances.

Section 8.05 *Further Assurances and Corrective Instruments.* The Governmental Lender, the Fiscal Agent and the Borrower agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required (including such supplements or further instruments requested by the Funding Lender Representative) for correcting any inadequate or incorrect description of the performance of this Project Loan Agreement.

Section 8.06 *Captions.* The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Project Loan Agreement.

Section 8.07 *Severability.* The invalidity or unenforceability of any provision of this Project Loan Agreement shall not affect the validity of any other provision, and all other provisions shall remain in full force and effect.

Section 8.08 *Counterparts.* This Project Loan Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 8.09 *Amounts Remaining in Loan Payment Fund or Other Funds.* It is agreed by the parties hereto that any amounts remaining in the Loan Payment Fund or other funds and accounts established under the Funding Loan Agreement upon expiration or sooner termination of the term hereof (and the repayment in full of the Project Loan and all other amounts owing under the Project Loan Documents), shall be paid in accordance with the Funding Loan Agreement.

Section 8.10 *Effective Date and Term.* This Project Loan Agreement shall become effective upon its execution and delivery by the parties hereto, shall be effective and remain in

full force from the date hereof, and, subject to the provisions hereof, shall expire on such date as the Funding Loan Agreement shall terminate.

Section 8.11 *Cross References.* Any reference in this Project Loan Agreement to an “Exhibit,” an “Article,” a “Section,” a “Subsection” or a “Paragraph” shall, unless otherwise explicitly provided, be construed as referring, respectively, to an exhibit attached to this Project Loan Agreement, an article of this Project Loan Agreement, a section of this Project Loan Agreement, a subsection of the section of this Project Loan Agreement in which the reference appears and a paragraph of the subsection within this Project Loan Agreement in which the reference appears. All exhibits attached to or referred to in this Project Loan Agreement are incorporated by reference into this Project Loan Agreement.

Section 8.12 *Funding Lender Representative and Servicer as Third-Party Beneficiaries.* The parties hereto agree and acknowledge that the Funding Lender Representative and the Servicer are third party beneficiaries of this Project Loan Agreement.

Section 8.13 *Reserved.*

Section 8.14 *Non-Liability of Governmental Lender.* The Governmental Lender shall not be obligated to pay the principal (or Prepayment Premium) of or interest on the Funding Loan, except from Revenues and other money and assets received by the Fiscal Agent on behalf of the Governmental Lender pursuant to this Project Loan Agreement. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof, nor the faith and credit of the Governmental Lender or any member is pledged to the payment of the principal (or Prepayment Premium) or interest on the Funding Loan. The Governmental Lender shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Project Loan Agreement, the Funding Loan or the Funding Loan Agreement, except only to the extent amounts are received for the payment thereof from the Borrower under this Project Loan Agreement.

The Borrower hereby acknowledges that the Governmental Lender's sole source of money to repay the Funding Loan will be provided by the payments made by the Borrower pursuant to this Project Loan Agreement, together with investment income on certain funds and accounts held by the Fiscal Agent under the Funding Loan Agreement, and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal (or Prepayment Premium) and interest on the Funding Loan as the same shall become due (whether by maturity, prepayment, acceleration or otherwise), then upon notice from the Fiscal Agent, the Borrower shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal (or Prepayment Premium) or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Fiscal Agent, the Borrower, the Governmental Lender or any third party, subject to any right of reimbursement from the Fiscal Agent, the Governmental Lender or any such third party, as the case may be, therefor.

Section 8.15 *No Liability of Officers.* No recourse under or upon any obligation, covenant, or agreement or in the Governmental Note, or under any judgment obtained against the Governmental Lender, or by the enforcement of any assessment or by any legal or equitable

proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any incorporator, member, director, commissioner, employee, agent or officer, as such, past, present, or future, of the Governmental Lender, either directly or through the Governmental Lender, or otherwise, for the payment for or to the Governmental Lender or any receiver thereof, or for or to the Funding Lender, of any sum that may be due and unpaid by the Governmental Lender upon the Funding Loan. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director, commissioner, employee, agent or officer, as such, to respond by reason of any act or omission on his or her part or otherwise, for the payment for or to the Governmental Lender or any receiver thereof, or for or to the Funding Lender, of any sum that may remain due and unpaid upon the Funding Loan, is hereby expressly waived and released as a condition of and consideration for the execution of this Project Loan Agreement and the issuance of the Governmental Note.

Section 8.16 *Capacity of the Fiscal Agent.* The Fiscal Agent is entering into this Project Loan Agreement solely in its capacity as Fiscal Agent and shall be entitled to the rights, protections, limitations from liability and immunities afforded it as Fiscal Agent under the Funding Loan Agreement. The Fiscal Agent shall be responsible only for the duties of the Fiscal Agent expressly set forth herein and in the Funding Loan Agreement.

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

Section 8.17 *Reliance.* The representations, covenants, agreements and warranties set forth in this Project Loan Agreement may be relied upon by the Governmental Lender, the Fiscal Agent, Bond Counsel, the Servicer, the Funding Lender and the Funding Lender Representative. In performing their duties and obligations under this Project Loan Agreement and under the Funding Loan Agreement, the Governmental Lender and the Fiscal Agent may rely upon statements and certificates of the Borrower, upon certificates of tenants believed to be genuine and to have been executed by the proper person or persons, and upon audits of the books and records of the Borrower pertaining to occupancy of the Project. In addition, the Governmental Lender and the Fiscal Agent may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Governmental Lender or the Fiscal Agent under this Project Loan Agreement and under the Funding Loan Agreement in good faith and in conformity with the opinion of such counsel. It is expressly understood and agreed by the parties to this Project Loan Agreement (other than the Governmental Lender) that:

- (a) the Governmental Lender may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Governmental

Lender by the Fiscal Agent, the Funding Lender or the Borrower as to the existence of a fact or state of affairs required under this Project Loan Agreement to be noticed by the Governmental Lender;

(b) the Governmental Lender shall not be under any obligation to perform any record keeping or to provide any legal service, it being understood that such services shall be performed or caused to be performed by the Fiscal Agent, the Funding Lender Representative, the Servicer or the Borrower, as applicable; and

(c) none of the provisions of this Project Loan Agreement shall require the Governmental Lender or the Fiscal Agent to expend or risk its own funds (apart from the proceeds of Funding Loan issued under the Funding Loan Agreement) or otherwise endure financial liability in the performance of any of its duties or in the exercise of any of its rights under this Project Loan Agreement, unless it shall first have been adequately indemnified to its satisfaction against the costs, expenses and liabilities which may be incurred by taking any such action.

[COUNTERPART SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Project Loan Agreement and the Governmental Lender has caused its corporate seal to be affixed hereto and to be attested, all as of the date first set forth above.

**HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA**

Witnesses:

By: _____
Milette Manos, Chair

Printed Name: _____

Printed Name: _____ [SEAL]

Witnesses:

Attest:

By: _____
Daniel D. Reynolds, Secretary

Printed Name: _____

Printed Name: _____

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, as Fiscal Agent**

By _____
Name: _____
Title: _____

**POMPANO BEACH LEASED HOUSING
ASSOCIATES II, LLLP**, a Minnesota limited
liability limited partnership

By: Pompano Beach Leased Housing
Associates II, LLC, a Minnesota limited
liability company, its general partner

By: _____
Mark G. Sween
Vice President

EXHIBIT "C"

FORM OF

LAND USE RESTRICTION AGREEMENT

[ATTACHED]

THIS INSTRUMENT PREPARED

BY AND RETURN TO:

Junious D. Brown III, Esq.
Nabors, Giblin & Nickerson, P.A.
1500 Mahan Drive, Suite 200
Tallahassee, Florida 32308

Draft #3 05/7/19
NGN File No.: 370.43

LAND USE RESTRICTION AGREEMENT

Owner's
Name and Address: Pompano Beach Leased Housing Associates II, LLLP
c/o Pompano Beach Leased Housing Associates II, LLC
2905 Northwest Boulevard, Suite 150
Plymouth, Minnesota 55441

Location of Property: 1525 Northwest 17th Avenue
Pompano Beach, Florida

Name of Project: Regency Gardens Apartments

Issuer's Name
and Address: Housing Finance Authority of Broward County, Florida
110 N.E. 3rd Street, Suite 300
Fort Lauderdale, Florida 33301

THIS LAND USE RESTRICTION AGREEMENT (this "Agreement"), made and entered into as of June 1, 2019, by and among the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA, a public body corporate and politic created, organized and existing under the laws of the State of Florida, whose mailing address is listed above (the "Issuer"); THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, whose mailing address is 10161 Centurion Parkway, Jacksonville, Florida 32256, as fiscal agent (the "Fiscal Agent"), and POMPANO BEACH LEASED HOUSING ASSOCIATES II, LLLP, a Minnesota limited liability limited partnership, and its successors and assigns, whose mailing address is listed above (the "Owner), and is entered into in connection with the execution and delivery by the Issuer of its (i) \$_____ Housing Finance Authority of Broward County, Florida Multifamily Mortgage Revenue Note, 2019 Series A-1 (Regency Gardens Apartments) (the "Governmental Note") pursuant to and secured under the Funding Loan Agreement dated as of June 1, 2019, among Citibank, N.A., a national banking association,

as the Initial Funding Lender (the “Funding Lender”), the Issuer, and the Fiscal Agent (the “Funding Loan Agreement”), and (ii) \$_____ Housing Finance Authority of Broward County, Florida Subordinate Multifamily Mortgage Revenue Note, 2019 Series A-2 (Regency Gardens Apartments) (the “Subordinate Governmental Note” and, together with the Governmental Note, the “Notes”) pursuant to and secured under the Subordinate Loan Agreement dated as of June 1, 2019, between the Issuer and the Borrower (the “Subordinate Loan Agreement”);

WITNESSETH:

WHEREAS, Owner, the fee simple owner of the Project (as such term is herein defined), intends to acquire, rehabilitate and equip a multifamily residential rental project located within Broward County, Florida (the “County”) to be occupied by Lower-Income Persons and Eligible Persons (as such terms are herein defined), all for the public purpose of assisting persons or families of low, moderate or middle income within the County to afford the costs of decent, safe and sanitary housing; and

WHEREAS, the Issuer has authorized the issuance and delivery of (i) the Governmental Note in the original principal amount of \$_____ pursuant to the Funding Loan Agreement under which the Funding Lender will advance funds in the amount of \$_____ to or for the account of the Issuer (the “Funding Loan”), who will use such Funding Loan proceeds in order to make a loan to the Owner (the “Project Loan” and, together with the Funding Loan, the “Senior Loans”) pursuant to a Project Loan Agreement dated as of June 1, 2019 (the “Project Loan Agreement” and, together with the Funding Loan Agreement and the Subordinate Loan Agreement, the “Loan Agreements”), by and among the Issuer, the Owner and the Fiscal Agent, to finance the acquisition, rehabilitation and equipping of the Project (as hereinafter defined) and certain costs incurred in connection with the issuance of the Governmental Note, and (ii) the Subordinate Governmental Note in the original principal amount of \$_____ pursuant to the Subordinate Loan Agreement under which the Issuer will advance funds in the amount of \$_____ to or for the account of the Owner (the “Subordinate Loan” and, together with the Senior Loan, the “Loans”), to finance the acquisition of the Project [and certain costs incurred in connection with the issuance of the Subordinate Governmental Note], all under and in accordance with the Constitution and laws of the State of Florida (the “State”); and

WHEREAS, the Loan Agreements require, as a condition of making the Loans, the execution and delivery of this Agreement; and

WHEREAS, in order to satisfy such requirement, the Issuer, the Fiscal Agent and the Owner have determined to enter into this Agreement to set forth certain terms and conditions relating to the operation of the Project, which is located on the real property in the County, as further described in Exhibit ”A” hereto (the “Land”); and

WHEREAS, this Agreement shall be properly filed and recorded by the Owner within the official records of the County and shall constitute a restriction upon the use of the property subject to and in accordance with the terms contained herein.

NOW THEREFORE, in consideration of providing the financing by the Issuer to the Owner, acknowledging that compliance with this Agreement is necessary to preserve the exclusion from gross income for federal income tax purposes of interest on the Notes, the Owner covenants and agrees with the other parties hereto as follows:

Section 1. Definitions and Interpretation.

(a) The following terms shall have the respective meanings set forth below (undefined terms shall be given the meanings set forth in the Funding Loan Agreement and the Subordinate Loan Agreement, as applicable):

“Administrative Limited Partner” means Alliant ALP 2019, LLC, a California limited liability company, the administrative limited partner of the Owner and its permitted successors and assigns.

“Affiliated Party” of a person means a person such that (i) the relationship between such persons would result in a disallowance of losses under Section 267 or 707(b) of the Code, or (ii) such persons are members of the same controlled group of corporations as defined in Section 1563(a) of the Code, except that “more than 50 percent” shall be substituted for “at least 80 percent” each place it appears therein or (iii) a related person within the meaning of Section 144(a) or 147(a) of the Code.

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

“Certificate of Continuing Program Compliance” means the certificate required to be delivered by the Owner to the Issuer pursuant to Section 4(e) of this Agreement.

“Closing Date” means the delivery date of the Notes.

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

"Compliance Agent" shall mean initially, the Issuer, and thereafter such other organization subsequently designated by the Issuer to serve as Compliance Agent for the Project.

“County” means Broward County, Florida.

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

“Eligible Persons” means one or more natural persons or a family, irrespective of race, creed, religion, color, national origin, familial status, mental or physical handicap or sex, who are either Lower-Income Persons or whose Current Annual Family Income does not exceed one hundred fifty percent (150%) of the area median gross income (within the meaning of Section 142(d) of the Code) for Broward County, Florida, Standard Metropolitan Statistical Area, subject to family size adjustment, as indicated in the latest published Decile Distributions of Family Income by Standard Metropolitan Statistical Areas and Non-Metropolitan Counties prepared and published from time to time by HUD, or such other reliable compilation of income statistics as the Issuer may determine to employ, as adjusted by the Issuer according to the most recent Consumer Price Index statistics; provided that persons of 65 years of age or older shall be defined as “Eligible Persons” regardless of their income.

“Funding Lender” means the owner of the Governmental Note, which shall initially mean Citibank, N.A., a national banking association.

“Funding Loan” means the loan made by the Funding Lender to the Issuer in connection with the issuance and delivery of the Governmental Note, as such Funding Loan is evidenced by the Governmental Note and further described in the Funding Loan Agreement.

“Funding Loan Agreement” means the Funding Loan Agreement, dated as of June 1, 2019, among the Issuer, the Fiscal Agent and the Funding Lender relating to the issuance of the Governmental Note, as amended or supplemented from time to time.

“Governmental Note” means the Issuer’s \$_____ Multifamily Mortgage Revenue Note, 2019 Series A-1 (Regency Gardens Apartments) dated June ___, 2019.

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

“Income Certification” means the certification required to be obtained from each Lower-Income Tenant by the Owner pursuant to Section 4(a) hereof.

“Investor Limited Partner” means Alliant Credit Facility, Ltd., a Florida limited partnership, the initial investor limited partner of the Owner, and its permitted successors and assigns.

“Issuer’s Compliance Fee” means a compliance monitoring fee in an annual amount equal to \$25.00 per rental unit in the Project (or such other amount as is implemented by the Issuer) to be paid by or on behalf of the Owner to the Issuer, if, but only if, at any time during the Qualified Project Period or for such longer period if the set-aside requirements required by the Code, Chapter 159, Part IV, Florida Statutes or other Issuer requirements remain in force, the Notes are no longer outstanding. Such fee will be due in a lump sum payment on the date the Notes are paid in full. The fee will be calculated for the period commencing on the date the Notes are paid in full and ending on the last date of the Qualified Project Period, or such longer period if the set-aside required by the Code, Chapter 159, Part IV, Florida Statutes or other Issuer requirements remain in force after the Notes are no longer outstanding.

“Land” shall have the meaning given that term in the Recitals of this Agreement.

“Loan Agreements” means, collectively, the Funding Loan Agreement, the Project Loan Agreement and the Subordinate Loan Agreement.

“Loan Documents” means any and all documents executed in connection with the issuance of the Notes and the making of the Project Loan and the Subordinate Loan to the Owner by the Issuer.

“Loans” means, collectively, the Senior Loan and the Subordinate Loan.

“Lower-Income Persons” means Eligible Persons whose Current Annual Family Income does not exceed the Applicable Income Limit; provided, however, that the occupants of a unit shall not be considered to be Lower-Income Persons if all of the occupants of such unit are students (as defined in Section 152(f)(2) of the Code), no one of whom is entitled to file a joint return under Section 6013 of the Code. Notwithstanding the foregoing, a dwelling unit shall not fail to be treated as a dwelling unit that is occupied by Lower-Income Persons merely because such dwelling unit is occupied (a) by an individual who is a student and (i) receiving assistance under Title IV of the Social Security Act, (ii) was previously under the care and placement responsibility of the State agency program responsible for administering a plan under Part B or Part E of Title IV of the Social Security Act, or (iii) enrolled in a job training program receiving assistance under the Job Training Partnership Act or under other similar federal, State or local laws, or (b) entirely by full-time students if such students are (i) single parents and their children

and such parents are not dependents of another individual and such children are not dependents of another individual other than a parent of such children, or (ii) married and file a joint return.

“Mortgages” means, collectively, the Senior Mortgage and the Subordinate Mortgage.

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

“Notes” means, collectively, the Governmental Note and the Subordinate Governmental Note.

“Project” means the acquisition, rehabilitation and equipping of a multifamily residential rental housing project known as Regency Gardens Apartments, located on the Land and financed with proceeds of (i) the Project Loan pursuant to the Project Loan Agreement, and (ii) the Subordinate Loan pursuant to the Subordinate Loan Agreement. The Project consists of 94 units.

“Project Loan” means the loan made by the Issuer to the Owner in connection with the issuance and delivery of the Governmental Note, as such Project Loan is evidenced by the Project Note and further described in the Project Loan Agreement.

“Project Loan Agreement” means that certain Project Loan Agreement entered into among the Owner, the Issuer and the Fiscal Agent dated as of June 1, 2019, as amended or supplemented from time to time.

“Project Note” means the Project Note executed by the Owner in favor of the Issuer to evidence the Owner’s obligation to repay the Project Loan.

“Qualified Project Period” means the period beginning on the date the Notes are issued, and ending on the latest of (a) the date that is fifteen (15) years after the date on which at least 50% of the units in the Project are first occupied; or (b) the first date on which no tax-exempt private activity bond (or the Notes) issued with respect to the Project are outstanding (within the meaning of the Code).

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

“Senior Loan” means, collectively, the Funding Loan and the Project Loan.

“Senior Mortgage” means the first lien Multifamily Mortgage, Assignment of Rents and Security Agreement (Florida) with respect to the Land and the Project, given by the Owner in favor of the Issuer and assigned by the Issuer to the Fiscal Agent, securing the repayment of the Project Note given in connection with the issuance and delivery of the Governmental Note, as such Senior Mortgage may be amended from time to time.

“Subordinate Governmental Note” means the Issuer’s \$_____ Subordinate Multifamily Mortgage Revenue Note, 2019 Series A-2 (Regency Gardens Apartments) dated June ___, 2019.

“Subordinate Lender” means the owner of the Subordinate Governmental Note, which shall initially mean Regency Gardens Apartments, Ltd., a Florida limited partnership.

“Subordinate Loan” means the loan made by the Issuer to the Owner in connection with the issuance and delivery of the Subordinate Governmental Note, as such Subordinate Loan is evidenced by the Subordinate Project Note and further described in the Subordinate Loan Agreement.

“Subordinate Loan Agreement” means the Subordinate Loan Agreement, dated as of June 1, 2019, between the Issuer and the Borrower relating to the issuance of the Subordinate Governmental Note, as amended or supplemented from time to time.

“Subordinate Mortgage” means the second lien Subordinate Mortgage, Security Agreement, Fixture Financing Statement and Assignment of Leases and Rents with respect to the Land and the Project, given by the Owner in favor of the Issuer and assigned by the Issuer to the Subordinate Lender, securing the repayment of the Subordinate Project Note given in connection with the issuance and delivery of the Subordinate Governmental Note, as such Subordinate Mortgage may be amended from time to time.

“Subordinate Project Note” means the Subordinate Borrower Note executed by the Owner in favor of the Issuer to evidence the Owner’s obligation to repay the Subordinate Loan.

“State” means the State of Florida.

“Transition Period” means a period of up to twelve (12) months beginning on the issue date of the Notes.

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

(c) The titles and headings of the sections of this Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

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

- (a) (1) The Owner will acquire, rehabilitate, equip, own and operate the Project 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 Owner shall own the entire Project for federal tax purposes, and (3) the Project 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 Project from time to time.
- (b) Each residential unit in the Project shall be contained in one or more buildings or structures located on the Land and shall be similarly designed, furnished and constructed (except as to number of bedrooms), each of which 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 Project 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 Project 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 Lower-Income Persons or Eligible Persons. Lower-Income 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 Project primarily comprises buildings, structures and facilities that are geographically contiguous and functionally related. Any common facilities financed with proceeds of the Notes (such as swimming pools, recreational facilities, parking areas and other facilities which are reasonably required for the Project, 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 Project and are commensurate with its size and intended use.

- (f) The Owner or an Affiliated Party of the Owner shall not occupy any of the units in the Project; provided, however, that the Owner or an Affiliated Party of the Owner may occupy a unit in a building or structure in the Project that contains five or more units if the Owner or an Affiliated Party of the Owner is a resident manager or other necessary employee (e.g., maintenance and security personnel). No more than two units in the Project shall be occupied by resident managers or maintenance or security personnel.
- (g) None of the proceeds of the Notes (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 2 shall remain in effect during the term of this Agreement (as defined in Section 13 below).

Section 3. Lower-Income Persons and Eligible Persons. The Owner 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 Project 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 herein 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 Project 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 Owner to have satisfied the set-aside requirements described in this paragraph (a) as of the end of such Transition Period shall cause the Project to not qualify as a “qualified residential rental project.”

- (b) At all times during the term of this Agreement (as defined in Section 13 below), at least sixty percent (60%) of the completed units in the Project shall be rented to or be available for rent by Eligible Persons.
- (c) For purposes of paragraphs (a) and (b) of this Section 3, a unit occupied by an individual or family who at the commencement of the occupancy of such unit is a Lower-Income Person (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 in Section

4(a) 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 Project 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).

Section 4. Reporting Requirements; Payment of Issuer's Compliance Fee and Late Reporting Fee; Maintenance.

- (a) The Owner 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 Project 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 Project, (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 Fiscal Agent, which may be as often as may be necessary, in the opinion of Note 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 Owner shall file with the Issuer, on the tenth (10th) business day of each month, copies of the Income Certifications specified in Section 4(a) hereof obtained by the Owner during the previous month.
- (c) At all times during the term of this Agreement, the Owner will obtain and maintain on file from each Lower-Income Person residing in the Project the information demonstrating each tenant's income eligibility.
- (d) The Owner 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 Project, and shall permit, upon five (5) business days' notice to the Owner, any duly authorized representative of the Issuer or the Fiscal Agent to inspect the books and records of the Owner pertaining to the incomes of and rentals charged to all tenants residing in the Project.

- (e) The Owner shall prepare and submit at the beginning of the Qualified Project Period, subject to the Transition Period provisions in Section 3(a) hereof, 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 Owner 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 Section 3 of this Agreement), (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 Section 3 of this Agreement), and (iv) that no default has occurred under this Agreement or, if such a default has occurred, the nature of such default and the steps, if any, the Owner has taken or proposes to take to correct such default.
- (f) During the Qualified Project Period, the Owner 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 this Agreement, the Owner 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 Owner 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 Fiscal Agent or a newly designated Compliance Agent under Section 23 hereof, the Issuer may direct the Owner to provide and the Owner shall provide to the Fiscal Agent or the newly designated Compliance Agent copies of all of the reports, documents and certificates required under this Section. The Owner shall pay all reasonable fees and expenses of the Fiscal Agent or the newly designated Compliance Agent in connection with such responsibilities. Upon the designation of the Fiscal Agent or the Compliance Agent as the compliance monitor under this Agreement, all references herein to the Issuer as the recipient of reports and filings shall be deemed to be the Fiscal Agent and/or the Compliance Agent, as applicable.
- (h) The Owner shall immediately notify the Fiscal Agent and the Issuer of any change in the management of the Project.

- (i) If at any time during the term of this Agreement the Notes are no longer outstanding (as provided in the Funding Loan Agreement and/or the Subordinate Loan Agreement), the Owner shall pay the Issuer's Compliance Fee.
- (j) The Owner 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 Project, 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 Project or any part thereof. In order to ensure the Owner's compliance with this covenant, the Issuer or its representatives are hereby authorized to enter upon and inspect the Project 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 Owner will rehabilitate and operate the Project 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 Project, including, but not limited to, the Americans with Disabilities Act of 1990.
- (l) The Owner hereby agrees to pay a late fee in the amount of \$100 per day (including weekends) for each day that the Owner 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 by this Section 4, as may be amended from time to time (the "Late Reporting Fee"). The Owner acknowledges and hereby agrees that, notwithstanding anything in this 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 4, as may be amended from time to time.

Section 5. Indemnification. The Owner hereby covenants and agrees that it shall indemnify and hold harmless the Issuer, the County and the Fiscal Agent 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 this Agreement, the Funding Loan, the Subordinate Loan, the Project or the sale of the Governmental Note to finance the Funding Loan or the making of the Project Loan to finance the Project or the sale of the Subordinate Governmental Note to finance the Subordinate Loan to finance the Project, any and all claims arising from any act or omission of the Owner or any of its agents, contractors, servants, employees or licensees in connection with the Project or the sale of the Notes to finance the Project, and all costs, reasonable counsel fees, expenses or liabilities incurred in connection with any such claim or proceeding brought thereon; except that the Owner 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 Fiscal Agent or any of their respective officers, directors, officials, employees or agents, with respect to which indemnity may be sought hereunder, the Owner, upon written notice from the indemnified party (which notice shall be given in a timely manner so as not to impair Owner'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 Owner, or because of a conflict of interest between the Owner and the indemnified party, the Owner shall not be required to pay the fees and expenses of such separate counsel. The Owner agrees to execute any additional documents deemed necessary by the Issuer, the County or the Fiscal Agent to evidence the indemnification provided for in this Section 5. At the request of the Issuer or County, Owner 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 Owner has possession of the Project, the Owner also shall pay and discharge and shall indemnify and hold harmless the Issuer and the Fiscal Agent from (a) any lien or charge upon payments by the Owner to the Issuer and the Fiscal Agent 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 Project. 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 Fiscal Agent shall give prompt notice to the Owner and the Owner 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 Owner will pay upon demand all of the reasonable fees and expenses paid or incurred by the Fiscal Agent and/or the Issuer in enforcing the provisions hereof.

Section 6. Reliance. The Issuer and the Owner hereby recognize and agree that the representations and covenants set forth herein may be relied upon by the owners from time to time of the Notes, the County, Note Counsel and the other parties to transactions involving the issuance, sale or remarketing of the Notes and their respective counsel. In performing their duties and obligations hereunder, the Issuer and the Fiscal Agent may rely upon statements and certificates of the Owner, Lower-Income Persons and Eligible Persons reasonably believed by the Owner, its agents and employees to be genuine and to have been executed by the proper person or persons, and upon audits of the books and records of the Owner pertaining to occupancy of the Project. In addition, the Issuer and the Fiscal Agent may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection with respect to any action taken or suffered by the Issuer or the Fiscal Agent hereunder in good faith and in conformity with the opinion of such counsel. In performing its duties and obligations hereunder, the Owner may rely upon certificates of Lower-Income Persons and Eligible Persons reasonably believed to be genuine and to have been executed by the proper person or persons.

Section 7. Fair Housing Laws.

The Owner will comply with all fair housing laws, rules, regulations or orders applicable to the Project and shall not discriminate on the basis of race, creed, color, sex, age or national origin in the lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project. All advertising and promotional material used in connection with the Project shall contain the phrase “Fair Housing Opportunity.”

Section 8. Tenant Lists. All tenants lists, applications, and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of the Owner which is unrelated to the Project, and shall be maintained, as required by the Issuer, the Funding Lender or the Subordinate Lender from time to time, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the Issuer, the Funding Lender, the Fiscal Agent or the Subordinate Lender. Failure to keep such lists and applications or to make them available to the Issuer, the Funding Lender, the Fiscal Agent or the Subordinate Lender after written request therefor will be a default hereunder.

Section 9. Tenant Lease Restrictions. All tenant leases shall contain clauses, among others, wherein each individual lessee:

- (a) Certifies the accuracy of the statements made in the Income Certification;
- (b) Agrees that the family income, family composition and other eligibility requirements shall be deemed substantial and material obligations of such lessee’s tenancy; that such lessee will comply promptly with all requests for information with respect thereto from the Owner, the Fiscal Agent, the Funding Lender, the Issuer or the Subordinate Lender, and that such lessee’s failure to provide accurate information in the Income Certification or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of such lessee’s tenancy; and
- (c) Agrees not to sublease to any person or family who does not execute and deliver an Income Certification.

Section 10. Sale, Assignment, Conveyance or other Disposition of Project or Interest in Owner. Except with respect to transfer of interests within the Owner, as permitted under the terms and conditions of the Owner’s [Amended and Restated Agreement of Limited Partnership], dated as of June 1, 2019 (as may be further amended, the “Partnership Agreement”) or the Loan Documents, the Owner shall not sell, assign, convey or transfer any material portion of the Land, fixtures or improvements constituting a part of the Land or Project, or any material portion of the personal property constituting a portion of the Project during the term of this Agreement without (i) the prior written consent of the Issuer, which consent shall not be unreasonably withheld, (ii) the Fiscal Agent (solely as to the interest on the Governmental Note) and the Issuer having received an opinion of Note 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 Notes, 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 Owner upon transfer of ownership in excess of fifty percent (50%) interest in the Project or the Owner (which fee shall be refunded by the Issuer to the Owner in the event the Issuer does not approve the transfer of the Project 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 Notes 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 Owner and the purchaser or transferee on request its written consent to any transfer in accordance with this Section and an estoppel certificate. It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section 10 shall be null, void and without effect, shall cause a reversion of title to the Owner, and shall be ineffective to relieve the Owner of its obligations under this Agreement. Nothing contained in this Section 10 shall affect any provision of the Mortgages or any other document or instrument to which the Owner is a party which requires the Owner to obtain the consent of the holder of the Notes or any other person as a precondition to sale, transfer or other disposition of the Project. The Transfer Fee will apply if a material portion of the Project financed with proceeds from the Loans is sold during the term hereof and such material portion of such Project consisted of personal property or equipment, the proceeds from the sale thereof may be used by the Owner to purchase property of similar function to be used in connection with the Project, otherwise, the proceeds from such sale shall be applied in accordance with the Mortgages (in order of priority thereof). If such material portion of such Project consists of real property and improvements, the purchaser thereof must execute and deliver to the Owner and the Fiscal Agent (solely in connection with the Governmental Note) a document in form and substance reasonably satisfactory to the Issuer, the Funding Lender and the Subordinate Lender pursuant to which such purchaser shall agree to operate such property in compliance with the terms and conditions of this Agreement. Notwithstanding the foregoing, ownership of the Project may be transferred in connection with a foreclosure thereof under the Mortgages, or the acceptance of the Project by the mortgagee or its designee in lieu of foreclosure under the Mortgages, without complying with this Section 10; provided, however, that this sentence shall cease to apply if, at any time during that part of the Qualified Project Period subsequent to such transfer, the Owner or an Affiliated Party with respect to any of such parties obtains an ownership interest in the Project for federal tax purposes.

Except as permitted under the terms and conditions of the Partnership Agreement or the Loan Documents, the Owner shall not sell or otherwise transfer the Project in whole, nor shall there be substituted a new general partner of the Owner or a change in the controlling ownership of the general partner of the Owner, or other merger, transfer or consolidation of the Owner, unless (a) the Owner 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 Owner shall not be in default hereunder, (d) it is reasonably expected that continued operation of the Project will comply with the requirements of this Agreement, (e) the subsequent purchaser or assignee shall execute any document reasonably requested by the Issuer and, for so

long as (i) the Project Loan is outstanding, the Funding Lender, and (ii) the Subordinate Loan is outstanding, the Subordinate Lender, with respect to assuming the obligations of the Owner under this Agreement, (f) the Funding Lender, if the Project Loan is outstanding, the Subordinate Lender, if the Subordinate 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 Project, (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 Funding Lender, if the Project Loan is outstanding, the Subordinate Lender, if the Subordinate Loan is outstanding, and the Fiscal Agent to the effect that such purchaser or assignee will comply with the terms and conditions of this Agreement, the Project Loan Agreement, the Subordinate Loan Agreement and the other Loan Documents, (i) the Fiscal Agent (solely as to the Governmental Note), the Funding Lender, if the Project Loan is outstanding, the Subordinate Lender, if the Subordinate 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 this Agreement, the Project Loan Agreement, the Subordinate Loan Agreement and other Loan Documents relating to the Notes are enforceable against such purchaser or assignee in accordance with their terms, and (j) the Fiscal Agent (solely in connection with the interest on the Governmental Note), the Funding Lender, if the Project Loan is outstanding, the Subordinate Lender, if the Subordinate Loan is outstanding, and the Issuer shall have received an opinion of Note 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 Notes, or any part thereof, becoming includable in the gross income of the holders thereof for federal income tax purposes.

It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section shall be ineffective to relieve the Owner of its obligations under this Agreement or the Project Loan Agreement or the Subordinate Loan Agreement. In the event that the purchaser or assignee shall assume the obligations of the Owner under the Project Loan, the Project Loan Agreement, the Subordinate Loan, the Subordinate Loan Agreement, and/or this Agreement, the Owner shall be released from its obligations thereunder and hereunder, other than its obligations hereunder, under the Project Loan Agreement and under the Subordinate Loan Agreement arising prior to such date of assumption (unless such obligations are assumed by the purchaser or transferee).

Notwithstanding anything in this Section 10 to the contrary, the restrictions set forth above on the sale, transfer or other disposition or encumbrance of the Project or any portion thereof shall not be applicable to any of the following: (i) leases of apartment units as contemplated by this Agreement, (ii) grants of utility related easements and service or concession related leases or easements, including, without limitation, coin-operated laundry service leases and/or television cable easements on the Project, providing same are granted in connection with the operation of the Project as contemplated by this Agreement, (iii) any sale or conveyance to a condemning governmental authority as a direct result of the condemnation or a governmental taking or a threat thereof, (iv) the placing of a subordinate mortgage lien, assignment of leases and/or rents or security interest on or pertaining to the Project which is made expressly subject

and subordinate hereto and, to the extent still outstanding, to the Mortgages, or (v) subject to the provisions of the Mortgages, any transfer of partnership interests in the Owner or in the entities which are partners in the Owner.

Section 11. Negative Covenants. During the term of this Agreement, the Owner shall not:

- (a) Except pursuant to the provisions of this Agreement, the Project Loan Agreement, the Subordinate Loan Agreement and the other Loan Documents, or except upon a sale or transfer of the Project in accordance with the terms of this Agreement, the Project Loan Agreement, the Subordinate Loan Agreement and the Mortgages, encumber any of the mortgaged property, including the grant of commercial leases (other than for vending machines, coin operated laundry facilities and similar amenities functionally related and subordinate to the Project and granted in connection with the day to day operation of an apartment complex), or permit the conveyance, transfer or encumbrance of such property (except for such leases and for apartment leases) for the Qualified Project Period. Nothing in this paragraph shall prohibit the granting of easements for the purpose of providing utility services (including cable television or private satellite television) to the Project;
- (b) Demolish any part of the Project necessary for the operation thereof for its intended purposes or substantially subtract from any real or personal property of the Project; or
- (c) Permit the use of the dwelling accommodations of the Project for any purpose except rental residences in compliance with Section 142(d) of the Code.

Section 12. Covenants to Run with the Land. This Agreement and the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the Land and, except as provided in Section 13 hereof, shall pass to and be binding upon the Owner's assigns and successors and all subsequent owners of the Land (whether fee simple or leasehold) or the Project or any interest therein; provided, however, that upon the termination of this Agreement in accordance with the terms hereof said covenants, reservations and restrictions shall expire. Except as provided in Section 13 hereof, each and every contract, deed or other instrument hereafter executed covering or conveying the Land or the Project or any portion thereof or interest therein shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions of the Land or the Project are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Land or the Project.

Section 13. Term. This Agreement shall remain in full force and effect until the expiration of the Qualified Project Period; provided, however, that this Agreement shall automatically terminate in the event of involuntary noncompliance with the provisions of this Agreement caused by fire or other casualty, seizure, requisition, foreclosure or transfer by deed

in lieu of foreclosure, change in a federal law or an action of a federal agency that prevents the Issuer from enforcing the provisions hereof, or condemnation or a similar event (as determined by Note Counsel), but only if within a reasonable period thereafter (i) the Notes 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 hereof and any other applicable requirements of the Code and the Regulations. In the case of foreclosure or transfer of title by deed in lieu of foreclosure or similar event (as determined by Note 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 Owner or an Affiliated Party to the Owner, obtains an ownership interest in the Project for federal tax purposes.

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

Section 14. Correction of Noncompliance. The failure of the Owner to comply with any of the provisions of this Agreement shall not be deemed a default hereunder unless such failure has not been corrected within a period of 60 days following the date that the Owner, or with respect to the requirements of Sections 2 or 3 hereof, any of the parties hereto, learned of such failure or should have learned of such failure by the exercise of reasonable diligence (which 60-day period may be extended if (i) such failure cannot reasonably be corrected within such 60-day period, (ii) diligent action to correct such failure commences within such 60-day period, (iii) such action is diligently pursued until such failure is corrected, and (iv) with respect to a failure to comply with any of the requirements of Sections 2 or 3 hereof, the Owner delivers to the Issuer and, solely as to the Governmental Note, the Fiscal Agent, an opinion of Note Counsel to the effect that such longer cure period will not adversely affect the exclusion of interest on the Notes from gross income for federal income tax purposes). After the Fiscal Agent learns of such failure, the Fiscal Agent shall attempt with reasonable diligence to notify the Owner and the Issuer of such failure by telephonic and written communication. Notwithstanding anything to the contrary herein, the Investor Limited Partner and the Administrative Limited Partner shall have the right, but not the obligation, to cure a default hereunder within the applicable cure period, and such cure will be accepted or rejected on the same basis as if tendered by the Owner.

Section 15. Modification of Tax Covenants. Notwithstanding the provisions of Section 22(b) hereof, to the extent any amendments, modifications or changes to the Regulations or the Code shall, in the written opinion of Note Counsel addressed to the Issuer, the Owner and, solely as to the Governmental Note, the Fiscal Agent, impose requirements upon the ownership, occupancy or operation of the Project different than those imposed by the Regulations or the Code and stated herein, and the Owner's failure to comply with such different requirements would produce a material and substantial risk that interest on the Notes will become subject to federal income taxation, then this Agreement shall be amended and modified in accordance with such requirements. The parties hereto agree to execute, deliver, and record, if applicable, any and all documents or instruments necessary in the opinion of and in the form approved by Note Counsel to effectuate the intent of this Section 15.

Section 16. Burden and Benefit. The Issuer, the Fiscal Agent and the Owner hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the Land in that the Owner's legal interest in the Land and the Project is rendered less valuable thereby. The Fiscal Agent, the Issuer and the Owner hereby further declare their understanding and intent that the benefit of such covenants touch and concern the Land by enhancing and increasing the enjoyment and use of the Land and the Project by Lower-Income Persons and Eligible Persons, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Notes were issued. The Owner hereby expressly acknowledges that this Agreement is necessary to preserve the exclusion from gross income for federal income tax purposes of interest on the Notes issued by the Issuer to finance the Project Loan and the Subordinate Loan and covenants and agrees that in connection with the acquisition, rehabilitation, ownership and operation of the Project, it shall, and shall require any subsequent purchaser of the Project to, fully comply with all terms and conditions of this Agreement.

Section 17. Uniformity; Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project.

Section 18. Application of Insurance and Condemnation Proceeds. Subject to the provisions of the Project Loan Agreement, the Subordinate Loan Agreement and the other Loan Documents, if during the Qualified Project Period, the Project is damaged or destroyed or if all or a portion of the Land or Project is taken through eminent domain proceedings, or under the threat thereof, proceeds from insurance on the Project or any condemnation awards pertaining to such eminent domain proceedings shall be applied as provided in the Mortgages.

Section 19. Remedies; Enforceability. The benefits of this Agreement shall inure to, and may be enforced by, respectively, the Issuer and the Fiscal Agent and its successors, the holders of the Notes and their successors and assigns to the extent permitted by the Funding Loan Agreement and/or the Subordinate Loan Agreement, and solely as to Sections 2, 3 and 7 of this 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 Section 3 of this Agreement for the period set forth in Section 13 hereof, whether or not the Project Loan and/or the Subordinate Loan may be paid in full, and whether or not the Notes are outstanding. If a material violation of any of the provisions hereof occurs and is not cured within the period provided by Section 14 hereof, 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 Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of the Owner's default. The remedies of the beneficiaries of this Agreement other than the Issuer and the Fiscal Agent shall be limited to those described in the preceding sentence. In addition to such other remedies as may be provided for herein, if a violation of any of the provisions hereof occurs which is not corrected during the period provided in Section 14 hereof, the Issuer shall have the right (but not the obligation), and is specifically authorized by the Owner, to terminate the manager and appoint a new manager of the Project to operate the Project in accordance with this Agreement, the Project Loan Agreement and the Subordinate Loan Agreement and take all actions necessary, in the reasonable judgment of the Issuer, to cure any

default by the Owner hereunder, and such new manager assuming such management hereunder shall be paid by or on behalf of the Owner, from the rents, revenues, profits and income from the Project, a management fee not to exceed the prevailing management fee paid to managers of similar housing projects in the area of Broward County, Florida. Subject to Section 13 hereof, the provisions hereof are imposed upon and made applicable to the Land and shall run with the Land and shall be enforceable against the Owner or any other person or entity that has or had an ownership interest in the Project at the time of such violation or attempted violation. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation hereof at any later time or times. All rights and remedies provided in this Agreement are cumulative, non-exclusive and in addition to any and all rights and remedies that the parties and beneficiaries hereof may otherwise have.

The Owner hereby agrees that the appointment of a new manager may be necessary to serve the public purpose for which the Notes were issued and to preserve the exclusion from gross income for federal income tax purposes of interest on the Notes following a violation of the provisions of this Agreement which is not cured within the period provided in Section 14 hereof. The Owner hereby expressly consents to, and agrees not to contest, the appointment of a new manager to operate the Project following a violation by the Owner of the provisions of this Agreement which is not cured as provided in Section 14 hereof 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 hereof. The Owner further agrees that the Issuer shall have the right to require the Owner to remove any manager or managing agent whose actions or inactions present a material risk of a breach of the agreements of the Owner herein, 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 Notes and which action or inaction is not being corrected as provided in Section 14 hereof, upon such manager or managing agent being given thirty (30) days' written notice of any violation hereof, and such right shall be expressly acknowledged in any contract between the Owner and any such manager or managing agent.

Section 20. Filing. Upon execution and delivery by the parties hereto, the Owner shall cause this Agreement and all amendments and supplements hereto to be recorded and filed in the official public deed records of Broward County, Florida, and in such manner and in such other places as the Issuer may reasonably request, and shall pay all fees and charges incurred in connection therewith.

Section 21. Governing Law. This Agreement shall be governed by the laws of the State. The venue for any proceeding hereunder shall be a court of appropriate jurisdiction in Broward County, Florida.

Section 22. Amendments.

- (a) The Owner shall not assign its interest hereunder, except by writing and in accordance with the provisions of Section 10 hereof.

- (b) This Agreement shall not be amended, revised, or terminated except by a written instrument, executed by the parties hereto (or their successors in title), and duly recorded in the official public records for Broward County, Florida. Anything to the contrary notwithstanding, the parties hereby agree to amend this Agreement to the extent required in the opinion of Note Counsel, in order for interest on the Notes to remain exempt from federal income taxation under Section 103 of the Code. The Owner agrees, from time to time, to take such other actions and steps necessary to comply, and to cause the Project to comply, with the requirements of Section 142(d) of the Code and to enter into modifications and amendments to this Agreement to the extent required by federal law, by any amendment to the Code or by any Regulation promulgated thereunder, in each case so that interest on the Notes remains exempt from federal income taxes. Any such amendment, revision or termination shall be effected only in accordance with the Funding Loan Agreement and the Subordinate Loan Agreement, as applicable.

Section 23. Fiscal Agent or Compliance Agent to Monitor Compliance Upon Request of Issuer. If the Issuer requests in writing that the Fiscal Agent (and the Fiscal Agent agrees to such request) or Compliance Agent assume the role of compliance monitoring, the Fiscal Agent or Compliance Agent, as the case may be, shall receive and examine all other reports, certifications and other documents required to be delivered to the Issuer or the Fiscal Agent or Compliance Agent hereunder and shall notify the Issuer promptly of non-compliance with this Agreement. In such event the Fiscal Agent or Compliance Agent shall include in its monthly statement described above a statement as to whether it has received the rent rolls and whether any of the information in any such documents received by the Fiscal Agent or Compliance Agent indicates the Owner has failed to comply with any of the requirements contained in this Agreement. The Fiscal Agent or Compliance Agent shall be authorized to charge reasonable fees and expenses to the Owner if it assumes such role.

Section 24. Notice. All notices and other communications required or permitted under this Agreement must be in writing and shall be deemed to have been duly given (i) when delivered, if sent by registered or certified mail (return receipt requested), (ii) when delivered, if delivered personally, (iii) when transmitted, if sent by facsimile if a confirmation of transmission is produced by the sending machine (and a copy of each facsimile promptly shall be sent by first class United States mail, postage fully prepaid), (iv) when delivered, if sent by overnight mail or overnight courier, or (v) on the date delivery is refused, as indicated on the return receipt or the delivery records of the delivery service, as applicable, in each case to the parties at the addresses listed in the first paragraph of this Agreement. A duplicate copy of each notice, certificate or other communication given hereunder by either the Issuer or the Owner to the others, shall also be given to the Fiscal Agent and the Investor Limited Partner. Copies of all notices sent pursuant to this Agreement shall be sent in accordance with Section 11.04 of the Funding Loan Agreement and Section 9.01 of the Subordinate Loan Agreement.

Section 25. Severability. If any provision hereof shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

Section 26. Multiple Counterparts. This Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 27. Release of Fiscal Agent. Notwithstanding anything in this Agreement to the contrary, on and after the date the Governmental Note is no longer outstanding under the Funding Loan Agreement, the Fiscal Agent shall be released as a party to this Agreement and discharged from any duties or obligations hereunder, and all provisions throughout this Agreement related to the duties of, or notice to or from, the Fiscal Agent shall be of no further force and effect. If any approval or consent of the Fiscal Agent is required, such approval or consent shall be obtained from the Issuer; however, multiple notices need not be provided. Notwithstanding the foregoing, any such references shall remain in effect when needed to construe land use restriction obligations under this Agreement or to provide definitions. The Fiscal Agent's rights to indemnification provided for in the Funding Loan Agreement, the Project Loan Agreement and this Agreement shall survive such release and discharge.

Section 28. Freddie Mac Rider. For so long as any of the Notes are outstanding, the provisions of this Agreement are subject to the provisions of the Freddie Mac Rider attached as Exhibit "C" hereto and made a part hereof.

[COUNTERPART SIGNATURE PAGES TO FOLLOW]

**COUNTERPART SIGNATURE PAGE FOR
LAND USE RESTRICTION AGREEMENT**

(Regency Gardens Apartments)

IN WITNESS WHEREOF, the Issuer, the Fiscal Agent, and the Owner have caused this Agreement to be executed and delivered on their behalf by their duly authorized representatives as of the date first set forth above.

ISSUER:

HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA

[SEAL]

By: _____
Milette Manos, Chair

ATTEST:

Daniel D. Reynolds, Secretary

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me by MILETTE MANOS and DANIEL D. REYNOLDS, Chair and Secretary, respectively, of the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA, a public body corporate and politic, this ____ day of _____, 2019, on behalf of said Authority. They are personally known to me or have produced a valid driver's license as identification.

(SEAL)

Notary Public; State of Florida
Print Name: _____
My Commission Expires: _____
My Commission No.: _____

**COUNTERPART SIGNATURE PAGE FOR
LAND USE RESTRICTION AGREEMENT**

(Regency Gardens Apartments)

IN WITNESS WHEREOF, the Issuer, the Fiscal Agent, and the Owner have caused this Agreement to be executed and delivered on their behalf by their duly authorized representatives as of the date first set forth above.

FISCAL AGENT:

WITNESSES:

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Fiscal Agent

Print: _____

By: _____

Print: _____

Name: _____

Title: _____

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me by _____, as _____ and Trust Officer of THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., this ____ day of _____, 2019, on behalf of said bank. Said person is personally known to me or has produced a valid driver's license as identification.

(SEAL)

Notary Public; State of Florida

Print Name: _____

My Commission Expires: _____

My Commission No.: _____

**COUNTERPART SIGNATURE PAGE FOR
LAND USE RESTRICTION AGREEMENT**

(Regency Gardens Apartments)

IN WITNESS WHEREOF, the Issuer, the Fiscal Agent, and the Owner have caused this Agreement to be executed and delivered on their behalf by their duly authorized representatives as of the date first set forth above.

OWNER:

POMPANO BEACH LEASED HOUSING ASSOCIATES II, LLLP, a Minnesota limited liability limited partnership

WITNESSES:

Print: _____

By: Pompano Beach Leased Housing Associates II, LLC, a Minnesota limited liability company, its general partner

Print: _____

By: _____
Mark G. Sween
Vice President

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2019, by MARK G. SWEEN as Vice President of POMPANO BEACH LEASED HOUSING ASSOCIATES II, LLC, a Minnesota limited liability company, the general partner of POMPANO BEACH LEASED HOUSING ASSOCIATES II, LLLP, a Minnesota limited liability limited partnership, on behalf of the limited liability limited partnership and limited liability company. Said person is personally known to me or has produced a valid driver's license as identification.

Notary Public; State of Florida
Print Name: _____
My Commission Expires: _____
My Commission No.: _____

EXHIBIT "A"

LEGAL DESCRIPTION

All of Parcel A, Regency Gardens Apartments, according to the Plat thereof, as recorded in Plat Book 170, Page 158, of the Public Records of Broward County, Florida.

EXHIBIT "B"
FORM OF
NOTICE OF TERMINATION OF LAND USE RESTRICTION AGREEMENT
(Regency Gardens Apartments)

ABOVE SPACE RESERVED FOR
RECORDING PURPOSES ONLY

This NOTICE OF TERMINATION OF LAND USE RESTRICTION AGREEMENT (the "Termination") is executed as of _____, 20____, with an effective date of _____, 20____, by the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (the "Authority"), THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, as fiscal agent (the "Fiscal Agent"), and _____, a Florida _____ (the "Current Owner").

1. That certain Land Use Restriction Agreement dated as of _____ 1, 2019 and recorded _____, 2019, in Official Records Book _____, Page _____, of the Public Records of Broward County, Florida (the "Land Use Restriction Agreement").

2. The Qualified Project Period, as defined in the Land Use Restriction Agreement, ended on _____, and the Authority has authorized the execution and delivery of this Termination.

3. By execution of this Termination, the Land Use Restriction Agreement will be terminated.

4. All payments of any amounts due under the Land Use Restriction Agreement are fully paid and all obligations thereunder have been met. There is currently no default under the Land Use Restriction Agreement.

IN WITNESS WHEREOF, the Authority, the Fiscal Agent and the Current Owner hereby agree to terminate the Land Use Restriction Agreement.

[COUNTERPART SIGNATURE PAGES TO FOLLOW]

**COUNTERPART SIGNATURE PAGE FOR
NOTICE OF TERMINATION OF LAND USE RESTRICTION AGREEMENT**

(Regency Gardens Apartments)

IN WITNESS WHEREOF, the parties have caused this Notice of Termination of Land Use Restriction Agreement to be executed in their respective names by their duly authorized representative as of the day and year first written above.

CURRENT OWNER:

WITNESSES:

Print: _____

By: _____

Print: _____

Name: _____

Title: _____

Address: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by _____, as _____ of _____, a _____, on behalf of the _____. Said person is personally known to me or has produced a valid driver's license as identification.

Notary Public; State of Florida
Print Name: _____
My Commission Expires: _____
My Commission No.: _____

**COUNTERPART SIGNATURE PAGE FOR
NOTICE OF TERMINATION OF LAND USE RESTRICTION AGREEMENT**

(Regency Gardens Apartments)

IN WITNESS WHEREOF, the parties have caused this Notice of Termination of Land Use Restriction Agreement to be executed in their respective names by their duly authorized representative as of the day and year first written above.

THE AUTHORITY:

WITNESSES:

HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA

Print: _____

Print: _____

By: _____
Chair

WITNESSES:

[SEAL]

Print: _____

Attest:

Print: _____

By: _____
Secretary

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was executed and acknowledged before me this _____ day of _____, 20____, by _____ and _____, as Chair and Secretary, respectively, of the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA, who executed the foregoing instrument and acknowledged to me that they did such on behalf of the Authority.

Notary Public; State of Florida
Print Name: _____
My Commission Expires: _____
My Commission No.: _____

**COUNTERPART SIGNATURE PAGE FOR
NOTICE OF TERMINATION OF LAND USE RESTRICTION AGREEMENT**

(Regency Gardens Apartments)

IN WITNESS WHEREOF, the parties have caused this Notice of Termination of Land Use Restriction Agreement to be executed in their respective names by their duly authorized representative as of the day and year first written above.

FISCAL AGENT:

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Fiscal Agent

WITNESSES:

Print: _____

Print: _____

By: _____
Name: _____
Title: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me by _____, as a _____ of THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., this ____ day of _____, 20____, on behalf of said bank. Said person is personally known to me or has produced a valid driver's license as identification.

(SEAL)

Notary Public; State of Florida
Print Name: _____
My Commission Expires: _____
My Commission No.: _____

EXHIBIT "C"

FREDDIE MAC RIDER

This Freddie Mac Rider (the "Rider") is attached to and forms a part of the Land Use Restriction Agreement (the "Regulatory Agreement"), dated as of June 1, 2019, by and among the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (the "Governmental Lender"), THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as fiscal agent (together with any successor in such capacity, the "Fiscal Agent"), and POMPANO BEACH LEASED HOUSING ASSOCIATES II, LLLP, a Minnesota limited liability limited partnership (together with any successor to its rights, duties and obligations hereunder and as owner of the Project identified herein, the "Borrower").

1. Definitions. Terms used in this Rider as defined terms shall have the meanings given those terms in the Regulatory Agreement and the Funding Loan Agreement. In addition, the following terms shall have the following meanings:

"Freddie Mac" means the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States.

"Funding Lender" means the holder of the Governmental Note, initially CITIBANK, N.A., a national banking association, and on the Freddie Mac Purchase Date, Freddie Mac, and any successors or assigns thereof.

"Funding Loan Agreement" means the Funding Loan Agreement dated as of June 1, 2019, by and among the Governmental Lender, the Initial Funding Lender set forth therein and the Fiscal Agent, as such Funding Loan Agreement may from time to time be amended or supplemented.

"Governmental Note" means that certain Housing Finance Authority of Broward County, Florida \$_____ Multifamily Mortgage Revenue Note, 2019 Series A (Regency Gardens Apartments) dated June __, 2019 delivered by the Governmental Lender pursuant to the Funding Loan Agreement.

"Project Loan" means the loan to the Borrower pursuant to the Project Loan Documents, which Project Loan is to be assigned to the Fiscal Agent.

"Project Loan Agreement" means the Project Loan Agreement dated as of June 1, 2019, among the Borrower, the Governmental Lender and the Fiscal Agent, as such Financing Agreement may from time to time be amended or supplemented.

"Project Loan Documents" means the Security Instrument, the Project Note, the Project Loan Agreement, the Regulatory Agreement, the Assignment, the Continuing Covenant Agreement, any Subordination Agreement(s) and any and all other instruments and other documents evidencing, securing, or otherwise relating to the Project Loan or any portion thereof.

“Project Note” means the Project Note, including applicable addenda, to be executed by the Borrower in favor of the Governmental Lender, evidencing the Borrower’s financial obligations under the Project Loan, and to be endorsed by the Governmental Lender, without recourse, to the order of the Fiscal Agent, as the same may be amended, modified, supplemented or restated from time to time.

“Security Instrument” means the Multifamily Mortgage, Assignment of Rents and Security Agreement (Florida), together with all riders thereto, securing the Project Note, to be executed by the Borrower with respect to the Project, as it may be amended, modified, supplemented or restated from time to time.

“Servicer” means CITIBANK, N.A., a national banking association, or any successor Servicer selected by Freddie Mac.

2. Applicability. The provisions of this Rider shall amend and supplement the provisions of, and in the event of a conflict shall supersede the conflicting provisions of, the Regulatory Agreement.

3. Indemnification. Inasmuch as the covenants, reservations and restrictions of the Regulatory Agreement run with the land, the indemnification obligations of the Borrower contained in the Regulatory Agreement will be deemed applicable to any successor in interest to the Borrower, but, it is acknowledged and agreed, notwithstanding any other provision of the Regulatory Agreement to the contrary, that neither the Funding Lender nor any successor in interest to the Funding Lender will assume or take subject to any liability for the indemnification obligations of the Borrower for acts or omissions of the Borrower prior to any transfer of title to Freddie Mac, whether by foreclosure, deed in lieu of foreclosure or comparable conversion of the Project Loan. The Borrower shall remain liable under the indemnification provisions for its acts and omissions prior to any transfer of title to the Funding Lender. The Funding Lender shall indemnify the Governmental Lender following acquisition of the Project by the Funding Lender, by foreclosure, deed in lieu of foreclosure or comparable conversion of the Project Loan, during, and only during, any ensuing period that the Funding Lender owns and operates the Project, provided that the Funding Lender’s liability shall be strictly limited to acts and omissions of the Funding Lender occurring during the period of ownership and operation of the Project by the Funding Lender. The Funding Lender shall have no indemnification obligations with respect to the Governmental Note or the Project Loan Documents. The Borrower shall remain liable under the Regulatory Agreement for its actions and omissions prior to any transfer of title to the Funding Lender.

4. Sale or Transfer. Restrictions on sale or transfer of the Project or of any interest in the Borrower, Governmental Lender and/or Fiscal Agent consents, transferee agreements, transferee criteria and requirements, opinion requirements, assumption fees, transfer fees, penalties and the like shall not apply to any transfer of title to the Project to the Funding Lender or to a third party by foreclosure, deed in lieu of foreclosure or comparable conversion of the Project Loan or to any subsequent transfer by the Funding Lender following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan. No transfer of the Project shall operate to release the Borrower from its obligations under the Regulatory Agreement. Nothing contained in the Regulatory Agreement shall affect any provision of the Security Instrument or any of the other Project Loan Documents that requires the Borrower to obtain the

consent of the Funding Lender as a precondition to sale, transfer or other disposition of, or any direct or indirect interest in, the Project or of any direct or indirect interest in the Borrower, excluding transfers permitted by the Security Instrument. No covenant obligating the Borrower to obtain an agreement from any transferee to abide by all requirements and restrictions of the Regulatory Agreement shall have any applicability to a transfer to the Funding Lender upon foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan by the Funding Lender, or to any subsequent transfer by the Funding Lender following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan.

5. Enforcement. Notwithstanding anything contained in the Regulatory Agreement to the contrary: (i) the occurrence of an event of default under the Regulatory Agreement shall not, under any circumstances whatsoever, be deemed or constitute a default under the Project Loan Documents, except as may be otherwise specified in the Project Loan Documents; and (ii) the occurrence of an event of default under the Regulatory Agreement shall not impair, defeat or render invalid the lien of the Security Instrument. No person other than the Funding Lender shall have the right to (a) declare the principal balance of the Project Note to be immediately due and payable or (b) commence foreclosure or other like action with respect to the Security Instrument. The Governmental Lender and the Fiscal Agent acknowledge and agree that the exercise of any rights and remedies under the Regulatory Agreement is subject to the provisions of the Project Loan Documents.

6. Notice of Violations. Promptly upon determining that a violation of the Regulatory Agreement has occurred, the Governmental Lender or the Fiscal Agent shall, by notice in writing to the Borrower, the Servicer and the Funding Lender, inform the Borrower, the Servicer and the Funding Lender that such violation has occurred, the nature of the violation and that the violation 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 violation, neither the Governmental Lender nor the Fiscal Agent shall have, and each of them acknowledge that they shall not have, any right to cause or direct acceleration of the Project Loan, to enforce the Project Note or to foreclose on the Security Instrument.

7. Amendments. The Regulatory Agreement shall not be amended without the prior written consent of the Funding Lender.

8. Fees; Penalties. The Funding Lender shall not be liable for the payment of any compensation or any accrued unpaid fees, costs, expenses or penalties otherwise owed by the Borrower or any subsequent owner of the Project prior to the date of acquisition of the Project by the Funding Lender, whether such acquisition is by foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan.

9. Subordination. The terms, covenants and restrictions of the Regulatory Agreement, other than those set forth in Sections 2 and 3, are and shall at all times remain subject and subordinate, in all respects, to the liens, rights and interests created under the Project Loan Documents.

10. Third-Party Beneficiary. The parties to the Regulatory Agreement recognize and agree that the terms of the Regulatory Agreement and the enforcement of those terms are essential to the security of the Funding Lender and are entered into for the benefit of various parties, including the Funding Lender. The Funding Lender shall accordingly have contractual

rights in the Regulatory Agreement and shall be entitled (but not obligated) to enforce, separately or jointly with the Governmental Lender and/or the Fiscal Agent, or to cause the Governmental Lender or the Fiscal Agent to enforce, the terms of the Regulatory Agreement pursuant to the Governmental Lender's and the Fiscal Agent's rights (including permissive rights) and obligations under the Regulatory Agreement and subject to the Governmental Lender and the Fiscal Agent being indemnified to their satisfaction against the costs, expenses and liabilities which might be incurred by them in the compliance with such enforcement. In addition, the Funding Lender is intended to be and shall be a third-party beneficiary of the Regulatory Agreement.

11. Notices. Copies of all notices under the Regulatory Agreement shall be sent to the Servicer at the address set forth below or to such other address as the Servicer may from time to time designate:

Citibank, N.A.
388 Greenwich Street, 8th Floor

Attention: Transaction Management Group
Re: Regency Gardens Apartments Deal ID No. _____
Facsimile: (212) 723-8209

Citibank, N.A.
325 East Hillcrest Drive, Suite 160
Thousand Oaks, California 91360
Attention: Operations Manager/Asset Manager
Re: Regency Gardens Apartments Deal ID No. _____
Facsimile: (805) 557-0924

Citibank, N.A.
c/o Berkadia Commercial Servicing Department
323 Norristown Road, Suite 300
Ambler, Pennsylvania 19002
Attention: Client Relations Manager
Re: Regency Gardens Apartments Deal ID No. _____
Facsimile: (215) 328-0305

Citibank, N.A.
388 Greenwich Street, 8th Floor

Attention: General Counsel's Office
Re: Regency Gardens Apartments Deal ID No. _____
Facsimile: (646) 291-5754

Any notice to be given to Freddie Mac shall be sent to Freddie Mac at the address set forth below or to such other address as Freddie Mac may from time to time designate:

Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive, MS B4P

McLean, Virginia 22102
Attention: Multifamily Operations - Loan Accounting
Email: mfla@freddiemac.com
Telephone: (703) 714-4177

with a copy to:

Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive, MS 210
McLean, Virginia 22102
Attention: Managing Associate General Counsel --
Multifamily Legal Division
Telephone: (703) 903-2000
Email: joshua_schonfeld@freddiemac.com

EXHIBIT “D”
FORM OF
ASSIGNMENT OF SECURITY INSTRUMENT
[ATTACHED]

Recording Requested By, and
When Recorded Return To:

Freddie Mac Loan Number: 501849173
Property Name: Regency Gardens

Katten Muchin Rosenman LLP
2900 K Street NW
North Tower – Suite 200
Washington, DC 20007
Attention: Michael P. Murphy, Esq.

ASSIGNMENT OF SECURITY INSTRUMENT

(Revised 2-1-2015)

FOR VALUABLE CONSIDERATION, **HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA**, a public body corporate and politic created, organized and existing under the laws of the State of Florida (“**Assignor**”), having its principal place of business at 110 N.E. 3rd Street, Suite 300, Ft. Lauderdale, Florida 33301, hereby assigns, grants, sells and transfers to **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a banking association organized and existing under the laws of the United States of America (“**Assignee**”), having its principal place of business at 10161 Centurion Parkway, Jacksonville, Florida 32256, and Assignee’s successors, transferees and assigns forever, all of the right, title and interest of Assignor in and to the Multifamily Mortgage, Assignment of Rents and Security Agreement dated June __, 2019, entered into by Pompano Beach Leased Housing Associates II, LLLP, a Minnesota limited liability limited partnership (“**Borrower**”) for the benefit of Assignor, securing an indebtedness of Borrower to Assignor in the principal amount of \$_____ recorded in the land records of Broward County, Florida at _____ (“**Instrument**”), which indebtedness is secured by the property described in Exhibit A attached to this Assignment and incorporated into it by this reference.

Together with the Note or other obligation described in the Instrument and all obligations secured by the Instrument now or in the future.

IN WITNESS WHEREOF, Assignor has executed this Assignment as of _____, ____,
20__, to be effective as of the date of the Instrument.

WITNESSES:

**HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA**

Print: _____

Print: _____

By: _____

Milette Manos, Chair

STATE OF FLORIDA }

COUNTY OF _____ } SS:

The foregoing instrument was acknowledged before me this ____ day of
_____, ____ by _____, _____, on behalf of _____, the
_____, who is personally known to me.

Print Name: _____

Notary Public, State of Florida at large

EXHIBIT A

DESCRIPTION OF THE PROPERTY

EXHIBIT “E”
FORM OF
ASSIGNMENT OF PROJECT NOTE
[ATTACHED]

Freddie Mac Loan Number: 501849173
Property Name: Regency Gardens

PROJECT NOTE

(Revised 12-6-2018)

US \$[AMOUNT]

June [___], 2019

FOR VALUE RECEIVED, the undersigned, **POMPANO BEACH LEASED HOUSING ASSOCIATES II, LLLP** (together with such party's or parties' successors and assigns, the "**Borrower**"), jointly and severally (if more than one), promises to pay to the order of **HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA** (the "**Governmental Lender**"), and its assigns, the principal sum of [AMOUNT OF PROJECT LOAN] (US \$[AMOUNT]), plus premium, if any, and interest thereon and to pay the other amounts owing from time to time hereunder, all as set forth below.

This Project Note (this "**Project Note**") is being delivered pursuant to that certain Project Loan Agreement dated as of June [___], 2019, among the Governmental Lender, The Bank of New York Mellon Trust Company, N.A. (the "**Fiscal Agent**") and Borrower (together with any and all amendments, modifications, supplements and restatements, the "**Project Loan Agreement**") pursuant to which the Governmental Lender has made a mortgage loan in the principal amount of this Project Note to Borrower (the "**Project Loan**"), and this Project Note is entitled to the benefits of the Project Loan Agreement and is subject to the terms, conditions and provisions thereof. The Project Loan was funded from the separate loan (the "**Funding Loan**") incurred by the Governmental Lender pursuant to the Funding Loan Agreement dated as of June 1, 2019 (the "**Funding Loan Agreement**") by and among Citibank, N.A., as the Initial Funding Lender, the Governmental Lender and the Fiscal Agent. This Project Note shall be deemed to be fully advanced as of the Closing Date.

1. Defined Terms.

(a) As used in this Project Note:

"**Base Recourse**" means a portion of the Indebtedness equal to 0% of the original principal balance of this Project Note.

"**Business Day**" means any day other than (a) a Saturday or a Sunday, or (b) a day on which (i) banking institutions in the City of New York or in the city in which the Principal Office of the Fiscal Agent is located are authorized or obligated by law or executive order to be closed or (ii) the New York Stock Exchange is closed.

"**Closing Date**" means the date hereof, which is the date of initial funding of the Funding Loan and the delivery of the Governmental Note by the Governmental Lender to the Initial Funding Lender.

“**Default Rate**” means an annual interest rate equal to 4 percentage points above the Interest Rate. However, at no time will the Default Rate exceed the Maximum Interest Rate.

“**First Project Loan Payment Date**” means the first day of the first calendar month following the Closing Date.

“**Holder**” means the holder from time to time of this Project Note.

“**Indebtedness**” means the principal of, premium, if any, and interest on or any other amounts due at any time under this Project Note or the Project Loan Agreement.

“**Interest Rate**” means the annual interest rate of [____] %.

“**Lockout Period**” means the period from and including the date of this Project Note until but not including July 1, 2029.

“**Maximum Interest Rate**” means the rate of interest which results in the maximum amount of interest allowed by applicable law.

“**Prepayment Premium Period**” means the period from and including the date of this Project Note until but not including the first day of the Window Period.

“**Project Loan Payment Date**” is defined in Section 2 of this Project Note.

“**Property Jurisdiction**” means the State of Florida.

“**Scheduled Maturity Date**” means July 1, 2035.

“**Security Instrument**” means the multifamily mortgage, deed to secure debt or deed of trust effective as of the effective date of this Project Note from Borrower to or for the benefit of Governmental Lender and its assigns and securing this Project Note, as amended, modified or supplemented from time to time.

“**Window Period**” means the 3 consecutive calendar month period immediately prior to the Scheduled Maturity Date. If the first day of the Window Period falls on a day which is not a Business Day, then with respect to payments made under Section 10, the “Window Period” will begin on the Business Day immediately preceding the scheduled first day of the Window Period.

“**Yield Maintenance Period**” means the period from and including the date of this Project Note until but not including January 1, 2035.

(b) Other capitalized terms used but not defined in this Project Note shall have the meanings given to such terms in the Project Loan Agreement, the Funding Loan Agreement or the Continuing Covenant Agreement.

2. Payments of Principal and Interest. Borrower shall pay on the first calendar day of each month commencing on the First Project Loan Payment Date, interest at the Interest Rate on the outstanding principal balance of this Project Note, and shall also pay interest on this Project Note at the Interest Rate in the event of an optional or mandatory prepayment or acceleration of all or a part of the Project Loan pursuant to this Project Note or the Project Loan Agreement, in an amount equal to the accrued and unpaid interest to the date of prepayment on the portion of this Project Note subject to prepayment (each such date for payment a “**Project Loan Payment Date**”). Interest under this Project Note will be computed, payable and allocated on the basis of a 360-day year and the actual number of days elapsed.

Borrower shall pay the outstanding principal of this Project Note in full on the Scheduled Maturity Date and in monthly installments on each date set forth on the Project Loan Amortization Schedule attached as Schedule 1 to this Project Note in an amount equal to the corresponding amounts set forth thereon, or at such earlier times and in such amounts as may be required in the event of an optional or mandatory prepayment or acceleration of the Project Loan pursuant to this Project Note or the Project Loan Agreement.

In addition to the foregoing, Borrower shall make payments hereunder in respect of the Project Loan at such times and in such amounts as are sufficient to pay, when due (whether at stated maturity, upon prepayment before maturity, upon acceleration of stated maturity or otherwise), the principal of and premium, if any, and interest on the Funding Loan at any time outstanding. To ensure timely payment, Servicer shall collect from Borrower, and Borrower shall provide to Servicer, the foregoing payments two (2) Business Days prior to the respective Project Loan Payment Date; provided, unless the Closing Date is the first day of a calendar month, the Servicer shall collect from Borrower and Borrower shall provide to Servicer on the Closing Date, interest for the period beginning on the Closing Date and ending on and including the last day of such calendar month. Except as provided in this paragraph and in Section 10, accrued interest will be payable in arrears.

Any regularly scheduled monthly installment of principal and interest payable pursuant to this Section 2 that is received by Holder before the date on which it is due will be deemed to have been received on the due date for the purpose of calculating interest due.

3. Payment of Fees and Expenses; Other Required Payments. Borrower shall also pay fees and expenses under Section 4.02 of the Project Loan Agreement, rebate amounts under Sections 2.04 and 4.03 of the Project Loan Agreement and indemnification amounts under Section 6.01 of the Project Loan Agreement and Section 10.02 of the Continuing Covenant Agreement, as well as any other amounts owed by the Borrower under the Financing Documents, when due and in accordance with the terms and provisions set forth therein.

4. Manner of Payment; Deficiencies. All payments under this Project Note shall be made in lawful currency of the United States and in immediately available funds as provided for herein and in the Project Loan Agreement. In the event of any deficiency in the funds available under the Funding Loan Agreement for payment of the principal of, premium, if any, or interest on the Funding Loan when due, Borrower shall immediately pay the amount of the deficiency to the Fiscal Agent upon notice of the deficiency from the Governmental Lender, Servicer or the Fiscal Agent. Borrower shall be obligated to pay the deficiency regardless of the

reason for the deficiency, including any deficiency resulting from any shortfall in payments made or to be made by Borrower under this Project Note, any loss due to a default under any investment held by the Fiscal Agent, a change in value of any such investment or otherwise.

5. Application of Partial Payments. If at any time Holder receives, from Borrower or otherwise, any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, Holder may apply the amount received to amounts then due and payable in any manner and in any order determined by Holder, in Holder's discretion. Borrower agrees that neither Holder's acceptance of a payment from Borrower in an amount that is less than all amounts then due and payable nor Holder's application of such payment shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction.

6. Security. The Indebtedness is secured by, among other things, the Security Instrument. Reference is made to the Security Instrument and the Project Loan Agreement for other rights of Holder with respect to collateral for the Indebtedness.

7. Acceleration. If an Event of Default has occurred and is continuing, the entire unpaid principal balance, any accrued interest, any prepayment premium payable under Section 10 of this Project Note, and all other amounts payable under this Project Note and any other Financing Document, shall at once become due and payable, at the option of Holder, without any prior Notice to Borrower (except if notice is required by applicable law, then after such notice). Holder may exercise this option to accelerate regardless of any prior forbearance. For purposes of exercising such option, Holder will calculate the prepayment premium as if prepayment occurred on the date of acceleration. If prepayment occurs thereafter, Holder will recalculate the prepayment premium as of the actual prepayment date.

8. Default Rate. So long as (a) any monthly installment under this Project Note remains past due, or (b) any other Event of Default has occurred and is continuing, interest under this Project Note shall accrue on the unpaid principal balance from the earlier of the due date of the first unpaid monthly installment or the occurrence of such other Event of Default, as applicable, at the lesser of the Default Rate or the Maximum Interest Rate. If the unpaid principal balance and all accrued interest are not paid in full on the Scheduled Maturity Date, the unpaid principal balance and all accrued interest shall bear interest from the Scheduled Maturity Date at the lesser of the Default Rate or the Maximum Interest Rate. Borrower also acknowledges that its failure to make timely payments will cause Holder to incur additional expenses in servicing and processing the Project Loan, that, during the time that any monthly installment under this Project Note is delinquent, Holder will incur additional costs and expenses arising from its loss of the use of the money due and from the adverse impact on Holder's ability to meet its other obligations and to take advantage of other investment opportunities, and that it is extremely difficult and impractical to determine those additional costs and expenses. Borrower also acknowledges that, during the time that any monthly installment under this Project Note is delinquent or any other Event of Default has occurred and is continuing, Holder's risk of nonpayment of this Project Note will be materially increased and Holder is entitled to be compensated for such increased risk. Borrower agrees that the increase in the rate of interest payable under this Project Note to the Default Rate represents a fair and reasonable estimate, taking into account all circumstances existing on the date of this Project Note, of the additional costs and expenses Holder will incur by reason of Borrower's delinquent payment and the

additional compensation Holder is entitled to receive for the increased risks of nonpayment associated with a delinquent loan.

9. Limits on Personal Liability.

(a) Except as otherwise provided in this Section 9, none of Borrower, SPE Equity Owner, or any member or limited partner of Borrower will have any personal liability under this Project Note, the Project Loan Agreement or any other Financing Document for the repayment of the Indebtedness or for the performance of or compliance with any other obligations of Borrower under the Financing Documents, and Holder's only recourse for the satisfaction of the Indebtedness and the performance of such obligations will be Holder's exercise of its rights and remedies with respect to the Project and to any other collateral held by Holder as security for the Indebtedness. This limitation on Borrower's liability will not limit or impair Holder's enforcement of its rights against any Guarantor of the Indebtedness or any Guarantor of any other obligations of Borrower.

(b) Borrower will be personally liable to Holder for the amount of the Base Recourse, plus any other amounts for which Borrower has personal liability under this Section 9.

(c) In addition to the Base Recourse, Borrower will be personally liable to Holder for the repayment of a further portion of the Indebtedness equal to any loss or damage suffered by Holder as a result of the occurrence of any of the following events:

(i) Borrower fails to pay to Holder upon demand after an Event of Default all Rents to which Holder is entitled under Section 3 of the Security Instrument and the amount of all security deposits collected by Borrower from tenants then in residence. However, Borrower will not be personally liable for any failure described in this Section 9(c)(i) if Borrower is unable to pay to Holder all Rents and security deposits as required by the Security Instrument because of a valid order issued in, or an automatic stay applicable because of, a bankruptcy, receivership, or similar judicial proceeding.

(ii) Borrower fails to apply all Insurance proceeds and Condemnation proceeds as required by the Continuing Covenant Agreement. However, Borrower will not be personally liable for any failure described in this Section 9(c)(ii) if Borrower is unable to apply Insurance or Condemnation proceeds as required by the Continuing Covenant Agreement because of a valid order issued in, or an automatic stay applicable because of, a bankruptcy, receivership, or similar judicial proceeding.

(iii) Either of the following occurs:

(A) Borrower fails to deliver the statements, schedules and reports required by Section 6.07 of the Continuing Covenant Agreement and Holder exercises its right to audit those statements, schedules and reports.

(B) An Event of Default has occurred and is continuing, and Borrower fails to deliver all books and records relating to the Mortgaged Property or its operation in accordance with the provisions of Section 6.07 of the Continuing Covenant Agreement.

(iv) Borrower fails to pay when due in accordance with the terms of the Continuing Covenant Agreement the amount of any item below marked “Deferred”; provided however, that if no item is marked “Deferred”, this Section 9(c)(iv) will be of no force or effect.

[Collect] Property Insurance premiums or other Insurance premiums,

[Collect] Taxes or payments in lieu of taxes (PILOT)

[Deferred] Water and sewer charges (that could become a lien on the Mortgaged Property)

[N/A] Ground Rents

[Deferred] Assessments or other charges (that could become a lien on the Mortgaged Property)

(v) Borrower engages in any willful act of material waste of the Mortgaged Property.

(vi) Borrower fails to comply with any provision of Section 6.13(a)(iii) through (xxvi) of the Continuing Covenant Agreement or any SPE Equity Owner fails to comply with any provision of Section 6.13(b)(iii) through (v) of the Continuing Covenant Agreement (subject to possible full recourse liability as set forth in Section 9(f)(ii)).

(vii) Any of the following Transfers occurs:

(A) Any Person that is not an Affiliate creates a mechanic’s lien or other involuntary lien or encumbrance against the Mortgaged Property and Borrower has not complied with the provisions of the Continuing Covenant Agreement.

(B) A Transfer of property by devise, descent or operation of law occurs upon the death of a natural person and such Transfer does not meet the requirements set forth in the Continuing Covenant Agreement.

(C) Borrower grants an easement that does not meet the requirements set forth in the Continuing Covenant Agreement.

(D) Borrower executes a Lease that does not meet the requirements set forth in the Continuing Covenant Agreement.

(viii) Reserved.

(ix) through (xx) are Reserved.

(xxi) Borrower or any officer, director, partner, member or employee of Borrower makes an unintentional written material misrepresentation in connection with

(1) the application for or creation of the Indebtedness, (2) on-going financial or other reporting requirements or information required by the Financing Documents, or (3) any action or consent of Holder; provided that the assumption will be that any written material misrepresentation was intentional and the burden of proof will be on Borrower to prove that there was no intent.

(xxii) through (xxviii) are Reserved.

(d) In addition to the Base Recourse, Borrower will be personally liable to Holder for all of the following:

(i) Borrower will be personally liable for the performance of all of Borrower's obligations under Sections 6.12 and 10.02(b) of the Continuing Covenant Agreement (relating to environmental matters).

(ii) Borrower will be personally liable for the costs of any audit under Section 6.07 of the Continuing Covenant Agreement.

(iii) Borrower will be personally liable for any costs and expenses incurred by Holder in connection with the collection of any amount for which Borrower is personally liable under this Section 9, including Attorneys' Fees and Costs and the costs of conducting any independent audit of Borrower's books and records to determine the amount for which Borrower has personal liability.

(iv) through (viii) are reserved.

(ix) Borrower will be personally liable for any fees, costs, or expenses incurred by Holder in connection with Borrower's termination of any agreement for the provision of services to or in connection with the Mortgaged Property, including cable, internet, garbage collection, landscaping, security, and cleaning.

(x) Reserved.

(xi) Reserved.

(e) All payments made by Borrower with respect to the Indebtedness and all amounts received by Holder from the enforcement of its rights under the Project Loan Agreement and the other Financing Documents will be applied first to the portion of the Indebtedness for which Borrower has no personal liability.

(f) Notwithstanding the Base Recourse, Borrower will become personally liable to Holder for the repayment of all of the Indebtedness upon the occurrence of any of the following Events of Default:

(i) Borrower fails to comply with Section 6.13(a)(i) or (ii) of the Continuing Covenant Agreement or any SPE Equity Owner fails to comply with Section 6.13(b)(i) or (ii) of the Continuing Covenant Agreement.

(ii) Borrower fails to comply with any provision of Section 6.13(a)(iii) through (xxvi) of the Continuing Covenant Agreement or any SPE Equity Owner fails to comply with any provision of Section 6.13(b)(iii) through (v) of the Continuing Covenant Agreement and a court of competent jurisdiction holds or determines that such failure or combination of failures is the basis, in whole or in part, for the substantive consolidation of the assets and liabilities of Borrower or any SPE Equity Owner with the assets and liabilities of a debtor pursuant to Title 11 of the Bankruptcy Code.

(iii) A Transfer that is an Event of Default under Section 7.02 of the Continuing Covenant Agreement occurs, other than a Transfer set forth in Section 9(c)(vii) above (for which Borrower will have personal liability for Holder's loss or damage); provided, however, that Borrower will not have any personal liability for a Transfer consisting solely of the involuntary removal or involuntary withdrawal of a general partner in a limited partnership or a manager in a limited liability company.

(iv) There was fraud or intentional written material misrepresentation by Borrower or any officer, director, partner, member or employee of Borrower in connection with (1) the application for or creation of the Indebtedness, (2) on-going financial or other reporting requirements or information required by the Loan Documents, or (3) any action or consent of Holder.

(v) Borrower or any SPE Equity Owner voluntarily files for bankruptcy protection under the Bankruptcy Code.

(vi) Borrower or any SPE Equity Owner voluntarily becomes subject to any reorganization, receivership, insolvency proceeding, or other similar proceeding pursuant to any other federal or state law affecting debtor and creditor rights.

(vii) The Mortgaged Property or any part of the Mortgaged Property becomes an asset in a voluntary bankruptcy or becomes subject to any voluntary reorganization, receivership, insolvency proceeding, or other similar voluntary proceeding pursuant to any other federal or state law affecting debtor and creditor rights.

(viii) An order of relief is entered against Borrower or any SPE Equity Owner pursuant to the Bankruptcy Code or other federal or state law affecting debtor and creditor rights in any involuntary bankruptcy proceeding initiated or joined in by a Related Party.

(ix) An involuntary bankruptcy or other involuntary insolvency proceeding is commenced against Borrower or any SPE Equity Owner (by a party other than Holder) but only if Borrower or such SPE Equity Owner has failed to use commercially reasonable efforts to dismiss such proceeding or has consented to such proceeding. "Commercially reasonable efforts" will not require any direct or indirect interest holders in Borrower or any SPE Equity Owner to contribute or cause the contribution of additional capital to Borrower or any SPE Equity Owner.

(x) through (xiii) are Reserved.

(xiv) In the event that any of the interest payable on the Funding Loan is deemed included in any Funding Lender's (other than a Funding Lender who is a "substantial user" of the Project or a "related person" with respect thereto, each as defined in Section 147(a) of the Internal Revenue Code of 1986) gross income for federal income tax purposes as a result of any action or failure to act by Borrower or any person or entity acting on behalf of Borrower (including, but not limited to, the manager of the Mortgaged Property).

(g) For purposes of Sections 9(f) and (h), the term "**Related Party**" will include all of the following:

(i) Borrower, any Guarantor or any SPE Equity Owner.

(ii) Any Person that holds, directly or indirectly, any ownership interest (including any shareholder, member or partner) in Borrower, any Guarantor or any SPE Equity Owner or any Person that has a right to manage Borrower, any Guarantor or any SPE Equity Owner.

(iii) Any Person in which Borrower, any Guarantor or any SPE Equity Owner has any ownership interest (direct or indirect) or right to manage.

(iv) Any Person in which any partner, shareholder or member of Borrower, any Guarantor or any SPE Equity Owner has an ownership interest or right to manage.

(v) Any Person in which any Person holding an interest in Borrower, any Guarantor or any SPE Equity Owner also has any ownership interest.

(vi) Any creditor (as defined in the Bankruptcy Code) of Borrower that is related by blood, marriage or adoption to Borrower, any Guarantor or any SPE Equity Owner.

(vii) Any creditor (as defined in the Bankruptcy Code) of Borrower that is related to any partner, shareholder or member of, or any other Person holding an interest in, Borrower, any Guarantor or any SPE Equity Owner.

(h) If Borrower, any Guarantor, any SPE Equity Owner or any Related Party has solicited creditors to initiate or participate in any proceeding referred to in Section 9(f), regardless of whether any of the creditors solicited actually initiates or participates in the proceeding, then such proceeding will be considered as having been initiated by a Related Party.

(i) In addition to the Base Recourse, Borrower will be personally liable for the following obligations under the Project Loan Agreement:

(i) Borrower's obligations to the Governmental Lender and the Fiscal Agent under subsections (b)(ii), (b)(iv), (b)(v), and (b)(vi) of Section 4.02 of the Project Loan Agreement;

(ii) Borrower's tax and indemnification obligations under Sections 2.05 and 6.01 of the Project Loan Agreement;

(iii) Borrower's obligation to pay any and all rebate amounts that may be or become owing with respect to the Funding Loan and fees and expenses of the Rebate Analyst as provided in Sections 2.04 and 4.03 of the Project Loan Agreement and the Tax Certificate; and

(iv) Borrower's obligation to pay legal fees and such expenses under Section 7.04 of the Project Loan Agreement.

(j) To the extent that Borrower has personal liability under this Section 9, Holder may, to the fullest extent permitted by applicable law, exercise its rights against Borrower personally without regard to whether Holder has exercised any rights against the Mortgaged Property or any other security, or pursued any rights against any Guarantor, or pursued any other rights available to Holder under this Project Note, the Project Loan Agreement, any other Financing Document, or applicable law. To the fullest extent permitted by applicable law, in any action to enforce Borrower's personal liability under this Section 9, Borrower waives any right to set off the value of the Mortgaged Property against such personal liability.

10. Voluntary and Involuntary Prepayments During the Prepayment Premium Period; Prepayment Premium.

(a) Any receipt by Holder of principal due under this Project Note prior to the Scheduled Maturity Date, other than principal required to be paid in monthly installments pursuant to the Project Loan Amortization Schedule, constitutes a prepayment of principal under this Project Note. Without limiting the foregoing, any application by Holder, prior to the Scheduled Maturity Date, of any proceeds of collateral or other security to the repayment of any portion of the unpaid principal balance of this Project Note constitutes a prepayment under this Project Note.

(b) This Project Note, together with accrued interest hereon, and together with prepayment premium (to the extent provided in Section 10(c) below), is subject to mandatory prepayment on any Business Day, in whole or in part as indicated below, at the earliest practicable date upon the occurrence of any of the following:

(i) the application of any Insurance proceeds or Condemnation award to the prepayment of the Project Loan as required under the Continuing Covenant Agreement; or

(ii) in whole, upon the occurrence of a Determination of Taxability; or

(iii) in part, on the Interest Payment Date next following the completion of the rehabilitation of the Project, to the extent amounts remaining in the Project Account of the Project Loan Fund are transferred to the Loan Prepayment Fund pursuant to the Funding Loan Agreement to pay down the Funding Loan; or

(iv) Intentionally Omitted.

(c) Borrower may not voluntarily prepay any portion of the principal balance of this Project Note during the Lockout Period. Except as provided in Section 10(d), a prepayment premium will be due and payable by Borrower in connection with any prepayment of principal under this Project Note during the Prepayment Premium Period. The prepayment premium will be computed as follows:

- (i) For any prepayment made during the Yield Maintenance Period, the prepayment premium will be whichever is the greater of Sections 10(c)(i)(A) and (B) below:
 - (A) 1.0% of the amount of principal being prepaid; or
 - (B) the product obtained by multiplying:
 - (1) the amount of principal being prepaid or accelerated,
by
 - (2) the excess (if any) of the Monthly Project Note Rate over the Assumed Reinvestment Rate,
by
 - (3) the Present Value Factor.

For purposes of Section 10(c)(i)(B), the following definitions will apply:

Monthly Project Note Rate: 1/12 of the Interest Rate, expressed as a decimal calculated to 5 digits.

Prepayment Date: in the case of a voluntary prepayment, the date on which the prepayment is made; in the case of the application by Holder of collateral or security to a portion of the principal balance, the date of such application.

Assumed Reinvestment Rate: 1/12 of the yield rate expressed as a decimal to 2 digits, as of the close of the trading session which is 5 Business Days before the Prepayment Date, found among the Daily Treasury Yield Curve Rates, commonly known as Constant Maturity Treasury (“CMT”) rates, with a maturity equal to the remaining Yield Maintenance Period, as reported on the U.S. Department of the Treasury website. If no published CMT maturity matches the remaining Yield Maintenance Period, Holder will interpolate as a decimal to 2 digits the yield rate between (a) the CMT with a maturity closest to, but shorter than, the remaining Yield Maintenance Period, and (b) the CMT with a maturity closest to, but longer than, the remaining Yield Maintenance Period, as follows:

$$\left[\left(\frac{B-A}{D-C} \right) \times (E-C) \right] + A$$

A = yield rate for the CMT with a maturity shorter than the remaining Yield Maintenance Period

B = yield rate for the CMT with a maturity longer than the remaining Yield Maintenance Period

C = number of months to maturity for the CMT maturity shorter than the remaining Yield Maintenance Period

D = number of months to maturity for the CMT maturity longer than the remaining Yield Maintenance Period

E = number of months remaining in the Yield Maintenance Period

In the event the U.S. Department of the Treasury ceases publication of the CMT rates, the Assumed Reinvestment Rate will equal the yield rate on the first U.S. Treasury security which is not callable or indexed to inflation and which matures after the expiration of the Yield Maintenance Period.

The Assumed Reinvestment Rate may be a positive number, a negative number or zero.

If the Assumed Reinvestment Rate is a positive number or a negative number, Holder will calculate the prepayment premium using such positive number or negative number, as appropriate, as the Assumed Reinvestment Rate in 10(c)(i)(B)(2) and in the calculation of the Present Value Factor.

If the Assumed Reinvestment Rate is zero, Holder will calculate the prepayment premium twice as set forth in (I) and (II) below and will average the results to determine the actual prepayment premium.

(I) Holder will calculate the prepayment premium using an Assumed Reinvestment Rate of one basis point (+0.01%) in Section 10(c)(i)(B)(2) and in the calculation of the Present Value Factor.

(II) Holder will calculate the prepayment premium using an Assumed Reinvestment Rate of negative one basis point (-0.01%) in Section 10(c)(i)(B)(2) and in the calculation of the Present Value Factor.

Present Value Factor: the factor that discounts to present value the costs resulting to Holder from the difference in interest rates during the months

remaining in the Yield Maintenance Period, using the Assumed Reinvestment Rate as the discount rate, with monthly compounding, expressed numerically as follows:

$$\frac{1 - \left(\frac{1}{1 + ARR} \right)^n}{ARR}$$

n = the number of months remaining in Yield Maintenance Period; provided, however, if a prepayment occurs on a Scheduled Project Loan Payment Date, then the number of months remaining in the Yield Maintenance Period will be calculated beginning with the month in which such prepayment occurs and if such prepayment occurs on a Business Day other than a Scheduled Project Loan Payment Date (as defined below), then the number of months remaining in the Yield Maintenance Period will be calculated beginning with the month immediately following the date of such prepayment.

ARR = Assumed Reinvestment Rate

- (ii) For any prepayment made after the expiration of the Yield Maintenance Period but during the remainder of the Prepayment Premium Period, the prepayment premium will be 1.0% of the amount of principal being prepaid.

(d) Notwithstanding any other provision of this Section 10, no prepayment premium will be payable with respect to (i) any scheduled principal payment in accordance with the Project Loan Amortization Schedule, (ii) any prepayment made during the Window Period, (iii) any mandatory prepayment occurring under Section 10(b)(i) hereof as a result of the application of any Insurance proceeds or Condemnation award under the Continuing Covenant Agreement; or (iv) any prepayment under Section 10(b)(iii) hereof following the completion of the rehabilitation of the Project, to the extent amounts remaining in the Project Account of the Project Loan Fund are transferred to the Loan Prepayment Fund pursuant to Section 4.02(e) Funding Loan Agreement.

(e) After the expiration of the Lockout Period, Borrower may voluntarily prepay all of the unpaid principal balance of this Project Note on the first day of a calendar month (a "Scheduled Project Loan Payment Date") so long as Borrower designates the date for such prepayment in a written notice from Borrower to Holder given at least 30 days prior to the date of such prepayment. If a Scheduled Project Loan Payment Date falls on a day which is not a Business Day, then with respect to payments made under this Section 10 only, (A) the term "Scheduled Project Loan Payment Date" will mean the Business Day immediately preceding the Scheduled Project Loan Payment Date and (B) the calculation of any required prepayment premium will be made as if the prepayment had actually been made on the Scheduled Project Loan Payment Date.

(f) Notwithstanding Section 10(e) above, after the expiration of the Lockout Period, Borrower may voluntarily prepay all of the unpaid principal balance of this Project Note on a Business Day other than a Scheduled Project Loan Payment Date if Borrower provides Holder with the written notice set forth in Section 10(d) and meets the other requirements set forth in this Section 10(f). Borrower acknowledges that Holder has agreed that Borrower may prepay principal on a Business Day other than a Scheduled Project Loan Payment Date only because Holder will deem any prepayment received by Holder on any day other than a Project Loan Payment Date to have been received on the Scheduled Project Loan Payment Date immediately following such prepayment and Borrower will be responsible for all interest and any required prepayment premium that would have been due if the prepayment had actually been made on the Scheduled Project Loan Payment Date immediately following such prepayment.

(g) Unless otherwise expressly provided in the Financing Documents, Borrower may not voluntarily prepay less than all of the unpaid principal balance of this Project Note. In order to voluntarily prepay all of the principal of this Project Note, Borrower must also pay to Holder, together with the amount of principal being prepaid, (i) all accrued and unpaid interest due under this Project Note, (ii) all other fees and amounts due under the Financing Documents at the time of such prepayment, plus (iii) any prepayment premium calculated pursuant to Section 10(c).

(h) Unless Holder agrees otherwise in writing, a permitted or required prepayment of less than the unpaid principal balance of this Project Note will not extend or postpone the due date of any subsequent monthly installments or change the amount of such installments.

(i) Borrower recognizes that any prepayment of any of the unpaid principal balance of this Project Note, whether voluntary or involuntary or resulting from an Event of Default by Borrower, will result in Holder's incurring loss, including reinvestment loss, additional expense and frustration or impairment of Holder's ability to meet its commitments to third parties. Borrower agrees to pay to Holder upon demand damages for the detriment caused by any prepayment, and agrees that it is extremely difficult and impractical to ascertain the extent of such damages. Borrower therefore acknowledges and agrees that the formula for calculating prepayment premiums set forth in Section 10(c) of this Project Note represents a reasonable estimate of the damages Holder will incur because of a prepayment. Borrower further acknowledges that the lockout and prepayment premium provisions of this Project Note are a material part of the consideration for the Loan, and that the terms of this Project Note are in other respects more favorable to Borrower as a result of Borrower's voluntary agreement to the prepayment premium provisions.

(j) Reserved.

(k) Reserved.

(l) Reserved.

11. Costs and Expenses. To the fullest extent allowed by applicable law, Borrower must pay all expenses and costs, including Attorneys' Fees and Costs incurred by Holder as a result of any default under this Project Note or in connection with efforts to collect any amount due under this Project Note, or to enforce the provisions of any of the other Financing

Documents, including those incurred in post-judgment collection efforts and in any bankruptcy proceeding (including any action for relief from the automatic stay of any bankruptcy proceeding) or judicial or non-judicial foreclosure proceeding. Borrower acknowledges and agrees that, in connection with each request by Borrower under this Project Note or any Financing Document, Borrower must pay all reasonable Attorneys' Fees and Costs and expenses incurred by Holder, regardless of whether the matter is approved, denied or withdrawn.

12. Forbearance. Any forbearance by Holder in exercising any right or remedy under this Project Note, the Project Loan Agreement, or any other Financing Document or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of that or any other right or remedy. The acceptance by Holder of any payment after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of Holder's right to require prompt payment when due of all other payments or to exercise any right or remedy with respect to any failure to make prompt payment. Enforcement by Holder of any security for Borrower's obligations under this Project Note shall not constitute an election by Holder of remedies so as to preclude the exercise of any other right or remedy available to Holder.

13. Waivers. Borrower and all endorsers and Guarantors of this Project Note and all other third-party obligors waive presentment, demand, notice of dishonor, protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for payment, notice of nonpayment, grace and diligence in collecting the Indebtedness.

14. Loan Charges. Neither this Project Note nor any of the other Financing Documents will be construed to create a contract for the use, forbearance, or detention of money requiring payment of interest at a rate greater than the Maximum Interest Rate. If any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower in connection with the Loan is interpreted so that any interest or other charge provided for in any Financing Document, whether considered separately or together with other charges provided for in any other Financing Document, violates that law, and Borrower is entitled to the benefit of that law, that interest or charge is hereby reduced to the extent necessary to eliminate that violation. The amounts, if any, previously paid to Holder in excess of the permitted amounts will be applied by Holder to reduce the unpaid principal balance of this Project Note. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all Indebtedness that constitutes interest, as well as all other charges made in connection with the Indebtedness that constitute interest, will be deemed to be allocated and spread ratably over the stated term of this Project Note. Unless otherwise required by applicable law, such allocation and spreading will be effected in such a manner that the rate of interest so computed is uniform throughout the stated term of this Project Note.

15. Commercial Purpose. Borrower represents that Borrower is incurring the Indebtedness solely for the purpose of carrying on a business or commercial enterprise, and not for personal, family, household, or agricultural purposes.

16. Counting of Days. Any reference in this Project Note to a period of "days" means calendar days, not Business Days, except where otherwise specifically provided.

17. Governing Law. This Project Note shall be governed by the law of the Property Jurisdiction.

18. Captions. The captions of the Sections of this Project Note are for convenience only and shall be disregarded in construing this Project Note.

19. Address for Payment; Notices; Written Modifications.

(a) All payments due under this Project Note shall be payable at the principal office designated by the Servicer, or such other place as may be designated by written notice to Borrower from or on behalf of Holder.

(b) All Notices, demands, and other communications required or permitted to be given pursuant to this Project Note will be given in accordance with Section 8.01 of the Project Loan Agreement.

(c) Any modification or amendment to this Project Note will be ineffective unless in writing and signed by the party sought to be charged with such modification or amendment; provided, however, in the event of a Transfer under the terms of the Continuing Covenant Agreement that requires Funding Lender's consent, any or some or all of the Modifications to Multifamily Project Note set forth in Exhibit A to this Project Note may be modified or rendered void by Funding Lender at Funding Lender's option, by Notice to Borrower and the transferee, as a condition of Funding Lender's consent.

20. Consent to Jurisdiction and Venue. Borrower agrees that any controversy arising under or in relation to this Project Note shall be litigated in the Property Jurisdiction. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have jurisdiction over all controversies which shall arise under or in relation to this Project Note. Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise. However, nothing in this Project Note is intended to limit any right that Holder may have to bring any suit, action, or proceeding relating to matters arising under this Project Note in any court of any other jurisdiction.

21. WAIVER OF TRIAL BY JURY. BORROWER AND HOLDER EACH (a) AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS NOTE OR THE RELATIONSHIP BETWEEN THE PARTIES AS HOLDER AND BORROWER THAT IS TRIABLE OF RIGHT BY A JURY AND (b) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

22. [Reserved].

23. Assignment. Borrower acknowledges that this Project Note is being assigned by the Governmental Lender to the Fiscal Agent as security for the Funding Loan.

24. State-Specific Provisions. State-specific provisions, if any, are included on Schedule 2 to this Project Note.

25. Attached Riders. The following Riders are attached to this Project Note:

Tax Credit Properties

Recycled Borrower and/or Recycled SPE Equity Owner

Regulatory Agreement Default Recourse

Tax Exemption or Abatement – Recourse for Loss

26. Attached Schedules and Exhibits. The following Schedules and Exhibits, if marked with an “X” in the space provided, are attached to this Project Note:

Schedule 1 Project Loan Amortization Schedule

Schedule 2 State Specific Provisions for Project Note

Exhibit A Modifications to Project Note

27. Reserved.

28. Reserved.

29. Reserved.

30. Reserved.

31. Reserved.

[Signature page follows]

IN WITNESS WHEREOF, and in consideration of Governmental Lender's agreement to lend Borrower the principal amount set forth above, Borrower has signed and delivered this Project Note under seal or has caused this Project Note to be signed and delivered under seal by its duly authorized representative.

POMPANO BEACH LEASED HOUSING ASSOCIATES II, LLLP, a Minnesota limited liability limited partnership

By: Pompano Beach Leased Housing
Associates II, LLC, a Minnesota limited
liability company, its general partner

By: _____
Mark G. Sween
Vice President

Borrower's Employer ID No.

ASSIGNMENT

Pay to the order of The Bank of New York Mellon Trust Company, N.A., without recourse or warranty, as Fiscal Agent under the Funding Loan Agreement referred to in the attached Note.

**HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA**

By: _____
Milette Manos, Chair

**RIDER TO PROJECT NOTE
(Direct Purchase of Tax-Exempt Loans Program)**

TAX CREDIT PROPERTIES

(Revised 9-1-2014)

The following changes are made to the Project Note which precedes this Rider:

A. Section 9(c)(xiv) is restated as follows:

- (xiv) A default, event of default, or breach (however such terms may be defined in the Tax Credit Regulatory Agreement) occurs after the expiration of any applicable notice and/or cure periods under the Tax Credit Regulatory Agreement.

**RIDER TO PROJECT NOTE
(Direct Purchase of Tax-Exempt Loans Program)**

RECYCLED BORROWER AND/OR RECYCLED SPE EQUITY OWNER

(Revised 9-1-2014)

The following changes are made to the Project Note which precedes this Rider:

A. Section 9(c)(ix) is restated as follows:

- (ix) Any of the Underwriting Representations or Separateness Representations set forth in Sections 5.40(a) and (b) **[ADD THE FOLLOWING IF THERE IS ALSO A RECYCLED SPE EQUITY OWNER:** or Sections 5.41(a) and (b)] of the Continuing Covenant Agreement are false or misleading in any material respect.

**RIDER TO PROJECT NOTE
(Direct Purchase of Tax-Exempt Loans Program)**

REGULATORY AGREEMENT DEFAULT RECOURSE

(Revised 9-1-2014)

The following changes are made to the Project Note which precedes this Rider:

A. Section 9(c)(xiii) is restated as follows:

- (xiii) A default, event of default, or breach (however such terms may be defined in the Regulatory Agreement) occurs after the expiration of any applicable notice and/or cure periods under the Regulatory Agreement.

**RIDER TO PROJECT NOTE
(Direct Purchase of Tax-Exempt Loan Program)**

TAX EXEMPTION OR ABATEMENT - RECOURSE FOR LOSS

(Revised 7-12-2016)

The following changes are made to the Project Note which precedes this Rider:

- A. Section 9(c)(xx) is deleted and replaced with the following:
 - (xx) Borrower fails to comply with the requirements of Section 6.38 of the Continuing Covenant Agreement, and as a result the Tax Abatement is terminated.

Schedule 1

Project Loan Amortization Schedule

SCHEDULE 2

STATE SPECIFIC PROVISIONS FOR PROJECT NOTE

Property Jurisdiction	State-Specific Provision(s)
Florida	None

EXHIBIT A

Modifications to Project Note

The following modifications are made to the text of the Project Note that precedes this Exhibit.

1. The definition of “**Window Period**” set forth in Section 1 is hereby amended as follows:

[“**Window Period**” means the ~~3 consecutive calendar month period immediately prior to~~ **period beginning on _____, 20 and ending on _____** the Scheduled Maturity Date.]
If the first day of the Window Period falls on a day which is not a Business Day, then with respect to payments made under Section 10, the “Window Period” will begin on the Business Day immediately preceding the scheduled first day of the Window Period.

2. Section 9(c)(xvii) is deleted and replaced with the following:

(xvii) Any of the following events occur:

- (A) Any failure of _____ or its officers (the “**Title Company**”) to comply with the closing instruction letter executed by Funding Lender and Title Company (the “**Closing Instructions**”) relating to (a) the disbursement of funds necessary to establish the validity, enforceability or priority of the lien of the Security Instrument or (b) obtaining any document, specifically required by Funding Lender, to the extent that the failure to obtain such document adversely affects the validity, enforceability or priority of the lien of the Security Instrument; or
- (B) Fraud, theft, dishonesty, or misappropriation of the Title Company in handling any funds or documents in connection with the closing of the Loans to the extent that the fraud, theft, dishonesty or misappropriation adversely affects the validity, enforceability, or priority of the lien of the Security Instrument.

Provided that Borrower will have no liability under Section 9(c)(xvii) of this Project Note for any loss or damage suffered by Holder if:

- (A) Such loss or damage results from (i) the failure of the Title Company to comply with the Closing Instructions that require title insurance protection inconsistent with the title insurer’s written contractual agreement to issue the title policy insuring the lien of the Security Instrument; or (ii) fraud, theft, misappropriation, dishonesty, or negligence by Funding Lender; or
- (B) Written notice of a claim is not received by Borrower within one year from the Closing Date.

EXHIBIT “F”
FORM OF
PLACEMENT AGENT AGREEMENT
[ATTACHED]

PLACEMENT AGENT AGREEMENT

THIS PLACEMENT AGENT AGREEMENT dated as of June 1, 2019 (herein, the “Agreement”), is by and between the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA, a public body corporate and politic organized under Part IV of Chapter 159, Florida Statutes, as amended and supplemented (together with its permitted successors and assigns, the “Issuer”), and RAYMOND JAMES & ASSOCIATES, INC. and RBC CAPITAL MARKETS, LLC, as Placement Agents (herein, collectively, the “Agents”), in connection with the issuance of the Notes (as defined below) and consented to by POMPANO BEACH LEASED HOUSING ASSOCIATES II, LLLP, a Minnesota limited liability limited partnership (together with its successors and permitted assigns, the “Borrower”) with respect to the Notes.

A. Background.

The Issuer proposes to issue its \$_____ Housing Finance Authority of Broward County, Florida Multifamily Mortgage Revenue Note, 2019 Series A-1 (Regency Gardens Apartments) (the “2019 Series A-1 Note”) and its \$_____ Housing Finance Authority of Broward County, Florida Subordinate Multifamily Mortgage Revenue Note, 2019 Series A-2 (Regency Gardens Apartments) (the “2019 Series A-2 Note”) and, together with the 2019 Series A-1 Note, the “Notes”) to provide financing to the Borrower for the acquisition, rehabilitation and equipping of a 94-unit multifamily residential rental development in Broward County, Florida (the “County”) known as Regency Gardens Apartments (the “Development”).

The 2019 Series A-1 Note will initially be acquired directly by Citibank, N.A., a national banking association (the “Funding Lender”) pursuant to the requirements of the Issuer’s administrative code and policies (herein, collectively the “Issuer’s Requirements”). The 2019 Series A-1 Note will initially be booked as a loan in the Funding Lender’s portfolio prior to the subsequent sale of the 2019 Series A-1 Note to Freddie Mac.

The 2019 Series A-2 Note will initially be acquired directly by Regency Gardens Apartments, Ltd., a Florida limited partnership (the “Subordinate Lender”) pursuant to the Issuer’s Requirements. The 2019 Series A-2 Note will initially be booked as a loan in the Subordinate Lender’s portfolio.

Upon satisfaction of certain conditions subsequent and in compliance with the Issuer’s Requirements, future investment banking services may be required in connection with the Notes (herein, the “Future Services”).

B. Role of Agents.

In connection with the initial issuance of the Notes, the Agents have performed, at the request of and on behalf of the Issuer, the following services on or before the closing of the Notes:

1. Assisted in the determination of the readiness to proceed of the Notes issuance with regard to the granting of private activity allocation to the financing which is to be issued on a tax-exempt basis.

2. Created a distribution list for the financing participants and financing timetable and coordinated the processing of the transaction.

3. Continuously consulted with the financing participants to ensure that the timetable was being met, and scheduled and hosted conference calls.

4. Consulted with the Issuer's staff regarding policy issues that arose in connection with the financing.

On a limited basis, reviewed and commented on the financing documents to ensure that the Issuer's Requirements were reflected therein and to improve the structure of the transaction.

Assisted in the coordination of all aspects of the financing as it relates to the Issuer or the County.

The foregoing is hereby collectively referred to as the "Agents' Services".

C. Limitations of Agents' Role; No Liability. The Issuer and Borrower acknowledge and agree that: (i) the Agents' Services contemplated by this Agreement are an arm's length, commercial transaction between the Issuer and the Agents in which the Agents are not acting as a municipal advisor, financial advisor or fiduciary to the Borrower or Issuer; (ii) the Agents have not assumed any advisory or fiduciary responsibility to the Borrower or Issuer with respect to the services contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Agents have provided other services or are currently providing other services to the Borrower or Issuer on other matters); (iii) the only obligations the Agents have to the Issuer or Borrower with respect to the services contemplated hereby expressly are set forth in this Agreement; and (iv) the Issuer and Borrower have consulted their respective legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

Notwithstanding the Agents' Services described above, the Agents have not done any of the following nor do they assume any responsibility or liability for such actions:

1. Advised the Funding Lender or the Subordinate Lender on the financial feasibility of the Development.

2. Prepared or disseminated any offering materials.

3. Investigated or determined the credit worthiness or accreditation of the Funding Lender or the Subordinate Lender. In that regard the Issuer will receive an accredited investor letter.

4. Provided any advice regarding obtaining a rating or credit enhancement for the transaction.

5. Taken any action in connection with the issuance of the Notes to effect a financial transaction as contemplated by the USA Patriot Act.

It should be noted that the Issuer has retained the services of a registered financial advisor in connection with the issuance of the Notes. The Agents are not acting as a financial advisor for the Issuer or Borrower for purposes of Rule G-23 of the Municipal Securities Rulemaking Board, nor acting as a municipal advisor to either the Issuer or the Borrower. Neither of the Agents shall be responsible or liable for any negligence or willful misconduct of the other Agent.

D. Fees for Agents' Services.

Simultaneously with the closing of the Notes, the Borrower will pay the Agents for the Agents' Services rendered a fee equal to \$31,000, plus reasonable, documented out-of-pocket expenses.

E. Future Services of Agents.

In the event the Borrower and the Issuer determine that there will be Future Services relating to the Notes, the Agents will act, on behalf of the Issuer, as placement agent, remarketing agent or underwriter, as the structure so dictates. The fees and expenses associated with any future engagement will be (i) determined at such time that the details of such engagement and scope of service are identified, and (ii) subject to the approval of the Borrower, which approval shall not be unreasonably withheld, conditioned or delayed.

To the extent the Agents are (i) unable to perform any of the Future Services, or (ii) no longer on the Issuer's underwriting team, the Issuer may, in its sole discretion, and upon written notice to the Borrower and the Agents, assign Future Services to an entity on its then-current underwriting team.

F. Governing Law; Multiple Counterparts.

This Agreement shall be governed by Florida Law and may be signed in multiple counterparts.

G. Amendments; Modifications.

This Agreement may not be amended or modified except by written agreement signed by all parties hereto.

[SIGNATURE PAGE TO FOLLOW]

SIGNATURE PAGE FOR PLACEMENT AGENT AGREEMENT

(Regency Gardens Apartments)

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their respective names by their duly authorized representatives as of the day and year first set forth above.

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA

By: _____
Milette Manos, Chair

RAYMOND JAMES & ASSOCIATES, INC.

By: _____
Name: _____
Title: _____

RBC CAPITAL MARKETS, LLC

By: _____
Name: _____
Title: _____

POMPANO BEACH LEASED HOUSING ASSOCIATES II, LLLP, a Minnesota limited liability limited partnership

By: Pompano Beach Leased Housing Associates II, LLC, a Minnesota limited liability company, its general partner

By: _____
Mark G. Sween
Vice President

EXHIBIT "G"
FORM OF
FISCAL AGENT FEE AGREEMENT
[ATTACHED]

FISCAL AGENT FEE AGREEMENT

Between

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA

and

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

DATED AS OF JUNE 1, 2019

PROVIDING FOR

A FEE SCHEDULE FOR SERVICES RENDERED BY THE FISCAL AGENT FOR

\$ _____

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
MULTIFAMILY MORTGAGE REVENUE NOTE, 2019 SERIES A-1
(REGENCY GARDENS APARTMENTS)

and

\$ _____

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
SUBORDINATE MULTIFAMILY MORTGAGE REVENUE NOTE, 2019 SERIES A-2
(REGENCY GARDENS APARTMENTS)

FISCAL AGENT FEE AGREEMENT

This FISCAL AGENT FEE AGREEMENT (the "Agreement") dated as of June 1, 2019, by and between the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (the "Issuer"), a public body corporate and politic created under the laws of the State of Florida, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, having a corporate trust office in Jacksonville, Florida and duly qualified to exercise trust powers under the laws of the State of Florida, as fiscal agent (the "Fiscal Agent").

WITNESSETH:

In consideration of the mutual terms and conditions, promises, covenants and payments hereinafter set forth, the Issuer and the Fiscal Agent agree as follows:

ARTICLE I PREAMBLE

1.1 The Fiscal Agent submitted certain proposals to serve as trustee or in a similar capacity for all financings of the Issuer during calendar year 2019, including the Issuer's \$_____ Housing Finance Authority of Broward County, Florida Multifamily Mortgage Revenue Note, 2019 Series A-1 (Regency Gardens Apartments) and its \$_____ Housing Finance Authority of Broward County, Florida Subordinate Multifamily Mortgage Revenue Note, 2019 Series A-2 (Regency Gardens Apartments) (collectively, the "Notes"). All capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Funding Loan Agreement and the Subordinate Loan Agreement (each as hereinafter defined), as applicable.

1.2 Said proposals contain a description of the types of services to be provided, a schedule of fees for the various services to be provided and a brief discussion of the Fiscal Agent's corporate qualifications and capabilities.

1.3 The Fiscal Agent is willing to provide the services described in its proposals and in the loan documents pertaining to the Notes at the rates set forth in said proposals, and the Issuer is willing to accept the services of the Fiscal Agent set forth in the Fiscal Agent's proposals at the rates provided therein. The Issuer and the Fiscal Agent desire to enter into this Agreement to establish the terms of said proposals for the services of the Fiscal Agent with respect to the Notes.

ARTICLE II SCOPE OF SERVICES AND FEES

The Fiscal Agent hereby accepts all of the duties, responsibilities and obligations imposed on it as Fiscal Agent under the terms of (i) the Funding Loan Agreement dated as of June 1, 2019, among the Issuer, the Fiscal Agent and Citibank, N.A., a national banking association (the "Funding Loan Agreement"), and (ii) the Subordinate Loan Agreement dated as of June 1, 2019, between the Issuer and Pompano Beach Leased Housing Associates II, LLLP, a Minnesota limited liability limited partnership (the "Subordinate Loan Agreement"), and hereby confirms the accuracy of all of the representations and warranties, if any, of the Fiscal Agent contained therein. The terms of this Agreement attached hereto as Exhibit "A" are accepted and adopted by

reference by the parties to this Agreement. Such terms include the services to be provided by the Fiscal Agent and the fees and costs to be charged by the Fiscal Agent for such services. The fees and charges set forth in Exhibit "A" include all expenses incurred by the Fiscal Agent in connection with the execution and delivery and closing of the Notes. Exhibit "A" comprises one (1) page.

**ARTICLE III
OTHER PROVISIONS**

This Agreement shall continue in full force and effect and be binding on both the Issuer and the Fiscal Agent for so long as the Funding Loan Agreement and the Subordinate Loan Agreement are in effect.

[COUNTERPART SIGNATURE PAGES TO FOLLOW]

**COUNTERPART SIGNATURE PAGE TO
FISCAL AGENT FEE AGREEMENT**

(Regency Gardens Apartments)

IN WITNESS WHEREOF, the parties hereto have entered into and executed this Agreement as of the date first above written.

ISSUER:

HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA

[SEAL]

By: _____
Milette Manos, Chair

ATTEST:

By: _____
Daniel D. Reynolds, Secretary

**COUNTERPART SIGNATURE PAGE TO
FISCAL AGENT FEE AGREEMENT**

(Regency Gardens Apartments)

IN WITNESS WHEREOF, the parties hereto have entered into and executed this Agreement as of the date first above written.

FISCAL AGENT:

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Fiscal Agent

By: _____
Name: _____
Title: _____

EXHIBIT “A”

Services to be provided by Fiscal Agent:

The Fiscal Agent shall provide all services required of the Fiscal Agent as set forth in (i) the Funding Loan Agreement, (ii) the Subordinate Loan Agreement, and (iii) all other documents executed in connection with the Notes to which the Fiscal Agent is a party.

Fees and Expenses of Fiscal Agent:

The fees and expenses of the Fiscal Agent shall be all such fees and expenses of the Fiscal Agent set forth in the Funding Loan Agreement, the Subordinate Loan Agreement and all other documents executed in connection with the Notes, and shall be paid by the Borrower (as defined in the Funding Loan Agreement) at the times and in the manner set forth in (i) the Funding Loan Agreement and the Project Loan Agreement (as defined in the Funding Loan Agreement), and (ii) the Subordinate Loan Agreement.

EXHIBIT “H”
FORM OF
SUBORDINATE LOAN AGREEMENT
[ATTACHED]

SUBORDINATE LOAN AGREEMENT

BY AND BETWEEN

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA,

as Issuer

AND

POMPANO BEACH LEASED HOUSING ASSOCIATES II, LLLP

as Borrower

Relating to:

\$ _____

**Housing Finance Authority of Broward County, Florida
Subordinate Multifamily Mortgage Revenue Note, 2019 Series A-2
(Regency Gardens Apartments)**

Dated as of June 1, 2019

Except for certain reserved rights, the interest of the Housing Finance Authority of Broward County, Florida in this Subordinate Loan Agreement has been pledged and assigned to Regency Gardens Apartments, Ltd., pursuant to an Assignment of Subordinate Mortgage and Loan Documents, dated as of June 1, 2019.

ARTICLE I. DEFINITIONS AND INTERPRETATION	2
Section 1.01 Definitions.....	2
Section 1.02 Characteristics of Certificate or Opinion	7
Section 1.03 Description of Project	7
Section 1.04 Additional Provisions as to Interpretation	7
ARTICLE II. REPRESENTATIONS.....	8
Section 2.01 Representations by the Issuer.....	8
Section 2.02 Representations, Warranties and Covenants of the Borrower	8
ARTICLE III. ISSUANCE OF NOTE; LOAN OF PROCEEDS	10
Section 3.01 Issuance of Note by Issuer	10
Section 3.02 Loan of Proceeds.....	11
Section 3.03 Conditions to the Closing.....	11
ARTICLE IV. ACQUISITION AND RENOVATION OF THE PROJECT; APPLICATION OF PROCEEDS	11
Section 4.01 Agreement to Acquire and Renovate the Project.....	12
Section 4.02 Borrower Required to Provide Funds in Event Note Proceeds Insufficient	12
ARTICLE V. LOAN REPAYMENTS AND OTHER PAYMENTS	12
Section 5.01 Repayment of Loan.....	12
Section 5.02 Additional Payments	12
Section 5.03 No Set-Off; Borrower's Obligations Unconditional	13
Section 5.04 Option to Prepay Loan	14
Section 5.05 Tax-Exempt Status of Interest on the Note.....	14
ARTICLE VI. USE OF FACILITIES	15
Section 6.01 Use of Project Facilities	15

Section 6.02	Maintenance and Possession of Project Facilities by Borrower; Operating Expenses; Ownership of Project Facilities	15
Section 6.03	Liens.....	16
Section 6.04	Taxes and Other Governmental Charges	16
Section 6.05	Insurance.....	16
Section 6.06	Damage; Destruction or Condemnation.....	16
Section 6.07	Reserved.....	16
Section 6.08	Senior Loan Refinancing	16
ARTICLE VII. SPECIAL COVENANTS.....		17
Section 7.01	No Warranty of Condition or Suitability; Indemnification.....	17
Section 7.02	Books and Records; Inspection and Examination: Notice of Defaults	19
Section 7.03	Further Assurances, Financing Statements, Maintenance of Lien.....	19
Section 7.04	Assignments	19
Section 7.05	Observance of Authorizing Resolution Covenants and Terms.....	19
Section 7.06	General Tax Representations, Warranties and Covenants of Borrower	19
ARTICLE VIII. EVENTS OF DEFAULT AND REMEDIES.....		21
Section 8.01	Events of Default	21
Section 8.02	Remedies on Default.....	22
Section 8.03	Remedies Cumulative, Delay Not to Constitute Waiver	23
Section 8.04	Agreement to Pay Attorneys' Fees and Expenses	23
Section 8.05	Advances.....	23
ARTICLE IX. MISCELLANEOUS.....		24
Section 9.01	Notices	24
Section 9.02	Binding Effect.....	25

Section 9.03	Counterparts	25
Section 9.04	Benefit of Holder	25
Section 9.05	Due Dates	26
Section 9.06	Captions	26
Section 9.07	Term of Agreement.....	26
Section 9.08	Severability	26
Section 9.09	Limitation of Issuer's Liability.....	26
Section 9.10	Limited Recourse	28
Section 9.11	Audit Expenses	25
Section 9.12	General Partner Agreement.....	25
Section 9.13	Transfer of Ownership Interest in Borrower.....	25
EXHIBIT A	Form of Note	A-1
EXHIBIT B	Form of Lender Investor Letter.....	B-1
EXHIBIT C	Form of Borrower Subordinate Promissory Note.....	C-1

SUBORDINATE LOAN AGREEMENT

THIS SUBORDINATE LOAN AGREEMENT (this "Loan Agreement" or "Agreement") is made and entered into as of the 1st day of June, 2019, between the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (the "Issuer"), a public body corporate and politic, duly created and existing under and by virtue of the laws of the State of Florida (the "State"), and POMPANO BEACH LEASED HOUSING ASSOCIATES II, LLLP, a Minnesota limited liability limited partnership (the "Borrower").

RECITALS:

WHEREAS, the Legislature of the State has enacted the Florida Housing Finance Authority Law, Sections 159.601 et seq., Florida Statutes, as amended, and the Florida Industrial Development Financing Act, Section 159.25 et seq., Florida Statutes, as amended (the "Act"), pursuant to which the State has empowered each county in the State to create by ordinance a separate public body corporate and politic, to be known as a housing finance authority of the county for which it was created, for the purpose of alleviating a shortage of housing and creating capital for investment in housing in the area of operation of such housing finance authority; and

WHEREAS, pursuant to the Act, the Board of County Commissioners of Broward County, Florida (the "County"), enacted Ordinance No. 79-41 on June 20, 1979 (the "Ordinance"), creating the Housing Finance Authority of Broward County, Florida to carry out and exercise all powers and public and governmental functions set forth in and contemplated by the Act; and

WHEREAS, the Act authorizes the Issuer: (a) to make loans to any person, or to purchase Loan, including federally insured mortgage loans, in order to provide financing for residential rental developments located within the Issuer's area of operations, which are to be occupied by persons of low, moderate, or middle income; (b) to issue its revenue bonds pursuant to the Act, for the purpose of obtaining money to make or to purchase such loans and provide such financing, to establish necessary reserve funds and to pay administrative costs and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, and receipts to be received by the Issuer from or in connection with such loans, and to mortgage, pledge, or grant security interests in such loans in order to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, the Borrower has requested that the Issuer issue and deliver its Subordinate Multifamily Mortgage Revenue Note, 2019 Series A-2 (Regency Gardens Apartments) (the "Note") in the original principal amount of \$_____, directly to Regency Gardens Apartments, Ltd., a Florida limited partnership (the "Lender") in order to provide purchase money financing for the Borrower for a portion of the costs of the acquisition of an existing 94-unit multifamily rental housing development located at 1525 Northwest 17th Avenue, Pompano Beach, Florida (the "Project"), which the Borrower intends to rehabilitate; and

WHEREAS, pursuant to the Assignment of Subordinate Mortgage and Loan Documents (as defined below), the Issuer will assign to the Lender all its interest in and to this Loan Agreement (except for the Unassigned Rights of the Issuer (as herein defined)); and

WHEREAS, the Borrower will execute and deliver to the Issuer a Borrower Subordinate Promissory Note, dated June __, 2019 (the "Borrower Subordinate Promissory Note"), a form of which is attached hereto as Exhibit C, and has further agreed to secure its obligations under this Loan Agreement and the Borrower Subordinate Promissory Note by a Subordinate Mortgage, Security Agreement, Fixture Financing Statement and Assignment of Leases and Rents of even date herewith from the Borrower to the Lender (the "Subordinate Mortgage") pursuant to which the Borrower will grant a subordinate mortgage lien on the Project, which Subordinate Mortgage will be assigned by the Issuer to the Lender pursuant to the Assignment of Subordinate Mortgage and Loan Documents; and

NOW, THEREFORE, in consideration of the mutual agreements hereinafter contained, the parties agree as follows:

ARTICLE I. DEFINITIONS AND INTERPRETATION

Section 1.01 Definitions. Unless the context otherwise requires, defined terms in the Recitals and elsewhere herein, and in any agreement supplemental hereto, shall have the meanings herein specified below, such definitions to be equally applicable to both the singular and plural forms of any of the terms defined:

"Administrative Limited Partner" has the meaning set forth in Section 9.13 hereof.

"Assignment of Subordinate Mortgage and Loan Documents" means the Assignment of Subordinate Mortgage and Loan Documents, dated as of June __, 2019 from the Issuer to the Lender assigning the Issuer's right, title and interest in the Subordinate Mortgage, the Borrower Subordinate Promissory Note and this Loan Agreement, except for the Unassigned Rights of the Issuer, to the Lender.

"Authorized Borrower Representative" means any person at the time designated to act on behalf of the Borrower by written certificate furnished to the Issuer and the Lender, containing the specimen signature of such person and signed on behalf of the Borrower. Such certificate may designate an alternate or alternates.

"Authorizing Resolution" means, collectively, the resolution of (a) the Issuer adopted by the Board on May 8, 2019, and (b) the County adopted by the County Board on June 4, 2019, authorizing the issuance and sale of the Note, as the same may be amended, modified or supplemented by any amendments or modifications thereof.

"Available Cash Flow" means Cash Flow remaining after payment of amounts payable pursuant to Section 9.2A(i) through (viii) of the Limited Partnership Agreement.

"Board" means the governing body of the Issuer.

"Bond Year" means any twelve month period ending on the anniversary of the Closing Date; except as provided in the Tax Certificate.

"Borrower" means, Pompano Beach Leased Housing Associates II, LLLP, a Minnesota limited liability limited partnership, its successors and assigns.

"Borrower Loan" means the loan made to the Borrower by the Issuer pursuant to this Loan Agreement.

"Borrower Loan Documents" means this Loan Agreement, the Borrower Subordinate Promissory Note, the Subordinate Mortgage, and the Regulatory Agreement.

"Cash Flow" has the meaning provided in the Limited Partnership Agreement.

"Certificate" means a certification in writing required or permitted of Borrower by the provisions of this Loan Agreement or the other Subordinate Loan Documents, signed and delivered to the Lender or other proper person or persons. If and to the extent required by the provisions hereof, each Certificate shall include the statements provided for in Section 1.02.

"Closing Date" means, June ___, 2019, the date of issuance and initial delivery to the Lender of the Note as provided in Section 3.01 hereof.

"Code" means the Internal Revenue Code of 1986, as amended and Treasury Regulations promulgated thereunder.

"Computation Date" means the end of the fifth Bond Year, every fifth anniversary thereafter, and the date on which all principal of and interest on the Note are finally paid.

"County" means Broward County, Florida.

"County Board" means the Board of County Commissioners of the County.

"Default" means default in the performance or observance of any of the covenants, agreements or conditions on the part of the Borrower contained in the Note, this Loan Agreement or any of the other Subordinate Loan Documents, exclusive of any notice or period of grace required for a default to constitute an "Event of Default" as hereinafter provided.

"Determination of Taxability" means the issuance of a statutory notice of deficiency by the Internal Revenue Service, or a ruling of the National Office or any District Office of the Internal Revenue Service, or a final decision by any court of competent jurisdiction, to the effect that interest on the Note is includable in the gross income of the recipient (other than a person who is a "substantial user" of the Project Facilities or a "related person" under Section 147 of the Code), and regulations thereunder, provided that the period, if any, for contest or appeal of such action, ruling or decision has expired without any such contest or appeal having been properly instituted or, if instituted, such contest or appeal has been unsuccessfully concluded.

"Event of Default" means an Event of Default described in Section 8.01 hereof, which has not been cured.

"Fee Payment Guaranty" means that certain Fee Payment Guaranty dated as of the Closing Date by the Guarantor for the benefit of the Issuer.

“Fiscal Agent” means The Bank of New York Mellon Trust Company, N.A., a national banking association, organized and operating under the laws of the United States of America, and its successors hereunder.

"Funding Loan Agreement" means the Funding Loan Agreement, dated as of June 1, 2019, among the Issuer, the Borrower and the Initial Funding Lender pursuant to which the Senior Loan Note is issued simultaneously with the issuance of the Note.

“Guarantor” means, collectively, _____, _____, individually, and _____, as guarantors pursuant to the Fee Payment Guaranty.

"Holder" or "Noteholder" or "Owner" means the person or persons in whose name the Note shall be registered.

"Independent", when used with reference to an attorney, engineer, architect, certified public accountant, or other professional person, means a person who (i) is in fact independent, (ii) does not have any material financial interest in the Borrower or the transaction to which his Certificate or opinion relates (other than the payment to be received for professional services rendered), and (iii) is not connected with the Issuer or the Borrower as an officer, director or employee.

"Independent Counsel" means an Independent attorney duly admitted to practice law before the highest court of any state.

"Initial Funding Lender" means Citibank, N.A.

"Issuer Documents" means this Loan Agreement, the Regulatory Agreement and the Assignment of Subordinate Mortgage and Loan Documents.

“Issuer Fee” means, collectively, the Issuer Closing Fee and the Ongoing Issuer Fee.

“Issuer Closing Fee” means the 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 \$_____, which shall be payable by the Borrower to the Issuer on the Closing Date pursuant to Section 5.02 of this Loan Agreement from money contributed by or on behalf of the Borrower and deposited with the Fiscal Agent for payment to the Issuer pursuant to the Funding Loan Agreement.

"Land" means the Land described in Exhibit A to the Subordinate Mortgage, as amended from time to time, constituting the site on which the Project Buildings are located.

"Lender" means Regency Gardens Apartments, Ltd., a Florida limited partnership, and any successors or assigns.

"Limited Partnership Agreement" means that certain Amended and Restated Limited Liability Limited Partnership Agreement of the Borrower, dated as of June 1, 2019, as the same may be amended from time to time.

"Loan" means the loan from the Issuer to the Borrower made pursuant to this Loan Agreement.

"Loan Agreement" means this Subordinate Loan Agreement, dated as of June 1, 2019, between the Issuer and the Borrower, as amended or supplemented from time to time.

"Loan Repayments" means the payments made or to be made by the Borrower pursuant to Section 5.01.

"Maturity Date" means the earlier of (i) December 1, 2054, or (ii) an acceleration of the payment, in full, of the then-outstanding principal of the Note plus the unpaid interest thereon pursuant to the terms of this Loan Agreement, the Note, the Subordinate Mortgage, or any other document relating to the Loan.

"Mortgaged Property" means the Mortgaged Property as defined in the Subordinate Mortgage.

"Note" means the Issuer's Subordinate Multifamily Mortgage Revenue Note, 2019 Series A-2 (Regency Gardens Apartments), in the original principal amount of \$_____.

"Ongoing Issuer Fee" means the annual program administration fee of the Issuer, payable in advance by the Borrower (or, under certain circumstances set forth in Section 4.06 of the Funding Loan Agreement, the Borrower's designee) to the Fiscal Agent 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 May 31, 2020. Thereafter, the Ongoing Issuer Fee shall be payable in semi-annual installments on each June 1 and December 1, with the first semi-annual payment due and payable on December 1, 2019; provided, however, that such fee does not include amounts due, if any, for extraordinary services and expenses of the Issuer, the Fiscal Agent, Bond Counsel, the Issuer's counsel, or the Fiscal Agent's counsel to be paid by the Borrower pursuant to this Loan Agreement.

"Opinion of Counsel" means a written opinion of counsel (who need not be Independent Counsel unless so specified) appointed by the Borrower and the Issuer. If and to the extent required by the provisions of Section 1.02 hereof, each Opinion of Counsel shall include the statements provided for in said Section 1.02.

"Outstanding" when used as of any particular time with reference to the Note, means the then outstanding principal balance of the Note theretofore executed and delivered under the Authorizing Resolution, but excepting any Note in lieu of or in substitution for which another Note shall have been executed and delivered pursuant to the terms of the Authorizing Resolution.

"Permitted Lender" means an "accredited investor" or "qualified institutional buyer" under Rule 144A promulgated under the Securities Act of 1933.

"Person" means any natural person, corporation, joint venture, cooperative, partnership, trust or unincorporated organization, government or governmental body or agency, political subdivision or other legal entity, as in the context may be appropriate.

"Project" means the Project described in Section 1.03 hereof

"Project Buildings" means the buildings located at 1525 Northwest 17th Avenue, Pompano Beach, Broward County, Florida, which will be acquired and owned by the Borrower.

"Project Facilities" means the Project Buildings and the Land.

"Rebate Amount" means, with respect to a Rebate Payment Date, the amount which would be required to be paid as rebate with respect to the Note under Section 148(f) on the Code if the Note were finally paid on the related Computation Date.

"Rebate Analyst" means a certified public accountant, financial analyst or bond counsel, or any firm of the foregoing, or financial institution (which may include the Fiscal Agent) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code, selected and retained by the Borrower at the expense of the Borrower, with the prior written consent of the Issuer, to make the rebate computations required under this Loan Agreement.

"Rebate Payment Date" means each date on which any Rebate Amount then due is paid to the United States of America pursuant to Section 148(f) of the Code.

"Redeem" or "redemption" means and includes "prepay" or "prepayment" as the case may be.

"Regulatory Agreement" means the Land Use Restriction Agreement, dated as of June 1, 2019, among the Issuer, the Borrower and the Fiscal Agent, as fiscal agent under the Funding Loan Agreement, as amended or supplemented from time to time.

"Sale or Refinancing Transaction Proceeds" means amounts payable on the Note pursuant to Section 9.1B of the Limited Partnership Agreement.

"Senior Loan Documents" means all instruments and documents evidencing or securing the Senior Loan.

"Senior Loan Note" means the Issuer's Multifamily Mortgage Revenue Note, 2019 Series A-1 (Regency Gardens Apartments).

"Senior Loan" means the loan of the proceeds of the Senior Loan Note to the Borrower.

"Subordinate Loan Documents" means the Issuer Documents and the Borrower Loan Documents.

"Subordinate Mortgage" means the Subordinate Mortgage, Security Agreement, Fixture Financing Agreement and Assignment of Leases and Rents, dated as of June 1, 2019, from the Borrower to the Issuer, as amended or supplemented from time to time.

"Tax Certificate" means the Borrower's Tax Certificate, dated June __, 2019.

"Unassigned Rights of the Issuer" means (a) 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 4 of the Regulatory Agreement; (b) the right of the Issuer to receive its fees and expenses (including the Issuer's Compliance Fee as defined in the Regulatory Agreement) pursuant to this Loan Agreement and the Regulatory Agreement; (c) all rights of the Issuer to enforce the Regulatory Agreement; and (d) all enforcement remedies with respect to the foregoing. All of these Unassigned Rights of the Issuer are reserved to the Issuer and are not being assigned by the Issuer to the Lender pursuant to the Assignment of Subordinate Mortgage and Loan Documents.

Section 1.02 Characteristics of Certificate or Opinion. Every Certificate or opinion with respect to compliance with a condition or covenant provided for in this Loan Agreement or the other Subordinate Loan Documents shall include: (a) a statement that the person or persons making such Certificate or opinion have read such covenant or condition and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such Certificate or opinion are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with; and (d) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such Certificate made or given by an officer of the Borrower or the Issuer may be based, insofar as it relates to legal matters, upon an opinion of counsel, unless such an officer knows that the opinion with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous, or, in the exercise of reasonable care, should have known that the same were erroneous. Any such opinion made or given by counsel may be based (insofar as it relates to factual matters or information which is in the possession of the Issuer or the Borrower) upon the certificate or opinion of or representations by an officer of the Borrower or the Issuer, unless such counsel knows that the Certificate or opinion or representations with respect to the matters upon which the opinion may be based as aforesaid are erroneous, or, in the exercise of reasonable care, should have known that the same were erroneous.

Section 1.03 Description of Project. The term "Project" refers to the acquisition, rehabilitation and equipping of the existing 94-unit multifamily rental housing facilities located at 1525 Northwest 17th Avenue, Pompano Beach, Florida, which will be owned by the Borrower.

Section 1.04 Additional Provisions as to Interpretation. All references herein to "Articles", "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Loan Agreement; and the words "herein," "hereof," "hereunder" and other

words of similar import refer to this Loan Agreement as a whole and not any particular Article, Section or subdivision hereof.

Any terms defined in any other Borrower Loan Documents or Issuer Documents but not defined herein shall have the same meaning herein unless the context hereof clearly requires otherwise.

ARTICLE II. REPRESENTATIONS

Section 2.01 Representations by the Issuer. The Issuer makes the following representations as the basis for its undertakings herein:

(a) The Issuer is a public body corporate and politic, duly created and existing by virtue of the laws of the State and is authorized to issue the Note to finance the Project pursuant to the Act.

(b) In authorizing the Project, the Issuer's purpose is to promote the public welfare by continuing to provide residential housing within the meaning of the Act and assisting persons within the State to obtain decent, safe and sanitary housing at rentals they can afford; and facilitating the development of rental housing opportunities for residents of the Issuer.

(c) A public hearing on the proposal to finance the Project was called and held on April 10, 2019, at which time all persons who appeared were given an opportunity to express their views with respect to the proposal to undertake and finance the Project.

(d) The Issuer has duly authorized the execution and delivery of the Issuer Documents.

(e) The issuance and sale of the Note and the execution, delivery and performance of the Issuer Documents by the Issuer have been duly authorized by resolutions of the Board, including the Authorizing Resolution, duly adopted at a meeting of the members of the Issuer by a vote of the requisite majority of its members.

(f) To the actual knowledge of the Issuer officials, there is no litigation pending or, without inquiry, threatened questioning the authority of the Issuer to issue the Note, the authority of the Issuer to execute and deliver the Issuer Documents, the tax-exempt status of interest on the Note, or the authority of any member of the Issuer or other officer or employee of the Issuer to hold office or take part in any of the transactions contemplated hereby.

Section 2.02 Representations, Warranties and Covenants of the Borrower. The Borrower represents, warrants and covenants as follows:

(a) The Borrower is a limited liability limited partnership duly created under the laws of the State of Minnesota, is in good standing and duly authorized to conduct its business in the State of Minnesota, the State of Florida and all other states where its activities require such authorization, has power to enter into the Borrower Loan Documents and to use the Project for

the purpose set forth in this Agreement and by proper partnership action has authorized the execution and delivery of the Borrower Loan Documents.

(b) The execution and delivery of the Borrower Loan Documents, the consummation of the transactions contemplated thereby, and the fulfillment of the terms and conditions thereof do not and will not conflict with or result in a breach of any of the terms or conditions of the Borrower's limited partnership agreement and other organizational documents, any restriction or any agreement or instrument to which the Borrower is now a party or by which it is bound or to which any property of the Borrower is subject, and do not and will not constitute a default under any of the foregoing or a violation of any order, decree, statute, rule or regulation of any court or of any state or federal regulatory body having jurisdiction over the Borrower or its properties, including the Project, and do not and will not result in the creation or imposition of any lien, charge or encumbrance of any nature upon any of the property or assets of the Borrower contrary to the terms of any instrument or agreement to which the Borrower is a party or by which it is bound.

(c) The design and plan of the Project comprise a housing development as contemplated by the Act, specifically a development designed to be affordable by persons and families with adjusted gross income not in excess of the limits set forth in the Act; and subject to the other provisions of this Agreement, it is presently intended and reasonably expected that the equipment purchased from the proceeds of the Note will be permanently located and exclusively used on the Land and that the Borrower will operate the Project Buildings on the Land throughout the term of this Agreement in the normal conduct of the Borrower's business;

(d) The Note is issued within the exemption provided under Section 142(d) of the Code with respect to qualified residential rental projects; and "substantially all" of the proceeds of the Note will be used for expenditures chargeable to the capital account of the Project;

(e) There is public access to the Project; and, as of the date hereof, and to the Borrower's knowledge, the use of the Project as designed and proposed to be operated complies, in all material respects, with all presently applicable development, pollution control, water conservation and other laws, regulations, rules and ordinances of the federal government and the State and the respective agencies thereof and the political subdivisions in which the Project is located. All necessary and material approvals of and licenses, permits, consents and franchises from federal, state, county, municipal or other governmental authorities having jurisdiction over the Project have been, or will be, obtained to acquire, rehabilitate, install, and operate the Project and the Borrower has obtained all necessary approvals to enter into, execute and perform its obligations under the Borrower Loan Documents.

(f) The proceeds of the Note and the Senior Loan, together with any other funds to be contributed to the Project by the Borrower, loaned to the Borrower or otherwise in accordance with this Agreement, will be sufficient to pay the cost of acquiring and rehabilitating the Project, and all costs and expenses incidental thereto, and the proceeds of the Note will be used only for the purposes contemplated hereby and allowable under the Act.

(g) The Borrower is not in the trade or business of selling properties such as the Project and is acquiring the Project for investment purposes only or otherwise for use by the

Borrower in its trade or business, and therefore the Borrower has no intention now or in the foreseeable future to voluntarily sell, surrender or otherwise transfer, in whole or part, its interest in the Project, except as permitted by Section 6.08 hereof.

(h) There are no actions, suits, or proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any property of the Borrower in any court or before any federal, state, municipal or other governmental agency, which, if decided adversely to the Borrower would have a material adverse effect upon the Borrower or upon the business or properties of the Borrower; and the Borrower is not in default with respect to any order of any court or governmental agency.

(i) The Borrower is not in default in the payment of the principal of or interest on any indebtedness for borrowed money nor in default under any instrument or agreement under and subject to which any indebtedness for borrowed money has been issued.

(j) The Borrower has filed all federal and state income tax returns which, to the knowledge of the officers of the Borrower, are required to be filed and has paid all taxes shown on said returns and all assessments and governmental charges received by the Borrower to the extent that they have become due.

(k) To the Borrower's knowledge, no public official of the Issuer has a conflict of interest arising from this Agreement nor will any public official either directly or indirectly benefit financially from this Agreement.

ARTICLE III. ISSUANCE OF NOTE; LOAN OF PROCEEDS

Section 3.01 Issuance of Note by Issuer. The Issuer will issue the Note as provided in the Act and the Authorizing Resolution and will deliver the Note to the Lender to evidence the obligation to pay a portion of the purchase price of the Project. The Lender will receive the Note on the Closing Date, upon satisfaction of the terms and conditions set forth in Section 3.03 of this Loan Agreement (the "Closing"). The proceeds of the Note are considered to be loaned to the Borrower as provided in Section 3.02 of this Loan Agreement.

The Issuer will issue the Note in the authorized original principal amount of \$_____, consisting of a single fully registered note, numbered R-1, of even date herewith, substantially in the form and containing the terms and provisions set forth in Exhibit A hereto. The Note matures on the Maturity Date and will bear interest at the rates set forth in the Note and will be repaid in accordance with the Note.

Notwithstanding anything contained in this Subordinate Loan Agreement or the Note to the contrary, the Note may be transferred only to Permitted Lenders in minimum denominations of \$100,000 upon delivery by the transferee of an executed certificate in the form attached hereto as Exhibit B. The Note has not been, and will not be, registered under any federal or state securities laws, must be held for investment purposes only, and may be transferred only if an exemption from registration is available.

Section 3.02 Loan of Proceeds. The Issuer hereby lends to the Borrower the entire gross proceeds of the Note, which loan is evidenced by the Issuer's direct delivery of the Note to the Lender, on the Borrower's behalf. The obligation of the Borrower to repay the Loan, together with interest thereon shall become effective immediately upon the Issuer's delivery of the Note to the Lender and shall be evidenced by and be repayable as set forth in the Note.

Section 3.03 Conditions to the Closing. The obligation of the Lender to take delivery of, and the Issuer to deliver, the Note under Section 3.01 is conditioned upon delivery to the Lender and the Issuer on the Closing Date of the following:

- (a) An opinion of Nabors, Giblin & Nickerson, P.A., as Note Counsel, and an opinion of counsel to the Borrower, each in form and substance satisfactory to the Issuer and the Lender;
- (b) A certified copy of the Authorizing Resolution;
- (c) The executed Note, Assignment of Subordinate Mortgage and Loan Documents and executed counterparts of this Loan Agreement, the Subordinate Mortgage, and the Regulatory Agreement;
- (d) A Certificate of the Issuer, with an endorsement of the Borrower, pursuant to Section 148 of the Internal Revenue Code and pertinent regulations as to absence of arbitrage expectation;
- (e) Reserved;
- (f) An executed Lender Investor Certificate in the form attached hereto as Exhibit B.
- (g) Executed financing statements under the Uniform Commercial Code of the State, as the Lender may deem necessary or desirable in order to perfect the security interests granted by the Issuer and the Borrower to secure the Note, and completed requests for information, dated on or before the Closing Date, as to effective financing statements filed in all filing offices in which the financing statements shall have been filed;
- (h) A title insurance policy insuring the Lender's interest under the Subordinate Mortgage, in form and substance satisfactory to the Lender; and
- (i) All other documents or certificates the Lender may reasonably request relating to the existence and good standing of the Borrower, the legal authority for and the due execution and validity of the Note, the Authorizing Resolution, this Loan Agreement and the other Subordinate Loan Documents, and the tax-exempt status of interest on the Note for Federal income tax purposes and all other relevant matters, all in form and substance satisfactory to the Lender.

ARTICLE IV.
ACQUISITION AND RENOVATION OF THE PROJECT;
APPLICATION OF PROCEEDS

Section 4.01 Agreement to Acquire and Renovate the Project. On the Closing Date the Borrower will acquire fee title to the Project. The Note will be delivered to the Lender to evidence the obligation to pay a portion of the purchase price of the Project.

Section 4.02 Borrower Required to Provide Funds in Event Note Proceeds Insufficient. The Issuer and the Lender make no warranty, either express or implied, that the moneys which under the terms hereof will be available for payment of costs of the Project will be sufficient to pay such costs. The Borrower agrees that it shall pay or cause to be paid all costs of the Project and that to the extent such costs of the Project exceed the available amount of Note proceeds, that it shall not be entitled to any reimbursement therefor from the Issuer or the Lender, nor shall it be entitled to any diminution in or postponement of payments to be made under any provision hereof.

ARTICLE V. LOAN REPAYMENTS AND OTHER PAYMENTS

Section 5.01 Repayment of Loan. (a) The Borrower covenants and agrees to repay the Loan, together with interest, in Loan Repayments which shall be made at times and in amounts sufficient to pay, in full and when due, all principal and interest on the Note (whether due upon maturity, redemption, mandatory prepayment or acceleration). Such payments by the Borrower under this Section 5.01 shall be made directly by the Borrower to the Lender in such coin or currency of the United States of America as may be legal tender for the payment of public and private debts. The Borrower shall furnish to the Issuer, if the Issuer so requests, the advice of transmittal of such payments at the time of transmittal of payment. All payments under this Section 5.01 shall be Loan Repayments.

(b) The Borrower covenants and agrees to pay the Loan Repayments due hereunder solely from Available Cash Flow and Sale or Refinancing Transaction Proceeds (except for the Loan Repayment that is the payment due on the Maturity Date which shall be payable from any funds of the Borrower). Except for the Loan Repayment due on the Maturity Date, the obligation to make Loan Repayments is subject to the availability of Available Cash Flow or Sale or Refinancing Transaction Proceeds, and it shall not be an event of default under this Loan Agreement to the extent that failure to make a Loan Repayment is due to lack of Available Cash Flow or Sale or Refinancing Transaction Proceeds. Subject to the preceding sentence, in the event the Borrower shall fail to make any Loan Repayment as required by this Section 5.01, the payment not made shall continue as an obligation of the Borrower until the amount not paid shall have been fully paid, and the Borrower agrees to pay the same with interest thereon, which interest shall also constitute an obligation of the Borrower. To the extent permitted by law, interest on any overdue payment required hereby shall be paid at the default rate of interest set forth in the Note.

Section 5.02 Additional Payments. In addition to the Loan Repayments, the Borrower shall pay (a) to the Fiscal Agent, the Issuer Fee, the Fiscal Agent Fee, and amounts sufficient to pay in full all reasonable out-of-pocket expenses and costs of the Issuer and the Fiscal Agent set forth below, and (b) to the Lender, amounts sufficient to pay in full all reasonable out-of-pocket expenses and costs of the Lender set forth below. In addition to the fees and costs set forth in the immediately preceding sentence, the Borrower shall also pay to (a) the Fiscal Agent for payment

to the Issuer and the Fiscal Agent, and (b) the Lender, amounts sufficient to pay in full all reasonable out-of-pocket expenses and costs of the Issuer, the Fiscal Agent and the Lender, respectively, incurred in the issuance and payment of the Note and the making and collection of the Loan, including: (i) all costs incurred in connection with the purchase, transfer, registration, exchange, or redemption of the Note; (ii) the fees and other costs incurred for services of such engineers, architects, attorneys, management consultants, accountants, and other consultants as are employed by the Issuer, the Fiscal Agent or the Lender to make examinations or reports, provide services, or render opinions required or permitted by this Loan Agreement; (iii) all costs reasonably incurred by the Issuer or the Lender in the enforcement of the Note, the Borrower Subordinate Promissory Note or this Loan Agreement; (iv) all costs of issuing the Note; (v) all Rebate Amounts, and (vi) all reasonable fees and expenses of the Rebate Analyst in connection with the computations relating to arbitrage rebate required under the Funding Loan Agreement when due from time to time.

Notwithstanding anything in this Section 5.02 or this Loan Agreement to the contrary, the Borrower shall pay the Issuer Fee and the Fiscal Agent Fee to the Fiscal Agent for deposit and payment pursuant to Section 4.06 of the Funding Loan Agreement. Notwithstanding anything in this Loan Agreement to the contrary, payment of the Issuer Fee and the Fiscal Agent Fee shall not be subject to the availability of Available Cash Flow. The payment of the Issuer Fee shall be subject to the Surplus Cash Limitation set forth in Section 4.06 of the Funding Loan Agreement. Additionally, the Borrower shall execute and cause to be executed the Fee Payment Guaranty as provided herein.

The Borrower shall also pay when due to the Fiscal Agent any amount required to be (i) deposited in the Rebate Fund in accordance with Section 4.12 of the Funding Loan Agreement, and (ii) paid to the Rebate Analyst.

Section 5.03 No Set-Off; Borrower's Obligations Unconditional. The obligation of the Borrower to make the payments and to perform and observe the other agreements on its part contained herein, in the other Subordinate Loan Documents and in the Borrower Subordinate Promissory Note shall be absolute and unconditional. So long as any principal of the Note or the Borrower Subordinate Promissory Note is outstanding, the Borrower will pay without abatement, diminution or deduction (whether for taxes or otherwise) all Loan Repayments required to be paid hereunder, regardless of any cause or circumstance whatsoever including, without limiting the generality of the foregoing: any defense, setoff, recoupment or counterclaim which the Borrower may have or assert against the Issuer, the Lender or any other holder of the Note or any other person; any failure of the Issuer to perform any covenant or agreement contained herein or in any other agreement between the Issuer or any Noteholder and the Borrower; any indebtedness or liability at any time owing to the Borrower by the Issuer, the Lender or any other Noteholder or any other person; any acts or circumstances that may constitute failure of consideration; damage to or condemnation of the Project Facilities; eviction by paramount title; commercial frustration of purpose; bankruptcy or insolvency of the Issuer, or the Lender; enforcement of any of the other Subordinate Loan Documents; any change in the tax or other laws of the United States of America or of any State or any political subdivision of either, or any failure of the Issuer or the Lender to perform and observe any agreement, whether express or implied, or any duty, liability or obligation, arising out of or connected with this Loan Agreement, the other Subordinate Loan Documents or the Authorizing Resolution.

Section 5.04 Option to Prepay Loan. The Borrower shall have the option to prepay the Loan and cause to be redeemed the Borrower Subordinate Promissory Note and the Note, in whole or in part, upon the terms set forth in the Borrower Subordinate Promissory Note and the Note. Any partial prepayment of the Borrower Subordinate Promissory Note and the Note shall reduce the outstanding principal balance of the Borrower Subordinate Promissory Note and the Note in inverse order of the principal installments unpaid thereon. Any such partial prepayment shall be applied first to accrued interest and finally to installments of principal in the inverse order of their maturity.

In the event the Borrower elects to prepay the Loan, the Borrower shall cause to be given in the name of the Issuer due notice of redemption or prepayment of the Borrower Subordinate Promissory Note and the Note as required by the provisions thereof, and shall pay the redemption price when due to the Lender. The Issuer hereby authorizes the Borrower to give all required notices of prepayment of the Note.

Section 5.05 Tax-Exempt Status of Interest on the Note. It is the intention of the parties hereto that the interest paid on the Note will not be included in the gross income of the recipients of said interest by reason of Section 103 and related Sections of the Code. In order to confirm and carry out such intention:

(a) The Borrower shall (i) provide such Certificates of the Authorized Borrower Representative, Opinions of Counsel, and other evidence as may be necessary or reasonably requested by the Issuer, the Lender or any Holder to establish the exemption of interest on the Note under Section 103 and related Sections and the absence of arbitrage expectation under Section 148 of the Code, and (ii) file such information and statements, acting alone or with the Issuer, with the Internal Revenue Service, as may be required from the Borrower or the Issuer to establish or preserve such exemption or as may be required by Section 103 and related Sections of the Code, regulations thereunder and related provisions of law or regulation.

(b) If the Lender shall be given notice of a proposed deficiency by the Internal Revenue Service, based upon a proposed Determination of Taxability, or if a responsible officer of the Lender shall have actual knowledge of a proposed ruling by the Internal Revenue Service to the effect that interest on the Note is includable in the gross income of the Holder, the Lender shall give notice to the Borrower of such proposed deficiency or ruling as promptly as possible and permit the Borrower, to the extent reasonably possible, to participate in contesting any such proposed deficiency or ruling. Any expenses incurred by the Borrower or by any Holder at the request of the Borrower in connection with such contest shall be paid by the Borrower. Notwithstanding the foregoing, the Holder shall have the right to control all proceedings before the Internal Revenue Service and any judicial proceedings relating to taxability of interest on the Note received by the Holder, including the compromise of claims in such proceedings and abandonment of rights to appeal.

(c) If there shall occur a Determination of Taxability, the interest rate on the Note shall be adjusted as set forth in the Note.

(d) The Borrower shall (i) take or cause to be taken all actions necessary or appropriate in order to fully and timely comply with Section 4.12 of the Funding Loan

Agreement, and (ii) if required to do so under Section 4.12 of the Funding Loan Agreement, select at the Borrower's expense, a Rebate Analyst reasonably acceptable to the Issuer for the purpose of making any and all calculations required under Section 4.12 of the Funding Loan Agreement. Such calculations, if required, shall be made in the manner and at such times as specified in Section 4.12 of the Funding Loan Agreement. The Borrower shall cause the Rebate Analyst to provide such calculations to the Fiscal Agent and the Issuer at such times and with such directions as are necessary to comply fully with the arbitrage and rebate requirements set forth in the Funding Loan Agreement and this Loan Agreement and to comply fully with Section 148 of the Code, including the timely payment of any arbitrage rebate owed.

(e) The Borrower hereby acknowledges and confirms its obligations under Section 148 of the Code. If the Borrower shall fail to pay the full amount of any Rebate Amount required to be paid by the Borrower when such deposit is due, the Lender may make payment to the United States, and such payment shall be an advance under Section 8.05 of this Loan Agreement. In construing the Borrower's obligations hereunder, all terms used in this paragraph (e) shall have the meanings provided in said Section 148 and regulations thereunder. The Borrower agrees to make all required rebate payments to the United States, as and when required.

ARTICLE VI. USE OF FACILITIES

Section 6.01 Use of Project Facilities. The Borrower will use the Project Facilities only in furtherance of its lawful purposes and will use and operate the Project Facilities, to the extent financed by the proceeds of the Note, only as an authorized project under the Act and as permitted under the Code.

The Borrower will not knowingly use or knowingly permit any person to use the Project Facilities for any use or purpose in violation of the laws of the United States or the State, and agrees to comply with all material requirements of applicable laws, regulations and statutes of the State or other governmental authority having jurisdiction over the Project Facilities. The Borrower shall have the right to contest by appropriate legal proceedings, without cost or expense to the Issuer, the validity of any law, ordinance, order, rule, regulation or requirement of the nature herein referred to.

Section 6.02 Maintenance and Possession of Project Facilities by Borrower; Operating Expenses; Ownership of Project Facilities. The Borrower agrees that so long as the Note is outstanding, the Borrower will keep the Project Facilities in good repair and good operating condition at its own cost, ordinary depreciation excepted, making such repairs and replacements as are reasonably necessary. The Borrower will pay or cause to be paid all expenses arising from the operation and maintenance of the Project Facilities. The Borrower shall at all times use the Project Facilities only in furtherance of its lawful corporate purposes; provided, however, that so long as (i) the exemption from taxation of interest on the Note, (ii) the Borrower Loan Documents, and (iii) any contracts or agreements to which the Borrower is a party are not adversely affected, violated or breached, nothing herein contained shall be construed (i) to prevent it from ceasing to operate any portion of the Project Facilities, if in its reasonable judgment (evidenced, in the case of such a cessation other than in the ordinary course of business, by a determination by its governing body) it is advisable not to operate the same, or (ii)

to obligate it to retain, preserve, repair, renew or replace any portion of the Project Facilities, leases, rights, privileges or licenses no longer used or, in the judgment of its governing body, useful in the conduct of its business.

Section 6.03 Liens. The Borrower will pay or cause to be paid all utility charges and other charges arising from its operations at the Project Facilities which, if unpaid, would become a lien on the Project Facilities and will not permit any lien or encumbrance to be established or to remain unsatisfied against (a) the Mortgaged Property, except as permitted by the Subordinate Mortgage or Section 6.08 hereof, and (b) the Project Facilities, other than the Mortgaged Property. The Borrower may in good faith contest any such lien filed or established against the Project Facilities, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom.

Section 6.04 Taxes and Other Governmental Charges. The Borrower will pay, as the same respectively become due and before penalty attaches, any taxes, license fees and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the operation of the Project Facilities. The Borrower may, at its expense in good faith contest any such taxes, assessments, license fees and other governmental charges by appropriate proceedings and, in the event of any such contest, may permit the taxes, assessments, license fees or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom if funds sufficient to satisfy the contested amount have been deposited in an escrow account satisfactory to the Lender.

Section 6.05 Insurance. So long as the Note is Outstanding, the Borrower agrees at all times to keep the Mortgaged Property insured as required by (i) the Subordinate Mortgage, and (ii) so long as the Senior Loan is outstanding, the Senior Loan Documents.

Section 6.06 Damage; Destruction or Condemnation: Application of Insurance and Award Proceeds. In the event of damage to or destruction of the Project Facilities from any cause whatsoever or any taking of the Project Facilities, or any part thereof, whether directly or indirectly or temporarily or permanently, in or by condemnation or other eminent domain proceedings, except for any award or payment made for relocation benefits (hereinafter called a "Taking"), the Borrower agrees to repair or replace all Project Facilities and apply any insurance proceeds or proceeds of any taking as required by the Subordinate Mortgage, subject, however, to the requirements of the Senior Loan Documents.

Section 6.07 Reserved.

Section 6.08 Senior Loan Refinancing. The Lender shall not unreasonably withhold consent and agrees to subordinate to a refinancing of the Senior Loan with a new permanent mortgage loan if (i) the new loan is on commercially reasonable terms and (ii) will not exceed in principal amount the balance due on the respective Senior Loan being refinanced plus (a) reasonable financing costs, (b) reasonable repairs and improvements to the Project, and (c) any other purposes approved by the Lender. The Borrower shall submit to the Lender no later than one (1) month prior to the maturity date of the respective Senior Loan a loan commitment letter for the proposed refinancing and draft loan documents for the Lender's review. The Lender shall not unreasonably withhold consent to the refinancing loan, the loan commitment letter, and the

loan documents (and will execute a commercially reasonable subordination agreement for the refinancing lender's benefit) if (i) the loan and the loan documents (including any subordination agreement) satisfy the requirements set forth in the preceding sentence, (ii) the loan documents shall provide for the use of insurance proceeds for restoration in the event of casualty loss, and (iii) the loan documents shall allow the Lender reasonable rights to notice and opportunity to cure defaults by the Borrower.

ARTICLE VII. SPECIAL COVENANTS

Section 7.01 No Warranty of Condition or Suitability; Indemnification.

(a) The Issuer does not make any warranty, either express or implied, as to the design or capacity of the Project Facilities, as to the suitability for operation of the Project Facilities or as to the condition of the Project Facilities or that the Project Facilities will be suitable for the Borrower's purposes or needs. The Borrower releases the Issuer from, agrees that the Issuer shall not be liable for, and agrees to hold the Issuer and the County, and their respective members, commissioners, officers, employees, and agents, harmless against, any claim, cause of action, suit or liability for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project Facilities or the use thereof, except such loss, damage or injury as results from the gross negligence or willful misconduct of the Issuer.

(b) The Borrower and its general partner, will indemnify, defend and hold harmless the Issuer and the County, and each of their officers, commissioners, employees and agents (the "Indemnified Parties") from and against any and all claims by or on behalf of any person, firm, corporation or other legal entity arising from the conduct, operation or management of, or from, any work or thing done on the Project during the term of this Agreement, including, without limitation, (i) any condition of the Project; (ii) any breach or default on the part of the Borrower in the performance of any of its obligations under this Agreement; (iii) any act of negligence of the Borrower or of any of its agents, contractors, servants, employees or licensees or (iv) any act of negligence of any assignee or lessee of the Borrower, or of any agents, contractors, servants, employees or licensees of any assignee or lessee of the Borrower. The Borrower shall indemnify and save the Lender and the Indemnified Parties harmless from any such claim arising as aforesaid, or in connection with any action or proceeding brought thereon, and upon notice from the Lender or the Issuer, the Borrower shall defend them or either of them in any such action or proceeding, except such indemnification, defense and hold harmless provision shall not apply with respect to losses, claims, damages or liabilities arising out of the Indemnified Parties' or Lender's gross negligence or willful misconduct.

(c) The Borrower and its general partner agree to indemnify, defend and hold harmless the Indemnified Parties against any and all losses, claims, damages or liability to which the Indemnified Parties may become subject under any law in connection with the issuance and sale of the Note, the carrying out of the transactions contemplated by this Agreement or the Note, the conduct of any activity in connection with the Project, including claims for which the Indemnified Parties may be or may be claimed to be liable, and to reimburse the Indemnified Parties for any out-of-pocket legal and other expenses (including reasonable counsel fees)

incurred by the Indemnified Parties in connection with investigating any such losses, claims, damages or liabilities, or in connection with defending any actions relating thereto, and as a result of the Issuer's compliance with an audit, random or otherwise, by the Internal Revenue Service in connection with the Project or the Note, except such indemnification, defense and hold harmless provision shall not apply with respect to losses, claims, damages or liabilities arising out of the Indemnified Parties' or Lender's gross negligence or willful misconduct. The Indemnified Parties agree, at the request and expense of the Borrower, to cooperate in the making of any investigation in defense of any such claim and promptly to assert any or all of the rights and privileges and defenses identified in writing by the Borrower which may be available to the Indemnified Parties. These provisions shall survive payment of the Note and termination of this Loan Agreement.

(d) Promptly upon written notice received from the Borrower from any Indemnified Party or parties of any claim or the commencement of any action or proceeding specified in the preceding paragraph, the Borrower will at the request of such Indemnified Party or parties, assume the investigation and defense of such action or proceeding including the employment of counsel satisfactory to such Indemnified Parties and the payment of the fees and disbursements of such counsel. In the event that any Indemnified Party or parties shall determine, in the exercise of their reasonable judgment, that there exists a conflict of interest by reason of having a common counsel with the Borrower or with any other Indemnified Party, or if the Borrower elects not to defend the action with respect to any or all Indemnified Parties, then each such Indemnified Party may employ separate counsel satisfactory to the Borrower to represent or defend it in any such action or proceeding in which it may become involved or is named as defendant and the Borrower will pay as incurred the fees and disbursements of such counsel. The Borrower also agrees to notify all Indemnified Parties promptly of the assertion against it or any of its officers, directors, partners, employees or agents, as the case may be, of any claim or the commencement of any action or proceeding arising from any act or omission of the Borrower or any of its agents, servants or employees in connection with this Loan Agreement or the Project.

(e) If the Issuer or the County incurs any expense or suffers any losses, claims or damages or incurs any liabilities in connection with the transaction contemplated by this Loan Agreement, the Borrower and its general partner will indemnify, defend and hold harmless the Issuer and the County from the same and will reimburse the Issuer and the County for any reasonable legal or other expenses incurred by the Issuer or the County in relation thereof. The Borrower shall also reimburse the Issuer and the County for all other costs and expenses, including without limitation, attorneys' fees paid or incurred by the Issuer or the County in connection with: (i) the discussion, negotiation, preparation, approval, execution and delivery of this Agreement and the documents and instruments related thereto; (ii) any amendments or modifications thereto and any document, instrument or agreement related thereto and the discussion, negotiation, preparation, approval, execution and delivery of any and all documents necessary or desirable to effect such amendments or modification; and (iii) the enforcement by the Issuer during the term of this Agreement or thereafter of any of the rights or remedies of the Issuer under this Agreement or any document, instrument or agreement related thereto, including, without limitation, costs and expenses of collection in the event of default, whether or not suit is filed with respect thereto.

Section 7.02 Books and Records; Inspection and Examination; Notice of Defaults. The Borrower will keep accurate books of record and account in which true and complete entries will be made in accordance with generally accepted accounting principles consistently applied and upon request of the Lender will give any representative of the Lender access upon reasonable notice during normal business hours to, and permit such representative to examine, copy or make extracts from, any and all books, records and documents in its possession, to inspect any of its properties and to discuss its affairs, finances and accounts with any of its officers, all at such times and as often as it may reasonably be requested.

Section 7.03 Further Assurances, Financing Statements, Maintenance of Lien. At the request of the Issuer or the Lender, the Borrower shall execute any financing statement or other instrument which is or may be required to carry out the intent of the parties as expressed in this Loan Agreement, the Authorizing Resolution, or the other Subordinate Loan Documents. The Borrower shall, at its sole expense, file or cause to be filed all financing statements, including any financing statement of the Issuer, under the Uniform Commercial Code, or similar instruments, deemed necessary by the Lender to perfect and continue the security interest of the Lender in the personal property included in the Mortgaged Property and in this Loan Agreement (except for the Issuer's rights under Sections 5.02, 7.01, 8.04, 9.10 and 9.11 hereof), including any financing statements or continuation statements which the Issuer is required to file. The Lender is expressly authorized to file a financing statement naming the Issuer as debtor and describing the collateral as the Issuer's interest in this Loan Agreement and the Borrower Subordinate Promissory Note.

Section 7.04 Assignments. The Borrower consents to the pledge and assignment of the Borrower Subordinate Promissory Note, the Loan Repayments and other interests of the Issuer in this Loan Agreement by the Issuer to the Lender as provided in the Authorizing Resolution and Assignment of Subordinate Mortgage and Loan Documents. The interests and obligations of the Borrower under this Loan Agreement are non-assignable, unless consented to in writing by the Issuer and the Lender.

Section 7.05 Observance of Authorizing Resolution Covenants and Terms. The Borrower will not do, in any manner, anything which will cause or permit to occur any violation of any provision of the Authorizing Resolution, but will faithfully observe and perform, and will do all things necessary so that the Issuer may observe and perform, all the conditions, covenants and requirements of the Authorizing Resolution. The Issuer agrees that it will observe and perform all obligations imposed upon it by the Subordinate Loan Documents; provided that the Issuer has no obligation to use its own funds to perform or cause performance of any such obligations, and provided further that no covenant, representation or undertaking shall ever give rise to any liability of the Issuer, or its officers, agents or employees, or constitute a charge against their general credit. The Issuer has no taxing power.

Section 7.06 General Tax Representations, Warranties and Covenants of Borrower. The Borrower makes the following representations, understanding, after such consultation with such legal counsel as deemed appropriate, that the exclusion from gross income of interest on the Note for federal income tax purposes is dependent on the accuracy and truthfulness of such representations:

(a) The Borrower will fulfill all continuing conditions specified in Section 142 of the Code and Section 1.103-8(b) of the Regulations applicable thereunder, to qualify the Note under Section 142(d) and the Project as a "qualified residential rental project" thereunder.

(b) The Borrower will not use (or permit to be used) the Project or use or invest (or permit to be used or invested) the proceeds of the Note or any other sums treated as "bond proceeds" under Section 148 of the Code and applicable federal income tax regulations, including "investment proceeds," "sinking funds" and "replacement proceeds," in such a manner as to cause the Note to be classified "arbitrage bonds" under Section 148 of the Code or "federally guaranteed obligations" under Section 149(b) of the Code.

(c) At least 95% of the net proceeds of the Senior Loan Note and the Note will be used to finance costs properly chargeable to the capital account of a qualified residential rental project within the meaning of Section 142(d) of the Code and functionally related and subordinate property thereto.

(d) The Borrower has not permitted and will not permit any obligation or obligations other than the Senior Loan Note and the Note to be issued within the meaning of Section 103(b) of the Code so as to cause such obligations to become part of the same "issue" as the Senior Loan Note and the Note if the result thereof would impair the tax-exempt status of the Note.

(e) No portion of the proceeds of the Note will be used to provide any airplane, skybox, or other private luxury box, health club facility, facility primarily used for gambling or liquor store.

(f) No portion of the proceeds of the Note will be used to acquire (i) property to be leased to the government of the United States of America or to any department, agency or instrumentality of the government of the United States of America, (ii) any property not part of the residential rental housing portion of the Project, or (iii) any private or commercial golf course, country club, massage parlor, tennis club, skating facility (including roller skating, skateboard and ice-skating), racquet sports facility (including any handball or racquetball court), hot tub facility, suntan facility or racetrack.

(g) No portion of the proceeds of the Note (including investment earnings thereon) shall be used (directly or indirectly) for the acquisition of land (or an interest therein) to be used for farming purposes, and less than twenty-five percent (25%) of the proceeds of the Note (including investment earnings thereon) shall be used (directly or indirectly) for the acquisition of land to be used for purposes other than farming purposes.

(h) The Borrower understands that the Code imposes a penalty for failure to file with the Secretary of the Treasury an annual certification of compliance with low income occupancy requirements, and if the requirements for a "qualified residential rental project" are not met, does not allow a deduction for interest paid on the Note which accrues during the period beginning on the first day of the taxable year in which the Project ceases to meet such requirements and ending on the date the Project again meets such requirements.

(i) The average weighted maturity of the Senior Loan Note and the Note does not and will not exceed 120% of the average reasonably expected remaining economic life of the Project (_____ years) within the meaning of Section 147(b) of the Code.

(j) The Borrower shall provide on the Closing Date all information required to satisfy the informational requirements set forth in Section 149(e) of the Code, including the information necessary to complete IRS Form 8038.

(k) The Borrower will not permit the proceeds of the Note and the Senior Loan Note to be expended (or to be used to reimburse any person for an expenditure) to pay Costs of Issuance as provided by Section 147(g) of the Code.

(l) Neither the Borrower nor any "related person" under Section 147 of the Code will enter into any arrangement, formal or informal, for the Borrower or such "related person" under Section 147 of the Code to purchase the Note.

(m) The Borrower will not otherwise use proceeds of the Note, including earnings thereon, or take, or permit or cause to be taken, any action that would adversely affect the exclusion from gross income of the interest on the Note, nor otherwise omit to take or cause to be taken any action necessary to maintain such exclusion from gross income; and, if it should take or permit, or omit to take or cause to be taken, as appropriate, any such action, the Borrower shall take all lawful actions necessary to rescind or correct such actions or omissions promptly upon having knowledge thereof.

(n) The Borrower will comply with the requirements and conditions of the Tax Certificate and the Regulatory Agreement.

ARTICLE VIII. EVENTS OF DEFAULT AND REMEDIES

Section 8.01 Events of Default. The following shall be "Events of Default" under this Loan Agreement and the term "Event of Default" shall mean, whenever used in this Loan Agreement, any one or more of the following events:

(a) If the Borrower fails to pay any amount due under the Borrower Subordinate Promissory Note or any Loan Repayment required to be paid under the Note and Section 5.01 hereof within ten (10) days of the due date (including any repayment of principal of the Note due by way of acceleration, call for redemption of the Borrower Subordinate Promissory Note and the Note or otherwise), provided that failure to pay a Loan Repayment because of an insufficiency of Available Cash Flow or Sale or Refinancing Transaction Proceeds shall not constitute an Event of Default except for the final Loan Repayment on the Maturity Date; or

(b) If the Borrower shall default in the due and punctual performance of any of the other covenants, conditions, agreements and provisions contained in the Borrower Subordinate Promissory Note or this Loan Agreement, and such default shall continue for thirty (30) days after notice thereof has been furnished to the Borrower from the Lender; provided, however, that if such default cannot be cured within 30 days, it shall not constitute a default hereunder if the Borrower provides to the Lender a proposed method and schedule of curing such default,

initiates action to cure such default within such 30 days, diligently pursues such action until such default is cured and provides the Lender with progress reports relating thereto at such intervals as may be reasonably requested by the Lender; or

(c) If an "Event of Default" or default shall occur and is continuing after the expiration of any applicable grace period under any other Subordinate Loan Documents; or

(d) If the Borrower shall (i) apply for or consent to the appointment of a receiver, trustee or liquidator for it or for any of its property, (ii) admit in writing its inability to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) be adjudicated a bankrupt or insolvent, or (v) file a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under such law; or

(e) If there is filed against the Borrower any involuntary petition seeking liquidation or reorganization of the Borrower or appointing a receiver, trustee or liquidator of the Borrower or of all or a substantial part of the assets thereof, and such petition shall not be dismissed or vacated within ninety (90) days thereafter; or

(f) Any statement, representation, warranty or certification made by the Borrower under any of the Subordinate Loan Documents shall be incorrect or misleading in any material respect when made.

(g) Notwithstanding anything to the contrary contained in the Subordinate Loan Documents, Lender hereby acknowledges and agrees that the Administrative Limited Partner (defined below) has the right to cure any and all Defaults; (ii) prior to Lender exercising any remedies under the Subordinate Loan Documents, the Administrative Limited Partner will be provided notice of any and all Defaults and an opportunity to cure any such Defaults within thirty (30) days of receiving such notice from Lender; and (iii) Lender will accept any such cure made by the Administrative Limited Partner of a Default as if such cure was made by Borrower on its own behalf.

Notwithstanding anything in this Loan Agreement to the contrary, the Lender agrees that any cure made or tendered by one or more of the Borrower's limited partners shall be deemed a cure by the Borrower, and treated as if tendered by the Borrower.

Section 8.02 Remedies on Default. Whenever any Event of Default shall have happened and be subsisting, any one or more of the following steps may be taken:

(a) After ten (10) days written notice to the Borrower of the proposed action and provided that the Event of Default has not been duly cured, the Lender may declare the unpaid principal of and interest on the Borrower Subordinate Promissory Note and the Note, and all or any amounts of Loan Repayments thereafter to become due and payable under Section 5.01 hereof for the remainder of the term of this Loan Agreement to be immediately due and payable, whereupon the same shall become immediately due and payable, together with any additional payments due under Sections 5.02, 5.05, 8.04, 8.05 or otherwise under this Loan Agreement.

(b) The Lender may take whatever action at law or in equity that appears necessary or desirable to enforce this Loan Agreement or any of the other Subordinate Loan Documents in accordance with the provisions hereof or thereof.

Any amounts collected by the Lender or any other Holder pursuant to action taken under the foregoing paragraphs (other than such amounts that are payable to the Issuer) shall be applied first to advances and expenses of the Lender or other Holder, then to payment of the Note (interest first, and then principal), and any excess to the Borrower.

Whenever any Default shall occur, the Lender or any other Holder (or the Issuer with respect to Sections 5.02, 7.01, 8.04 or 9.09 hereof) may take whatever action at law or in equity, including all of the remedies available under the Uniform Commercial Code, which may appear necessary or desirable to collect any payments then due and thereafter to become due hereunder or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Loan Agreement.

Section 8.03 Remedies Cumulative, Delay Not to Constitute Waiver. No remedy conferred upon or reserved to the Issuer, the Lender, any other Holder or a receiver by this Loan Agreement or by the other Subordinate Loan Documents is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or the other Subordinate Loan Documents or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power, and 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, the Lender, any other Holder or a receiver to exercise any remedy reserved to it in this Article VIII, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. In the event any agreement contained in this Loan Agreement or the other Subordinate Loan Documents should be breached by any party and thereafter waived by the other parties, such waiver shall be limited to a particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 8.04 Agreement to Pay Attorneys' Fees and Expenses. In the event the Borrower should default under any of the provisions of this Loan Agreement or other Subordinate Loan Documents, and the Issuer or the Lender should employ attorneys or incur other expenses for the collection of payments due or to become due hereunder or thereunder or the enforcement of performance or observance or any obligation or agreement on the part of the Borrower contained herein or therein, the Borrower agrees that it will on demand therefor reimburse the reasonable fees of such attorneys and such other expenses so incurred by each of the Issuer and the Lender. The Borrower also agrees to pay all costs of the Lender to appear in and defend any action or proceeding purporting to affect the rights or powers of the Lender under this Loan Agreement or the other Subordinate Loan Documents, including the cost of reasonable attorney's fees.

Section 8.05 Advances. In the event the Borrower shall fail to pay any Loan Repayments under Section 5.01 hereof, or to do any other thing or make any other payment required to be done or made by any other provision of this Loan Agreement or the other Subordinate Loan Documents, the Lender or any other Holder, in its own discretion, may do or

cause to be done any such thing or make or cause to be made any such payment at the expense or as an advance for the account of the Borrower, and the Borrower shall pay to the Lender or any other Holder, as the case may be, upon demand, all necessary costs and expenses so incurred and advances so made, with interest at the lesser of (i) 4.00% per annum above the then current interest rate on the Note or (ii) the maximum rate permitted by law. Any such advance shall be entitled to priority of payment from any funds thereafter received from the Borrower.

**ARTICLE IX.
MISCELLANEOUS**

Section 9.01 Notices. All notices, certificates or other communications hereunder shall be deemed sufficiently given when delivered or when mailed by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

- (a) If to the Issuer: HOUSING FINANCE AUTHORITY OF BROWARD
COUNTY, FLORIDA
110 N.E. 3rd Street, Suite 300
Ft. Lauderdale, Florida 33301
Attention: Executive Director
- (b) If to the Borrower: POMPANO BEACH LEASED HOUSING ASSOCIATES
II, LLLP
c/o Pompano Beach Leased Housing Associates II, LLC
2905 Northwest Blvd., Ste. 150
Plymouth, Minnesota 55441
Attention: Paul R. Sween and Mark G. Sween
Telephone: (763) 354-5500
Email: psween@dominiuminc.com and
msween@dominiuminc.com

with copies to: [ALLIANT CREDIT FACILITY, LTD.
c/o Alliant Capital, Ltd.
340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480
Attention: Brian Goldberg
Telephone: (561) 833-5795
Facsimile: (561) 833-3694

Alliant Asset Management Company LLC
21600 Oxnard Street, Suite 1200
Woodlands Hills, CA 91367
Attention: General Counsel
Telephone: (818) 668-6800
Facsimile: (818) 668-2828

Bocarsly Emden Cowan Esmail & Arndt LLP
633 West Fifth Street, 64th Floor
Los Angeles, California 90071
Attention: Rachel Rosner
Telephone: (213) 239-8074
Email: rosner@bocarsly.com

[Pompano Beach Leased Housing Associates LP II, LLC]
2905 Northwest Boulevard, Ste. 150
Plymouth, Minnesota 55441
Attention: Paul R. Sween and Mark G. Sween
Facsimile: (763) 354-5519

Winthrop & Weinstine, P.A.
225 S. Sixth Street, Ste. 3500
Minneapolis, Minnesota 55402
Attention: John D. Nolde
Facsimile: (612) 604-6498

(c) If to the Lender: REGENCY GARDENS APARTMENTS, LTD.
c/o Pompano Beach Leased Housing Associates SLP I,
LLC
2905 Northwest Boulevard, Suite 150
Plymouth, MN 55441-7400
Attention: Mark S. Moorhouse
Facsimile: (763) 354-5519

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

Section 9.02 Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns, subject to the limitation that any obligation of the Issuer created by or arising out of this Loan Agreement shall not be a general debt of the Issuer but shall be payable solely out of the proceeds derived from this Loan Agreement or the other Subordinate Loan Documents.

Section 9.03 Counterparts. This Loan Agreement may be signed in any number of counterparts. Complete sets of counterparts shall be lodged with the Issuer, the Borrower and the Lender.

Section 9.04 Benefit of Holder. Except as otherwise provided herein, all covenants and agreements on the part of the Borrower and the Issuer herein are hereby declared to be for the benefit of the Lender or any Holder of the Note. Persons other than the parties hereto and such other Holders are not intended to be beneficiaries of any of the covenants and agreements set forth in this Loan Agreement.

Section 9.05 Due Dates. Should any payment on the Note become due and payable upon a day that is not a business day, such payment shall be made on the next succeeding business day.

Section 9.06 Captions. The captions or headings in this Loan Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provision of this Loan Agreement.

Section 9.07 Term of Agreement. Except as otherwise provided herein, the provisions of this Loan Agreement shall remain in full force and effect from the date of execution hereof until such time as the Borrower Subordinate Promissory Note and the Note are not outstanding.

Section 9.08 Severability. Any provision of this Loan Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 9.09 Limitation of Issuer's Liability. It is understood and agreed by the Borrower and the Lender that no covenant, provision or agreement contained in this Loan Agreement or the Note, or any obligation herein or therein imposed upon the Issuer or the breach thereof, shall give rise to a pecuniary liability of the Issuer or a charge against its general credit; the Note constitutes a special obligation of the Issuer, payable solely from the revenues pledged to the payment thereof pursuant to this Loan Agreement, and does not now and shall never constitute an indebtedness or a loan of the credit of the Issuer, the State or any political subdivision thereof or a charge against the general credit or taxing powers thereof within the meaning of any constitutional or statutory provision whatsoever. The Issuer has no taxing power. It is further understood and agreed by the Borrower and the Lender that the Issuer has no obligation to use due diligence regarding the financial or legal status, or any representations, of the Borrower or the Lender. It is further understood and agreed by the Borrower and the Lender that the Issuer shall not incur any pecuniary liability hereunder and shall not be liable for any expenses related hereto, all of which the Borrower agrees to pay. Notwithstanding the provisions of the immediately preceding sentence, if the Issuer incurs any expense, or suffers any losses, claims or damages or incurs any liabilities relating to this Loan Agreement, including without limitation, expenses of an audit by the Internal Revenue Service, the Borrower will indemnify and hold harmless the Issuer from the same and will reimburse the Issuer for any legal or other expenses incurred by the Issuer in relation thereto, and this covenant to indemnify, hold harmless and reimburse the Issuer shall survive delivery of and payment for the Note. Notwithstanding anything in this Agreement or this Section 9.09 to the contrary, all references to the Issuer in this Section 9.09 pertaining to the indemnification thereof shall also be deemed to refer to the Indemnified Parties.

Section 9.10 Limited Recourse. Notwithstanding any provision or obligation to the contrary set forth in this Loan Agreement, (1) the liability of the Borrower and any partner, trustee, director, officer, employee, or agent thereof (collectively, "Borrower Parties") under this Loan Agreement or the Subordinate Mortgage shall be limited to the property subject to the Subordinate Mortgage or to such other security as may from time to time be given or have been

given for payment of the Borrower's obligations under this Loan Agreement and Note, and any judgment rendered against the Borrower Parties under this Loan Agreement or the Subordinate Mortgage, the Borrower Subordinate Promissory Note and the Note shall be limited to the property subject to the Subordinate Mortgage and any other security so given for satisfaction thereof; and (2) no deficiency or other personal judgment nor any order or decree of specific performance shall be sought or rendered against the Borrower Parties, their successors, transferees or assigns, in any action or proceeding arising out of the Subordinate Mortgage, this Loan Agreement, the Borrower Subordinate Promissory Note, the Note, or any judgment, order or decree rendered pursuant to any such action or proceeding; provided, however, that nothing in this Loan Agreement, the Subordinate Mortgage, the Borrower Subordinate Promissory Note or the Note shall limit the Issuer's or Lender's ability to exercise any right or remedy that it may have with respect to any property pledged or granted to the Issuer or the Lender, or both of them, or to exercise any right against the Borrower Parties or any other person or entity on account of any damage caused by fraud or intentional misrepresentation by the Borrower or any intentional damage of the property subject to the Subordinate Mortgage. Furthermore, the Borrower shall be fully liable for the misapplication of (1) proceeds paid prior to any foreclosure under any and all insurance policies, under which the Lender and/or the Issuer is named as insured, by reason of damage, loss or destruction to any portion of the property subject to the Subordinate Mortgage, to the full extent of such misapplied proceeds and awards, (2) proceeds or awards resulting from the condemnation, or other taking in lieu of condemnation, prior to any foreclosure of the property subject to the Subordinate Mortgage, to the full extent of such misapplied proceeds and awards, (3) rents, issues, profits and revenues received or applicable to a period subsequent to the occurrence of a default under this Loan Agreement, the Subordinate Mortgage and the Note but prior to foreclosure, and (4) proceeds from the sale of all or any part of the property subject to the Subordinate Mortgage and any other proceeds that, under the terms hereof, should have been paid to the Issuer or the Lender. Furthermore, the Borrower shall be fully liable for the breach of the Borrower's covenants contained in Sections 5.02, 7.01, 8.04 and 9.09 of this Loan Agreement; provided, however in no event shall the Borrower or any Borrower Parties be personally liable for payment of the principal of, premium, if any, or interest on the Borrower Subordinate Promissory Note or the Note. The limit on the Borrower's liability set forth in this paragraph shall not, however, be construed, and is not intended in any way, to constitute a release, in whole or in part, of the Borrower's obligations under this Loan Agreement or a release, in whole or in part, or an impairment of the lien and security interest of the Subordinate Mortgage, this Loan Agreement, the Borrower Subordinate Promissory Note and the Note upon the properties described therein, or to preclude the Issuer or the Lender from foreclosing the Subordinate Mortgage in case of any default or enforcing any other right of the Issuer or the Lender, or to alter, limit or affect the liability of any person or party who may now or hereafter or prior hereto guarantee, or pledge, grant or assign its assets or collateral as security for, the obligations of the Borrower under the Subordinate Mortgage, this Loan Agreement, the Borrower Subordinate Promissory Note and the Note.

Section 9.11 Audit Expenses. The Borrower agrees to pay any costs incurred by the Issuer as a result of the Issuer's compliance with an audit, random or otherwise, by the Internal Revenue Service, the Florida Department of Revenue or any other governmental agency with respect to the Senior Loan Note, the Note, or the Project.

Section 9.12 General Partner Agreement. By his signature hereon, the [executive vice president] of the general partner agrees that the general partner of the Borrower accepts all duties and obligations specified of the general partner of the Borrower hereunder.

Section 9.13 Transfer of Ownership Interest in Borrower. Notwithstanding anything to the contrary in the Subordinate Loan Documents, Lender hereby acknowledges that at any time, without the consent of Lender, ownership interests in, and the partnership interest in Borrower owned by each of the following are freely transferable (which shall include the rights to encumber, pledge, convey, transfer or assign any or all legal or beneficial interest whatsoever): Alliant ALP 2019, LLC ("Administrative Limited Partner") and Alliant Credit Facility, Ltd. Notwithstanding anything to the contrary in the Loan Documents, Lender hereby acknowledges any and all rights of the Administrative Limited Partner at any time, without the consent of Lender, to remove any general partner of the Borrower and substitute an affiliate of the Administrative Limited Partner as a new general partner of the Borrower.

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IN WITNESS WHEREOF, the Issuer and the Borrower have caused this Loan Agreement to be executed by their duly authorized officers.

**HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA**, as
Issuer

Attest:

By: _____
Milette Manos, Chair

Daniel D. Reynolds, Secretary

**POMPANO BEACH LEASED HOUSING
ASSOCIATES II, LLLP**, a Minnesota limited
liability limited partnership

By: Pompano Beach Leased Housing
Associates II, LLC, a Minnesota limited
liability company, its general partner

By: _____
Mark G. Sween
Vice President

EXHIBIT A

Form of Note

NOTWITHSTANDING ANYTHING CONTAINED IN THE SUBORDINATE LOAN AGREEMENT OR THIS NOTE TO THE CONTRARY, THIS NOTE MAY BE TRANSFERRED ONLY IN MINIMUM DENOMINATIONS OF \$100,000 AND ONLY TO PERMITTED LENDERS (AS DEFINED IN THE SUBORDINATE LOAN AGREEMENT) UPON DELIVERY BY THE TRANSFEREE OF AN EXECUTED CERTIFICATE IN THE FORM ATTACHED TO THE SUBORDINATE LOAN AGREEMENT AS EXHIBIT B. THIS NOTE HAS NOT BEEN, AND WILL NOT BE, REGISTERED UNDER ANY FEDERAL OR STATE SECURITIES LAWS, MUST BE HELD FOR INVESTMENT PURPOSES ONLY, AND MAY BE TRANSFERRED ONLY IF AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

**Housing Finance Authority of Broward County, Florida
Subordinate Multifamily Mortgage Revenue Note, 2019 Series A-2
(Regency Gardens Apartments)**

Dated: June ____, 2019

No. R-1

\$_____

The Housing Finance Authority of Broward County, Florida (the "Issuer"), a public body corporate and politic created and existing under and by virtue of the laws of the State of Florida (the "State"), for value received, hereby promises to pay, but solely from the sources and in the manner hereinafter provided, to Regency Garden Apartments, Ltd., a Florida limited partnership (the "Lender"), or registered assigns, the maximum principal sum of _____ and 00/100 Dollars (\$_____00), and to pay to the registered owner hereof from such sources interest on the outstanding and unpaid balance of this Note (the "Principal Balance") from the date hereof until such principal sum is paid, at the rate of ____%, compounded annually. Interest shall compound as of December 31 of each calendar year, commencing on December 31, 2019. All payments shall be applied first to accrued but unpaid interest on the unpaid Principal Balance and next to the Principal Balance.

1. This Note was issued by the Issuer for the purpose of providing purchase money financing for Pompano Beach Leased Housing Associates II, LLLP, a Minnesota limited liability limited partnership (the "Borrower"), in connection with the acquisition and rehabilitation of an existing 94-unit multifamily rental housing facility located at 1525 Northwest 17th Avenue, Pompano Beach, Broward County, Florida (the "Project"). The Borrower is obligated to repay all amounts due under this Note pursuant to a Subordinate Loan Agreement of even date herewith (the "Loan Agreement").

2. This Note shall be repaid from Available Cash Flow, as hereafter defined (except for the payment on the Maturity Date under clause (c) which shall be made regardless of the availability of Available Cash Flow), in installments of principal of and interest as follows:

(a) on or before June 1 of each year beginning June 1, 2020 (each an "Interest Payment Date"), first, all or a portion of the Available Cash Flow up to one half (1/2) of the amount equal to any and all accrued but unpaid interest due on the Note through and including December 31 of the prior calendar year (including any and all accrued but unpaid interest due on all previously accrued but unpaid interest), such amount to be applied to the payment of all such accrued but unpaid interest;

(b) on each Interest Payment Date, second, an amount equal to the balance of the Available Cash Flow after making the payment required by (a) above, such balance to be applied to the prepayment of principal of this Note on such Interest Payment Date; and

(c) on December 1, 2054 or upon an earlier acceleration of the payment, in full, of the then-outstanding Principal Balance of this Note plus the accrued but unpaid interest thereon pursuant to the terms of this Note, the Subordinate Loan Agreement, or any other document relating to the loan that this Note represents (the "Maturity Date"), the amount that is necessary to pay the then-outstanding Principal Balance of this Note plus any and all accrued but unpaid interest thereon on such date (including any and all accrued but unpaid interest due on all previously accrued but unpaid interest).

To the extent Available Cash Flow is not sufficient to pay all interest owing under Section 2(a) above, the interest not paid shall compound on the Interest Payment Date. All payments due hereunder shall be made solely from Available Cash Flow (except for the payment due on the Maturity Date) for the calendar year that precedes the applicable Interest Payment Date (e.g., the payment of Available Cash Flow to be made on June 1, 2020 will be based on Available Cash Flow, if any, for 2019). Except for the payment due on the Maturity Date, the obligation to make payments is subject to the availability of Available Cash Flow, and it shall not be an event of default under this Note or the Subordinate Loan Agreement to the extent that failure to make a payment is due to lack of Available Cash Flow. Subject to the preceding sentence, in the event the Issuer shall fail to make any payment as required by this Note, the payment not made shall continue as an obligation until the amount not paid shall have been fully paid, and the Issuer agrees to pay the same with interest thereon at the rate that is set forth in the following sentence for the period from and including the date that the payment was due to but excluding the date that the Lender receives the payment. To the extent permitted by law, interest on any overdue payment required hereby shall be paid at the rate of interest per annum equal to the sum of (i) the rate of interest per annum then-payable on this Note plus (ii) four percentage points (4.0% points).

This Note shall also be payable from Sale or Refinancing Transaction Proceeds, if any.

3. For purposes of this Note, "Available Cash Flow" shall be as defined in the Subordinate Loan Agreement.

4. After the date of a Determination of Taxability (the "Taxable Date"), as defined in the Subordinate Loan Agreement, the Principal Balance of this Note, and all accrued but unpaid interest compounded as of or before the preceding June 1, will bear interest from the Taxable Date at a fixed rate equal to the greater of (i) _____% per annum, compounded annually, which is the highest 3-month rate (within the meaning of Section 1274(d)(2) of the Internal Revenue

Code of 1986, as amended) of the long-term, unadjusted (i.e., taxable) Applicable Federal Rate for purposes of Section 1274 of the Internal Revenue Code of 1986, as amended, with respect to June, 2019 and (ii) the highest 3-month rate (within the meaning of Section 1274(d)(2) of the Internal Revenue Code of 1986, as amended) of the long-term, unadjusted (i.e., taxable) Applicable Federal Rate for purposes of Section 1274 of the Internal Revenue Code of 1986, as amended, compounded annually, with respect to the calendar month in which the Taxable Date occurs provided, however, in no event shall principal due under this Note bear interest at a rate less than the rate set forth in the opening paragraph of this Note. Accrued but unpaid interest shall continue to compound as of December 31 of each calendar year after the Taxable Date.

5. Principal and interest shall be paid to the registered owner hereof in lawful money of the United States as provided in the Subordinate Loan Agreement, at its registered address.

6. This Note is a special limited obligation of the Issuer issued pursuant to the Act and pursuant to the Authorizing Resolution of the Issuer adopted on May 8, 2019. This Note shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the Issuer (except for the interests of the Issuer in the Subordinate Loan Agreement, which, with certain exceptions, are assigned to the Lender; no owner of this Note shall ever have the right to compel the exercise of the taxing power of the State of Florida or any political subdivision or other public body of the State of Florida to pay this Note or the interest hereon, nor to enforce payment hereof against any property of the Issuer (except for the interests of the Issuer in the Subordinate Loan Agreement assigned to the Lender); and this Note does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation. The Issuer has no taxing power.

7. This Note is payable solely from the Loan Repayments (as defined in the Subordinate Loan Agreement) payable by the Borrower under the Subordinate Loan Agreement, pursuant to which the Borrower has agreed to make payments sufficient to provide for the payment of the Principal Balance hereof and all interest thereon, which payments are pledged to the payment hereof.

8. Pursuant to an Assignment of Subordinate Mortgage and Loan Documents, of even date herewith (the "Assignment"), the Issuer has assigned its interests in the Subordinate Loan Agreement (except its rights to indemnity, limitation of liability, payment of the Issuer Fee and repayment of expenses and advances under Sections 5.02, 7.01, 8.04, 9.09 and 9.11 thereof) to the Lender. This Note is secured by the Subordinate Loan Agreement, the Assignment and the Subordinate Mortgage described in the Subordinate Loan Agreement. Reference is hereby made to such documents and resolution for a description and limitation of the revenues and funds pledged and appropriated to the payment of this Note, the nature and extent of the security thereby created, the rights of the registered owner of this Note, and the rights, immunities and obligations of the Issuer hereunder and thereunder.

9. This Note may be prepaid, in whole or in part, at any time, without premium. Any partial prepayment shall be applied first to any and all accrued but unpaid interest and then to the then-outstanding Principal Balance.

10. Notice of any such prepayment shall be given by the Borrower to the registered owner of this Note by first class mail, addressed to it at its registered address, as set forth in the registration records maintained by the Issuer, not less than thirty (30) days prior to the date fixed for prepayment. At the date fixed for prepayment, funds shall be paid, upon the presentation and surrender hereof, to the registered owner hereof, sufficient to pay this Note, or the principal amount hereof to be prepaid and all accrued but unpaid interest hereon. Upon the happening of the above conditions, the principal portion of this Note thus called and prepaid shall not bear interest after the date specified for prepayment.

11. Subject to the legend on the face of this Note and the transfer restrictions set forth in the Subordinate Loan Agreement, this Note is transferable pursuant to entries duly made in the registration records maintained by the Issuer, by the registered owner hereof in person or by his duly authorized attorney.

12. In case an Event of Default, as defined in the Subordinate Loan Agreement, occurs and is continuing after the expiration of any cure period, this Note and the Loan Repayments thereafter to become due under the Subordinate Loan Agreement may become immediately due and payable, in the manner and with the effect and subject to the conditions provided in the Subordinate Loan Agreement. The registered owner of this Note shall have the right to enforce the provisions of the Authorizing Resolution, the Subordinate Loan Agreement, the Assignment, and the Subordinate Mortgage, but only following the surrender of this Note to the Issuer for cancellation as paid in full.

13. The right of the holder of this Note to payment of any of the indebtedness evidenced hereby is and will at all times be subordinate to the right of the Issuer, its successors and assigns, under the Senior Loan Note, as defined in the Subordinate Loan Agreement, to payment in full of the indebtedness evidenced by the Senior Loan Note. This subordination is pursuant to, and in accordance with, the Subordination Agreement dated June 1, 2019 among the Borrower, Citibank, N.A. and the initial holder of this Note, its successors and assigns.

14. To the extent allowed by law, the Issuer hereby waives presentment, demand for payment, and notice of dishonor. The terms and provisions of the Authorizing Resolution, the Subordinate Loan Agreement, the Assignment, and the Subordinate Mortgage, or of any instrument supplemental to any of them, may be modified or altered pursuant to the terms of the Subordinate Loan Agreement.

15. It is hereby certified and recited and the Issuer has found that the financing of the Project constitutes a "housing development" as defined in the Act; that the issuance of this Note and the Project promote the public welfare and carry out the purposes of the Act; and that all acts, conditions and things required to be done precedent to and in the issuance of this Note have been properly done, have happened and have been performed in regular and due time, form and manner as required by law.

16. The Borrower's obligations with respect hereto are subject to the nonrecourse provisions of Section 9.10 of the Subordinate Loan Agreement.

IN WITNESS WHEREOF, the Housing Finance Authority of Broward County, Florida, has caused this Note to be signed in its behalf by the manual signatures of its duly authorized officers as of the date and year first listed above

**HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA,** as
Governmental Lender

Attest:

By: _____
Milette Manos, Chair

Daniel D. Reynolds, Secretary

ASSIGNMENT

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

(Please Print or Typewrite Name and Address of Transferee)

the Housing Finance Authority of Broward County, Florida Subordinate Multifamily Mortgage Revenue Note, 2019 Series A-2 (Regency Gardens Apartments) and does hereby irrevocably constitute and appoint _____ to transfer the Note on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Registered Owner

NOTICE: The Signature(s) to this assignment must correspond with the name as it appears upon the face of the Note in every particular, without alteration or enlargement or any change whatsoever.

PROVISIONS AS TO REGISTRATION

The ownership of the unpaid Principal Balance of this Note and the interest accruing thereon is registered on the books of the Housing Finance Authority of Broward County, Florida in the name of the holder last noted below.

Date of Registration

Name and Address
of Registered Owner

Signature of Administrator

EXHIBIT B

Form of Lender Investor Certificate

[TO COME]

EXHIBIT C

FORM OF BORROWER'S SUBORDINATE PROMISSORY NOTE

BORROWER SUBORDINATE PROMISSORY NOTE

\$ _____

June __, 2019

Pompano Beach Leased Housing Associates II, LLLP, a Minnesota limited liability limited partnership (the "Borrower"), for value received, promises to pay to the order of the Housing Finance Authority of Broward County, Florida (the "Issuer") and its assigns, the principal sum of _____ Million and No/100 Dollars (\$_____.00), and to pay interest on the unpaid balance of such principal sum from and after the date hereof at a rate equal to the rate payable on the Issuer's Subordinate Multifamily Mortgage Revenue Note, 2019 Series A-2 (Regency Gardens Apartments) (the "Issuer Subordinate Note"), as adjusted, as applicable, which interest shall be calculated on the basis, at the times and in the manner set forth in the Issuer Subordinate Note. The principal amount stated above shall be paid in lawful currency of the United States and in immediately available funds at such times and in such amounts as principal on the Issuer Subordinate Note is payable, on or before December 1, 2054 (the "Maturity Date"). Interest hereon shall be paid in lawful currency of the United States and in immediately available funds.

This Note has been executed and delivered by the Borrower to the Issuer pursuant to the Subordinate Loan Agreement, dated as of June 1, 2019, between the Issuer and the Borrower (the "Subordinate Loan Agreement"), pursuant to which the Issuer has made a loan in the principal amount of this Note to the Borrower (the "Subordinate Loan"), which Subordinate Loan Agreement and Note have been assigned to Regency Gardens Apartments, Ltd., as the initial holder of the Issuer Subordinate Note pursuant to that certain Assignment of Subordinate Mortgage and Loan Documents dated as of June __, 2019. This Note is entitled to the benefits of the Subordinate Loan Agreement and is subject to the terms, conditions and provisions thereof. The Subordinate Loan was funded with proceeds from the Issuer Subordinate Note. Terms used but not defined herein shall have the meanings ascribed to such terms in the Subordinate Loan Agreement.

Under the Subordinate Loan Agreement, the Borrower has agreed to repay the Subordinate Loan by making payments ("Loan Payments") at the times and in the amounts set forth in this Note and in the Subordinate Loan Agreement for application to the payment of principal of and interest on the Issuer Subordinate Note as and when due.

To provide funds to pay the principal of and interest on the Issuer Subordinate Note as and when due as specified therein, the Borrower hereby agrees to and shall make Loan Payments in lawful currency of the United States and in immediately available funds at the times and in an amount equal to the principal of and interest on the Issuer Subordinate Note, when due, by acceleration or otherwise, as adjusted in accordance therewith.

If payment or provision for payment in accordance with the Subordinate Loan Agreement is made in respect of the principal of and interest on this Note from moneys other than Loan Payments, this Note shall be deemed paid to the extent such payments or provision for payment of the Issuer Subordinate Note has been made. Consistent with the provisions of the immediately preceding sentence, the Borrower shall have credited against its obligation to make Loan Payments any amounts paid to the holder of the Issuer Subordinate Note for the payment of the principal of and interest on the Issuer Subordinate Note or any other amounts written down or forgiven by the holder of the Issuer Subordinate Note, it being the intent hereof that the outstanding balance of the Issuer Subordinate Note shall equal the outstanding balance of this Note. All Loan Payments constituting principal hereof and interest hereon shall be made directly to the holder of the Issuer Subordinate Note, as assignee of the Issuer in accordance with the Subordinate Loan Agreement.

The obligation of the Borrower to make the payments required hereunder shall be absolute and unconditional and the Borrower shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set off, recoupment or counterclaim which the Borrower may have or assert against the Issuer or any other person.

This Note is subject to prepayment by the Borrower on the same terms as the Issuer Subordinate Note, as stated therein and in the Subordinate Loan Agreement.

Whenever an Event of Default under the Subordinate Loan Agreement shall have occurred and, as a result thereof, the principal of and any premium on this Note and the Issuer Subordinate Note then outstanding, and interest accrued thereon, shall have been declared to be immediately due and payable pursuant to Section 8.02 of the Subordinate Loan Agreement, the unpaid principal amount of and any premium and accrued interest on this Note shall also be due and payable in lawful currency of the United States and in immediately available funds on the date on which the principal of and premium and interest thereon shall have been declared due and payable; provided that the annulment of a declaration of acceleration with respect to the Issuer Subordinate Note shall also constitute an annulment of any corresponding declaration with respect to this Note.

The payment obligations of this Note are non-recourse obligations of the Borrower. No member, partner, officer, director or employee of the Borrower shall have any personal liability for the repayment of the Subordinate Loan. Except as provided in the immediate preceding sentence, the Issuer's sole recourse shall be to realize against the collateral described in the Subordinate Loan Agreement.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed and delivered on its behalf on the date first written above.

POMPANO BEACH LEASED HOUSING ASSOCIATES II, LLLP, a Minnesota limited liability limited partnership

By: Pompano Beach Leased Housing Associates II, LLC, a Minnesota limited liability company, its general partner

By: _____
Mark G. Sween
Vice President

[Signature page to Borrower Subordinate Promissory Note – Regency Gardens Apartments]

EXHIBIT "I"
FORM OF
ASSIGNMENT OF SUBORDINATE MORTGAGE
[ATTACHED]

PREPARED BY AND
WHEN RECORDED MAIL TO:

Junious D. Brown III, Esq.
Nabors, Giblin & Nickerson, P.A.
1500 Mahan Drive, Suite 200
Tallahassee, Florida 32308

**ASSIGNMENT OF SUBORDINATE MORTGAGE
AND LOAN DOCUMENTS**

KNOW ALL PERSONS BY THESE PRESENTS:

The **HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA**, a public body, corporate and politic duly organized and existing under the laws of the State of Florida (“**Assignor**”), pursuant to that certain Subordinate Loan Agreement dated as of June, 1, 2019 (the “**Subordinate Loan Agreement**”), between Assignor and **POMPANO BEACH LEASED HOUSING ASSOCIATES II, LLLP**, a Minnesota limited liability limited partnership (“**Borrower**”), for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does by these presents assign, without recourse, to **REGENCY GARDENS APARTMENTS, LTD.**, a Florida limited partnership, as Assignee (“**Assignee**”) all of Assignor's right, title and interest in and to, subject to the Unassigned Rights of the Issuer (as defined in the Subordinate Loan Agreement), the instruments described on Schedule 1 attached hereto (“**Assigned Instruments**”).

TOGETHER with the Note described in the Assigned Instruments, and the money due and to become due thereon, with the interest thereon, TO HAVE AND TO HOLD the same unto the said Assignee forever, subject only to all the provisions contained therein, AND the said Assignor hereby constitutes and appoints the Assignee as the Assignor's true and lawful attorney, irrevocable in law or in equity, in the Assignor's name, place and stead, but at Assignee's cost and expense, to have, use and take all lawful ways and means for the recovery of all of the said money and interest; and in case of payment, to discharge the same as fully as the Assignor might or could if these presents were not made.

Overriding Limitations. In no event shall Assignor:

(i) prosecute its action to a lien on the Project, as defined in the Subordinate Loan Agreement; or

(ii) take any action which may have the effect, directly or indirectly, of impairing the ability of Borrower to timely pay the principal of, interest on, or other amounts due under, the Borrower Loan or of causing Borrower to file a petition seeking reorganization, arrangement, adjustment or composition of or in respect of Borrower under any applicable liquidation, insolvency, bankruptcy, rehabilitation, composition, reorganization, conservation or other similar law in effect now or in the future; or

(iii) interfere with the exercise by Assignee of any of its rights under the Borrower Loan Documents upon the occurrence of an event of default by Borrower under the Borrower Loan Documents; or

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

Definitions. All capitalized terms that are used and are not defined herein shall have the respective meanings ascribed to them in the Subordinate Loan Agreement. In all references herein to any parties, persons, entities or corporations the use of any particular gender on the plural or singular number is intended to include the appropriate gender or number as the text of the within instrument may require.

Dated as of the _____ day of June, 2019 (the foregoing date is for reference purposes only and this Assignment shall not be effective until the date of issuance and delivery of the Note).

[Signature page to follow]

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Assignment of Subordinate Mortgage and Loan Documents or caused this Assignment of Subordinate Mortgage and Loan Documents to be duly executed and delivered by its authorized representative as of the date first set forth above.

ASSIGNOR:

HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA

By: _____
Milette Manos, Chair

ACKNOWLEDGEMENT

STATE OF FLORIDA)
) ss:
COUNTY OF BROWARD)

I hereby certify that on this day before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally appeared MILETTE MANOS, personally known to me or producing _____ as identification, who executed the foregoing instrument as Chair of the Housing Finance Authority of Broward County, Florida.

Witness my hand and official seal in the County and State, last aforesaid this ____ day of _____, 2019.

[Seal]

NOTARY PUBLIC; STATE OF FLORIDA
Printed Name: _____
Commission No. _____
My Commission Expires: _____

**SCHEDULE 1
TO
ASSIGNMENT OF MORTGAGE AND LOAN DOCUMENTS**

ASSIGNEE:

Regency Gardens Apartments, Ltd.

ASSIGNED INSTRUMENTS:

1. The Borrower Subordinate Promissory Note, dated as of the date hereof, from Pompano Beach Leased Housing Associates II, LLLP (the "Borrower") to Housing Finance Authority of Broward County, Florida (the "Authority").
2. The Subordinate Multifamily Mortgage, Security Agreement, Fixture Financing Statement and Assignment of Leases and Rents, dated as of the date hereof, executed by Borrower for the benefit of the Authority securing the principal amount of up to \$_____, which is being recorded immediately prior hereto in the Clerk's Office of Broward County, Florida, and encumbers the real property (and improvements thereon) that is more particularly described on **Exhibit A** thereto.
3. The Subordinate Loan Agreement, dated as of the date hereof, between the Authority and the Borrower.

EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT “J”

2019 SERIES A-1 TERM SHEET

[ATTACHED]

**EXHIBIT A
TERM SHEET****CITI Loan Program
Freddie Mac Tax Exempt Loan Program****Regency Gardens Apartments****May 7, 2019 (Updated from April 18, 2019 and March 25, 2019)**

NOTE: This Term Sheet constitutes a brief summary of certain, but not all transaction terms and conditions for discussion purposes only. The summary that follows is subject to credit approval and does not constitute an offer or commitment.

In connection with this Term Sheet, CITI will be acting solely as a principal and not as your agent, advisor or fiduciary. CITI has not assumed a fiduciary responsibility with respect to this Term Sheet, and nothing in this transaction or in any prior relationship between you and CITI will be deemed to create an advisory, fiduciary or agency relationship between us in respect of this Term Sheet. You should consider carefully whether you would like to engage an independent advisor to represent or otherwise advise you in connection with this Term Sheet, if you have not already done so.

The Borrower understands that CITI intends to sell the permanent loan for which Borrower is applying (the “Loan”), if it is made, to Freddie Mac. If Freddie Mac purchases the Loan, the Borrower's signature on a Preliminary Application to CITI dated March 25, 2019, will constitute the Borrower's authorization for Freddie Mac to use and disclose publicly, at Freddie Mac's discretion, the name of the Property, photographs of the Property, and basic property information (for example, the number of units in the Property, the loan amount, etc.) securing the Loan.

This Term Sheet is an integral part of, and establishes terms, conditions and requirements of, the Preliminary Application dated March 25, 2019 to which it is annexed.

PRELIMINARY LOAN TERMS**Transaction****Summary:**

CITIBANK, N.A. (“CITI”) proposes to arrange a tax exempt moderate rehab/permanent loan to the Broward County Housing Finance Authority (the “Governmental Lender”). The proceeds of the Loan to Governmental Lender shall fund a moderate rehabilitation/permanent mortgage loan (the “Tax-exempt Loan”) by Governmental Lender to the Borrower for the Property described below. Upon satisfaction of all conditions and requirements including credit approval, the loan will be purchased by Freddie Mac under the Freddie Mac Tax Exempt Loan Purchase Program - Moderate Rehabilitation Execution (the “Program”). The transaction will be documented in accordance with Freddie Mac's Tax Exempt Loan Program.

Since the Property is stabilized and since the Borrower's rehabilitation plan (“Rehab”) contemplates no tenant displacement and therefore no loss of rental income, it is CITI's intent, subject to Freddie Mac approval, to underwrite the Loan as an immediate funding.

During the Rehab period, which is projected to be no more than 18 months, CITI will process and monitor Rehab draws in compliance with CITI and Freddie Mac requirements.

Property:

The acquisition and rehabilitation of an existing multifamily project containing 94 units located in Pompano Beach, FL. The property is commonly referred to as “Regency Gardens Apartments” (the “Property”).

- Set-Asides:** 84% of the units are reserved for individuals or families whose income is no greater than 60% of Area Median Income (“AMI”). 16% of the units are reserved for individuals or families whose income is no greater than 25% of AMI.
- Applicant:** Dominionium.
- Borrower:** Pompano Beach Leased Housing Associates II, LLLP. Borrower entity, its constituent entities and its operating agreement must be acceptable to CITI and Freddie Mac in all respects.
- LIHTC Investor/
Syndicator:** Alliant, the Low Income Housing Tax Credit (“LIHTC”) Investor / Syndicator, the upper tier investor(s) and the terms and conditions of the partnership agreement must be acceptable to CITI and Freddie Mac in all respects including, particularly, the timing and conditions to funding capital contributions.
- Guarantor(s):** Dominionium Holdings I, LLC and Dominionium Holdings II, LLC. The Guarantor(s)’ financial condition(s) must be acceptable to CITI and Freddie Mac in all respects.
- Subordinate Debt:** The sources of subordinate debt and the subordinate loan documents must be acceptable to CITI and Freddie Mac in all respects. All subordinate debt must fund prior to Loan funding unless CITI approves other arrangements. Subordinate Debt will be subject to CITI’s and Freddie Mac’s Subordination Agreement, which in addition to other provisions, requires that Subordinate Debt only be paid from 75% of available cash flow. CITI understands that there will be a third-party equity bridge loan in an amount of approximately \$3.1 million
- Loan Security:** First lien on land and any improvements, UCC filings for fixtures; assignment of all leases and rents; and, a first priority collateral assignment of all contracts, management agreements, and other agreements and all permits relating to the Property. Ground leases, if applicable, must be subordinate to CITI’s and Freddie Mac’s lien positions unless the fee is owned by a government agency to ensure long-term affordability. All income and rent restrictions will be subordinate to the CITI and Freddie security instruments.
- Rehab Period
Guarantees:** During the Rehab Period, the Guarantors will provide a 100% Completion Guaranty and will sign an Environmental Indemnity.
- Guarantees,
Permanent Phase:** After Rehab has been completed on a lien free basis acceptable to CITI and Freddie Mac, the Loan will be non-recourse with the exception of Freddie Mac standard carve outs (“Carve Outs”). Carve Outs include guarantees against fraud, misrepresentation, bankruptcy and environmental issues. Carve Outs to be guaranteed by Dominionium Holdings II, LLC only.
- Environmental
Indemnity:** Borrower and Guarantor(s) will be liable for CITI’s and Freddie’s standard environmental indemnities. Dominionium Holdings II, LLC will provide the Environmental Indemnity during the Permanent Phase.
- Closing:** Closing is subject to full satisfaction of CITI’s and Freddie Mac’s standard due diligence, underwriting and credit approval processes, and the execution and delivery of all

required loan documents, delivery of opinions, payment of fees and other customary requirements.

Closing Date (est.): June 2019

Loan Amount: An amount currently estimated to be \$7,700,000.

The final Loan Amount at closing will be based on “AS-IS” income and expenses and actual 2019 maximum LIHTC rents. The final Loan Amount at closing shall not exceed \$9,000,000.

Term/Amortization: The Term will be 16 years. The amortization period will be 35 years.

Interest Only Period: 12 months

Day Count Basis: Act/360.

**Prepayment and
Yield Maintenance
Period:**

There will be a 10 year Lockout, followed by Yield Maintenance until six months prior to maturity. The Loan is pre-payable with a 1% penalty starting six months before maturity. The Loan is open to pre-payment at par during the last 90 days of the Term.

Rehab Period: Up to 18 months.

**Permanent Phase
Interest Rate:**

Fixed rate equal to 5.00%. The rate includes servicing fees but does not include Governmental Lender, Fiscal Agent, or miscellaneous third party fees. Pricing is based on current market conditions and is subject to change. Freddie Mac has set a US Treasury Floor equal to 2.36%; 0.25% below the US Treasury Rate on the Freddie Mac Quote Date.

**Minimum
Debt Service Coverage:** 1.15 to 1.00.

**Maximum
Loan-to-Value:** 90%.

Interest Reserve: The Interest Reserve must be appropriately sized and acceptable to CITI in all respects. CITI acknowledges that the Property is cash flowing and as such it is anticipated that there will be sufficient cash flow to service debt during the Rehab Period without having to create an up-front Interest Reserve.

**Budget and
Contingencies:**

The budget for the Rehabilitation Period, including all budget line items, is subject to CITI approval. The budget shall include a hard cost contingency of no less than 5% of budgeted hard costs for new construction projects and no less than 10% of budgeted hard costs for rehabilitation projects. The budget shall include a soft cost contingency of no less than 5% of budgeted soft costs, excluding 1) soft costs incurred prior to or in connection with closing; 2) interest reserve and bank fees; 3) capitalized operating reserve deposits and other costs that may be due in connection with Conversion for which specific sources are identified; and 4) developer fees.

General Contractor: The general contractor and the construction contract must be acceptable to CITI and Freddie Mac.

- Availability:** The loan shall remain “in balance” during the Rehab Period. “In balance” means the incremental funds available from LIHTC proceeds, plus loan proceeds (including Subordinate Debt) and Borrower’s equity (if required) are sufficient to complete the Rehab and achieve stabilized operations.
- Retainage:** Construction contract will provide for a minimum retainage of 10% of each construction pay application until “substantial completion” (as defined in the Loan documents), unless other arrangements have been approved by CITI. Subject to CITI risk review, retainage percentage amounts can be revised, but only down to a minimum of 10% until 50% completion and then 0% retention withheld thereafter. No release of retainage is permitted for achieving 50% completion. All retained amounts will be released upon final, lien-free completion of construction, as approved by CITI.
- Rehabilitation Escrow:** At Closing, establishment of a Rehabilitation Escrow with the Fiscal Agent will be required; the terms of which shall be approved by Freddie Mac in its sole discretion.
- Repair Escrow/
Immediate Physical
Needs:** To the extent that there are any Immediate Physical Needs/punch lists items remaining at the end of Rehab, CITI and Freddie Mac will require that the Borrower escrow 125% of the estimated cost to complete the work.
- Replacement Reserve:** Borrower will be required to fund a Replacement Reserve for each of the first ten years in a minimum amount of \$300/unit/year for new construction projects or, for renovation projects, in an amount determined by a Physical Needs Assessment acceptable to CITI and Freddie Mac, but in a minimum amount of \$300/unit/year. For each successive ten year period thereafter until Permanent Loan maturity, the Replacement Reserve level will be determined by a new Physical Needs Assessment acceptable to CITI and Freddie Mac.
- Operating Deficit
Reserve:** As required by the LIHTC investor, CITI and Freddie Mac. It is anticipated that the Operating Deficit Reserve (“ODR”) is equal to three (3) months of debt service and three (3) months of operating expenses. The ODR will be held by CITI.
- Taxes and Insurance:** Beginning at Closing, Real estate taxes and insurance premiums must be escrowed with the Loan servicer (the “Servicer”) on a monthly prorated basis in an amount sufficient to enable the Servicer to pay (at least 30 days before due) all taxes, assessments, insurance premiums or other similar charges affecting the Property.
- Assumability:** Subject to CITI’s / Freddie Mac’s prior written approval and payment of an Assumption Fee of 1.00% of the unpaid principal balance of the Loan. Each request for approval must be accompanied by a \$15,000 non-refundable Review Fee. Notwithstanding the foregoing, no consent or assumption fee will be required in connection with the sale of tax credits (provided, however, Borrower shall provide the Review Fee).
- Loan Sale:** CITI reserves the right to sell the Loan in whole or in part.

OTHER

Appraisal, Environmental, Physical Needs Assessment, Plan/Cost Reviews:

Appraisal, Environmental and Physical Needs Assessment/Plan & Cost Review reports will be commissioned and reviewed by CITI. Appraisal, environmental condition and Physical Needs Assessment/Plan & Cost reviews must be acceptable to CITI and Freddie Mac in all respects.

Property Tax Abatements, Incentives:

All documentation related to any tax abatement or tax incentives must be acceptable to CITI and Freddie Mac in all respects.

The Loan Amount (as defined in this Term Sheet) is contingent, among other things, on the Borrower applying for and receiving a real estate tax exemption under Florida Statute 196.1978, the “Affordable housing property exemption.”

Developer Fee:

Any developer fee shall be pre-approved by CITI and Freddie Mac in their sole discretion.

Special Conditions:

These terms are subject to pre-screen approval, final underwriting, and passing the Freddie Mac Refinance Test. The borrower will need to be approved at pre-screen. Furthermore, this quote assumes 100% of the property’s units being LIHTC.

FEES & EXPENSES

Application Fee:

\$25,000, which amount shall be non-refundable (except as set forth in the “Exclusivity” section of the Loan Application, if applicable) and due and payable upon acceptance of a Loan Application. This fee is applicable toward third party reports, loan underwriting and processing (in the minimum amount of \$5,000), and CITI’s initial legal fees. Applicant is responsible for the payment of all reasonable costs incurred in connection with the underwriting, processing and/or closing of the Loan (including CITI legal fees), which may exceed the amount of the deposit.

Commitment Fee:

A non-refundable Commitment Fee equal to 1.00% of the Loan (the “Origination Fee”) shall be earned in full by CITI upon the issuance of a commitment that materially conforms to the terms and conditions set forth in this application or alternatively, the acceptance by the Borrower of a commitment regarding the financing of the Property. The Origination Fee is payable at Closing.

Freddie Mac Application Fee:

A Freddie Mac Application Fee equal to 0.07% of the Loan amount is payable to CITI by the Borrower upon execution and delivery of the Preliminary Application and Term Sheet.

Rate Lock Deposit:

Prior to locking in the Interest Rate, a deposit equal to 2.00% of the Loan amount (the “Rate Lock Deposit”) shall be received by CITI. Upon Closing in accordance with the Rate Lock Agreement, the Rate Lock Deposit will be returned to Borrower.

CITI Legal Fees:

It is estimated that the fees of CITI’s and Freddie Mac’s counsel for the closing is \$60,000. A portion of the Application Deposit will be applied to initial CITI and Freddie Mac counsel fees. Applicant agrees that it shall be responsible for the payment of all legal fees incurred whether or not the Commitment is issued or the transaction closes.

Course of Construction Inspections:

TBD

*Term Sheet – CITI – Freddie Mac Tax Exempt Loan Program
Regency Gardens (Pompano Beach, FL)
May 7, 2019
Page 6*

Other Costs: Applicant is responsible for costs of survey, title insurance policy, hazard insurance policy, tax escrow fee and all other normal and customary loan closing expenses.

**Term Sheet
Expiration Date:** Fifteen (15) days after the date hereof, unless attached to a Preliminary Application letter.

This Term Sheet is an indication of our proposal to finance the Property. It is understood and agreed that this Term Sheet does not, in any manner, constitute a commitment to lend. The financing documents evidencing the Tax-exempt Loan will be in separate documents and will contain terms and conditions that may be in addition to or in substitution of those set forth in this Term Sheet.

Any terms set forth herein are intended for discussion purposes only and are subject to the final terms as set forth in separate definitive written agreements. This Term Sheet is not a commitment to lend, syndicate a financing, underwrite or purchase securities, or commit capital nor does it obligate us to enter into such a commitment, nor are we acting as a fiduciary to you. By accepting this presentation, subject to applicable law or regulation, you agree to keep confidential the existence of and proposed terms for any transaction contemplated hereby (a “Transaction”). The provision of information in this Term Sheet is not based on your individual circumstances and should not be relied upon as an assessment of suitability for you of a particular product or transaction. Even if CITI possesses information as to your objectives in relation to any transaction, series of transactions or trading strategy, this will not be deemed sufficient for any assessment of suitability for you of any transaction, series of transactions or trading strategy.

This Term Sheet is provided for information purposes and is intended for your use only. Except in those jurisdictions where it is impermissible to make such a statement, CITI hereby informs you that this Term Sheet should not be considered as a solicitation or offer to sell or purchase any securities or other financial products. This Term Sheet does not constitute investment advice and does not purport to identify all risks or material considerations which should be considered when undertaking a transaction. CITI makes no recommendation as to the suitability of any of the products or transactions mentioned. Any trading or investment decisions you take are in reliance on your own analysis and judgment and/or that of your advisors and not in reliance on us.

CITI often acts as (i) a market maker; (ii) an issuer of financial instruments and other products; and (iii) trades as principal in many different financial instruments and other products, and can be expected to perform or seek to perform investment banking and other services for the issuer of such financial instruments or other products. The author of this Term Sheet may have discussed the information contained herein with others within or outside CITI and the author and/or such other Citi personnel may have already acted on the basis of this information (including by trading for CITI's proprietary accounts or communicating the information contained herein to other customers of CITI). CITI, CITI's personnel (including those with whom the author may have consulted in the preparation of this Term Sheet), and other customers of CITI may be long or short the financial instruments or other products referred to in this Term Sheet, may have acquired such positions at prices and market conditions that are no longer available, and may have interests different from or adverse to your interests.

CITI is required to obtain, verify and record certain information that identifies each entity that enters into a formal business relationship with CITI. CITI will ask for your complete name, street address, and taxpayer ID number. CITI may also request corporate formation documents, or other forms of identification, to verify information provided.

Although Citibank, N.A. (together with its subsidiaries and branches worldwide, "Citibank") is an affiliate of CITI, you should be aware that none of the financial instruments or other products mentioned in this term sheet (unless expressly stated otherwise) are (i) insured by the Federal Deposit Insurance Corporation or any other governmental authority, or (ii) deposits or other obligations of, or guaranteed by, Citibank or any other insured depository institution.

IRS Circular 230 Disclosure: CITI and its employees are not in the business of providing, and do not provide, tax or legal advice to any taxpayer outside of CITI. Any statements in this term sheet regarding tax matters were not intended or written to be used, and cannot be used or relied upon, by any taxpayer for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

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EXHIBIT “K”

2019 SERIES A-2 TERM SHEET

[ATTACHED]



May 7th, 2019

Mr. Mark Sween
Pompano Beach Leased Housing Associates II, LLLP
2905 Northwest Blvd, Suite 150
Plymouth, MN 55441

RE: Seller Note Financing for Regency Gardens Apartments

Dear Mr. Sween,

Based on information you have provided, Regency Gardens Apartments, LTD is pleased to provide you this financing proposal subject to the following terms and conditions:

Property Data:

Project:	Regency Gardens
Address:	1525 Northwest 17 th Avenue
Location:	Pompano Beach, FL 33069
Number of Units:	94
Borrower:	Pompano Beach Leased Housing Associates II, LLLP
Lender:	Regency Gardens Apartments, LTD

Proposed Loan Terms:

Loan Amount:	Currently \$2,900,000; the final Loan Amount at closing will be based on "As-Is" income and expense and actual 2019 maximum LIHTC rents in an amount not to exceed \$3,500,000.00
Loan Structure:	Tax-Exempt Seller Note payable through cash flow
Interest Rate:	2.91% compounding annually
Loan Term	35 Years

We look forward to working with you on the financing of Regency Gardens

Sincerely,

REGENCY GARDENS APARTMENTS, LTD

By:

Name:

Its:


Mark Moorhouse

Senior Vice President

Accepted by:

Printed Name:

Date:


Paul Sween

5/7/19