

SERIES A PROJECT NOTE

[\$20,500,000]

_____, 2017

FOR VALUE RECEIVED, BRADENTON LEASED HOUSING ASSOCIATES III, LLLP, a Minnesota limited liability limited partnership (the “**Borrower**”), promises to pay to HOUSING FINANCE AUTHORITY OF MANATEE COUNTY (FLORIDA), a public body corporate and politic, duly created, organized and existing under the laws of the State of Florida (together with its successors and assigns, the “**Governmental Lender**”; the Governmental Lender and each subsequent transferee and/or owner of this Note whether taken by endorsement or otherwise, being successively called the “**Holder**”), or order, at such place as may be designated in writing by the holder of this Note, the principal sum of [Twenty Million Five Hundred Thousand Dollars (\$20,500,000)], or so much thereof as may be advanced pursuant to the Project Loan Agreement and outstanding, which sum shall be payable in lawful money of the United States of America, together with interest on the unpaid Principal Balance computed from the date of each advance until paid, calculated in the manner hereinafter set forth, and paid in the manner hereinafter set forth, as follows:

A. Interest on the Principal Balance calculated at the Applicable Rate through the last of the prior month shall be due and payable on each Payment Date by 11:00 a.m. prevailing Eastern time, commencing on _____ 5, 2017 and continuing on each Payment Date during the term of this Note until the Principal Balance shall be paid in full.

B. The entire Principal Balance, together with all interest accrued and unpaid thereon and all other sums due under this Note shall be due and payable on the earlier of Maturity Date or the date the Governmental Note becomes due, whether at maturity or by acceleration.

C. Unless otherwise agreed to, in writing, or otherwise required by applicable law, payments shall be applied first to accrued, unpaid interest, then to principal, and any remaining amount to any unpaid collection costs, late charges and other charges, provided, however, upon delinquency or other default, the Holder reserves the right to apply payments among principal, interest, late charges, collection costs and other charges at its sole discretion. Any prepayments shall be applied to the indebtedness owing hereunder in such order and manner as the Holder from time to time determines in its sole discretion. The amount of the Principal Balance of this Note outstanding from time to time as shown on the records of the Holder shall be conclusive absent manifest error as to such amount.

D. Interest calculation under this Note shall be on the basis of a 360-day year, counting the actual number of days elapsed. If any payment under this Note is due and payable on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day. All payments of principal and interest under this Note shall be made without deduction of any present or future taxes, levies, imposts, duties, fees, assessments, withholdings or other charges, which amounts shall be paid by the Borrower, and without any other setoff or counterclaim of any kind.

**THIS NOTE AND THE MORTGAGE SECURING THIS NOTE ARISE OUT OF OR ARE GIVEN TO SECURE
THE REPAYMENT OF A LOAN ISSUED IN CONNECTION WITH THE FINANCING OF HOUSING
AND ARE EXEMPT FROM DOCUMENTARY STAMP TAX AND INTANGIBLE TAX
PURSUANT TO SECTION 159.621, FLORIDA STATUTES.**

1. Definitions. The following terms as used in this Note shall have the following meanings:

The term “**Adjusted LIBO Rate**” means an interest rate per annum (rounded upwards, if necessary, to the next one-sixteenth of one percent) equal to (i) the LIBO Rate for a one month interest period multiplied by (ii) the Statutory Reserve Rate.

The term “**Adjusted One Month LIBO Rate**” means an interest rate per annum equal to the sum of (i) 2.5% per annum plus (ii) the Adjusted LIBO Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day); provided, that, for the avoidance of doubt, the Adjusted LIBO Rate for any day shall be based on the LIBO Screen Rate at approximately 11:00 a.m. London time on such day; provided, further, that if the LIBO Screen Rate at such time shall be less than zero, such rate shall be deemed to be zero for purposes of this Note.

The term “**Applicable Rate**” means the applicable rate of interest payable by the Borrower under Section 4 of this Note.

The term “**Borrowing**” means a portion or portions of the Project Loan, of the same Type, made, converted or continued on the same date and in the case of Eurodollar Borrowings, as to which a single Interest Period is in effect.

The term “**Business Day**” means any day that is not (i) a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed, and (ii) when used in connection with the LIBO Rate, the term “Business Day” shall also exclude any day on which banks are not open for dealings in U.S. Dollar deposits in the London interbank market.

The term “**CB Floating Rate**” means a per annum rate equal to the Prime Rate; provided, that the CB Floating Rate shall never be less than the Adjusted One Month LIBO Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day). Any change in the CB Floating Rate due to a change in the Prime Rate or the Adjusted One Month LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate or the Adjusted One Month LIBO Rate, respectively.

The term “**CBFR**” when used in reference to the Project Loan or Borrowing, refers to whether such Project Loan, or the loan comprising such Borrowing, are bearing interest at a rate determined by reference to the CB Floating Rate.

The term “**Change in Law**” means the occurrence after the date of this Note, of any of the following: (i) the adoption or taking effect of any law, rule, regulation or treaty, (ii) any change in any law, rule, regulation or treaty or in the interpretation or application thereof by any Governmental Authority after the date of this Note, or (iii) compliance by the Holder or Funding Lender (or for purposes of Section 6, by any applicable lending office of the Holder or Funding Lender’s holding company) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Note; provided, however, that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines or directives thereunder or issued in connection therewith shall be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued, and (y) all requests, rules, guidelines or directives promulgated by the Funding Lender for

International Settlements, Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed a “Change in Law” regardless of the date enacted, adopted, issued or implemented.

The term “**Collateral**” has the meaning given to such term in Section 12 of this Note.

The term “**Conditions to Conversion**” has the meaning ascribed to such term in the Construction Phase Financing Agreement.

The term “**Construction Disbursement Agreement**” means the Construction Disbursement Agreement dated as of _____ 1, 2017 by and between the Borrower and the Funding Lender, as may be modified, amended or supplemented from time to time.

The term “**Construction Lender Documents**” means the Construction Phase Financing Agreement, the Construction Disbursement Agreement, and all other documents to be executed and delivered by the Borrower to the Funding Lender in connection with the Project.

The term “**Construction Phase**” means the construction phase of the Project Loan, which period shall commence on the Closing Date and shall remain in effect to, but not including the Conversion Date.

The term “**Construction Phase Financing Agreement**” means the Construction Phase Financing Agreement dated as of _____ 1, 2017 by and among the Funding Lender, Freddie Mac and the Freddie Mac Seller/Servicer and acknowledged and agreed to by the Borrower.

The term “**Conversion Date**” means the date the Freddie Mac Seller/Servicer purchases the Series A Governmental Note from the Funding Lender.

The term “**Debt**” means all principal, interest, additional interest and other sums of any nature whatsoever which may or shall become due to the Holder in connection with the Project Loan in accordance with the provisions of this Note, the Project Loan Agreement, the Series A Security Instrument or the other Project Loan Documents.

The term “**Determination of Taxability**” has the meaning given to such term in the Funding Loan Agreement.

The term “**Eurodollar**” when used in reference to any Borrowing (other than a CBFRR Borrowing), refers to whether such Borrowing is bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

The term “**Event of Default**” means any default or events of default described in Section 16 of this Note.

The term “**Extension Conditions**” means (i) no Event of Default has occurred and is continuing, (ii) Borrower is in compliance with the terms of this Note, the Series A Security Instrument and the other Financing Documents, (iii) rehabilitation of the Improvements is substantially complete as evidenced by receipt of a certificate of substantial completion from the

Borrower's architect, (iv) sufficient funds remain in the budget interest line item, funds already deposited with the Funding Lender on or before the commencement of the extension period and/or the projected net operating income for the extension period (determined by the Funding Lender by using the most recent 3 months) are sufficient to pay estimated interest during the entire extension period at the rate(s) in effect at the time of calculation plus 0.25%, (v) all equity contributions due and payable pursuant to the terms of the Borrower's Governing Agreement (as defined in the Construction Disbursement Agreement), as of the date the extension had been funded, (vi) the Freddie Mac Commitment and Jones Long LaSalle Commitment are and shall remain in full force and effect, and (vii) Borrower shall have paid the Funding Lender a fee equal to one-quarter of one percent (.25%) of the then current committed amount of the Project Loan, which fee must be received by the Funding Lender along with written notice of Borrower's request for extension at least thirty (30), but not more than ninety (90) days prior to the initial Maturity Date.

The term "**Financing Documents**" has the meaning given to such term in the Funding Loan Agreement.

The term "**Fiscal Agent**" means U.S. Bank National Association, a national banking association.

The term "**Freddie Mac**" means the Federal Home Loan Mortgage Corporation, a share-holder owned government-sponsored enterprise organized and existing under the laws of the United States of America, its successors and assigns.

The term "**Freddie Mac Commitment**" means the commitment from Freddie Mac to the Freddie Mac Seller/Servicer pursuant to which Freddie Mac has agreed to purchase the Series A Governmental Note following the Conversion Date, subject to the terms and conditions set forth therein, as such commitment may be amended, modified or supplemented from time to time.

The term "**Freddie Mac Seller/Servicer**" means Jones Long LaSalle Multifamily, LLC as Freddie Mac seller/servicer under the Freddie Mac Commitment, or any of its successors or assigns under the Freddie Mac Commitment.

The term "**Funding Lender**" means JPMorgan Chase Bank, N.A., a national banking association as initial holder of the Series A Governmental Note, together with its successors and assigns.

The term "**Funding Loan**" means the loan in the maximum aggregate principal amount of Twenty-three Million Five Hundred Thousand Dollars (\$23,500,000) made by the Funding Lender to the Governmental Lender pursuant to the Funding Loan Agreement.

The term "**Funding Loan Agreement**" means the Funding Loan Agreement dated as of _____ 1, 2017 by and among the Funding Lender, the Governmental Lender and the Fiscal Agent as may be modified, amended or supplemented from time to time.

The term "**Governmental Authority**" means the Government of the United States of America, any other nation or any other political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

The term “**Interest Period**” means with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one month thereafter, provided that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, and (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of the Borrowing initially shall be the date on which such Borrowing is made and, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

The term “**Interpolated Rate**” means, at any time, for any interest period, the rate per annum (rounded to the same number of decimal places as the LIBO Screen Rate) determined by the Lender (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (i) the LIBO Screen Rate for the longest period (for which the LIBO Screen Rate is available) that is shorter than the Impacted Interest Period and (ii) the LIBO Screen Rate for the shortest period (for which the LIBO Screen Rate is available) that exceeds the Impacted Interest Period, in each case, at such time.

The term “**Jones Long LaSalle Commitment**” means the commitment from the Freddie Mac Seller/Service to the Borrower pursuant to which Jones Long LaSalle Multifamily, LLC has agreed to purchase the Series A Governmental Note following the Conversion Date and sell the same to Freddie Mac, subject to the terms and conditions set forth therein, as such commitment may be amended, modified or supplemented from time to time.

The term “**Liabilities**” has the meaning given to such term in Section 13 of this Note.

The term “**LIBO Rate**” means the London interbank offered rate administered by the ICE Benchmark Administration (or any other Person that takes over the administration of such rate for U.S. Dollars) for a one month period as displayed on pages LIBOR01 or LIBOR02 of the Reuters Screen or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate as shall be selected by the Lender from time to time in its reasonable discretion (in each case, the “**LIBO Screen Rate**” at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such interest period; provided, that, if any LIBO Screen Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Note and provided, further, if the LIBO Screen Rate shall not be available at such time for such interest period (an “**Impacted Interest Period**”), then the LIBO Rate shall be the Interpolated Rate, provided, that, if any Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Note.

The term “**Maturity Date**” means _____, 2019 [24 months] provided, however, (i) if the Extension Conditions have been satisfied, the term “**Maturity Date**” shall mean _____, 20__ [additional six months], and (ii) if the Conditions to Conversion have been satisfied, the term “**Maturity Date**” shall mean _____, 20__.

The term “**Mortgaged Property**” has the meaning given such term in the Series A Security Instrument.

The term “**Note**” means this Series A Project Note, as may be modified, amended or supplemented from time to time.

The term “**Payment Date**” means the fifth (5th) day of each month.

The term “**Prime Rate**” means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate in effect at its office at 270 Park Avenue, New York, New York; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective. The Prime Rate is a reference rate and is not necessarily the lowest rate.

The term “**Principal Balance**” means the outstanding principal balance of this Note from time to time.

The term “**Project Loan**” means the loan evidenced by this Note, advanced pursuant to the terms of the Project Loan Agreement and Construction Disbursement Agreement and secured by the Series A Security Instrument and other Project Loan Documents.

The term “**Project Loan Agreement**” means the Project Loan Agreement dated as of _____ 1, 2017 among the Borrower, the Governmental Lender and the Fiscal Agent, as amended, supplemented or restated from time to time.

The term “**Project Loan Documents**” has the meaning given to such term in the Project Loan Agreement.

The term “**Series A Governmental Note**” means the Housing Finance Authority of Manatee County, Florida Multifamily Housing Revenue Note (River Trace Projects) Series 2017A dated as of the date hereof in the principal amount of \$20,500,000, evidencing a portion of the Funding Loan executed by the Governmental Lender and authenticated by the Fiscal Agent in favor of the Funding Lender, as the same may be amended, restated, supplemented or otherwise modified from time to time or any note executed in substitution therefor, such substituted note may be amended, restated, supplemented or otherwise modified from time to time.

The term “**Series A Security Instrument**” means the Mortgage, Security Agreement and Assignment of Rents, Leases and Profits dated as of _____ 1, 2017 from the Borrower to the Governmental Lender and its assigns, and any and all modifications, amendments, extensions, renewals, restatements, consolidations, replacements and increases thereof.

The term “**Statutory Reserve Rate**” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board of Governors of the Federal Reserve System to which the Funding Lender is subject, with respect to the Adjusted LIBO Rate, for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Borrowings shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without the benefit of credit for proration, exemption or offsets that may be available from time to time under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

The term “**Taxable CBFR Rate**” means with respect to the relevant Interest Period, a rate per annum equal to the CB Floating Rate minus ____% for each CBFR Borrowing.

The term “**Taxable Eurodollar Rate**” means with respect to the relevant Interest Period, a rate per annum equal to the applicable Adjusted LIBO Rate plus 2.25% for each Eurodollar Borrowing.

The term “**Tax Exempt CBFR Rate**” means with respect to the relevant Interest Period, a rate per annum equal to the applicable CB Floating Rate minus ____% for each CBFR Borrowing.

The term “**Tax Exempt Eurodollar Rate**” means with respect to the relevant Interest Period, a rate per annum equal to the applicable Adjusted LIBO Rate plus 1.85% for each Eurodollar Borrowing.

The term “**Type**” when used in reference to any Borrowing, refers to whether the rate of interest on such Borrowing is determined by reference to the Tax Exempt Eurodollar Rate, the Taxable Eurodollar Rate or the CBFR.

2. Borrowings.

(a) The initial Borrowing shall be a Eurodollar Borrowing.

(b) Each Borrowing subsequent to the initial Borrowing, (i) if at the end of the Interest Period applicable to the previous Eurodollar Borrowing(s), shall be a Eurodollar Borrowing, and (ii) if not at the end of the Interest Period applicable to the previous Eurodollar Borrowing(s), shall be a CBFR Borrowing.

(c) Any CBFR Borrowing shall be converted to a Eurodollar Borrowing having a one month Interest Period upon the commencement of the next one month Interest Period next succeeding any such CBFR Borrowing.

(d) Unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be renewed as a Eurodollar Borrowing having the same Interest Period as the Eurodollar Borrowing the Interest Period of which has just expired (unless such renewal would result in an Interest Period extending after the maturity date of this Note, in which case such Borrowing shall be converted to a CBFRR Borrowing).

3. Prepayment of Project Loan. The Borrower may, upon 30 days prior written notice to the Holder and the Funding Lender, pay the full amount or any part of this Note. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or a portion thereof to be prepaid. Prepayment shall be accompanied by accrued interest on the amount prepaid, plus any other amounts due under Section 7 of this Note, plus, in the case of prepayment of a Eurodollar Borrowing on other than the last day of an Interest Period, an administrative fee of Two Hundred Fifty Dollars (\$250.00).

4. Interest.

(a) Each Eurodollar Borrowing shall bear interest at the Tax Exempt Eurodollar Rate for the Interest Period in effect for such Borrowing, provided, however, if a Determination of Taxability shall have occurred, the rate shall be the Taxable Eurodollar Rate.

(b) Each CBFRR Borrowing shall bear interest at the Tax Exempt CBFRR Rate for the Interest Period in effect for such Borrowing, provided, however, if a Determination of Taxability shall have occurred, the rate shall be the Taxable CBFRR Rate.

(c) Notwithstanding the foregoing, upon the occurrence of an Event of Default in the payment of principal or interest on the Project Loan or any fee or other amount payable by the Borrower, the overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of a Borrowing, three percent (3.0%) plus the rate otherwise applicable to such Borrowing as provided in the preceding paragraphs of this Section 4, or (ii) in the case of any other amount, three percent (3.0%) plus the rate applicable to CBFRR Borrowings as provided in subparagraph (b) of this Section 4.

(d) Accrued interest on each Borrowing shall be payable in arrears on each Interest Payment Date and upon maturity of the Loan; provided that (i) interest accrued pursuant to paragraph (c) of this Section 4 shall be payable on demand, (ii) in the event of any repayment or prepayment of any Borrowing (other than prepayment of a CBFRR Borrowing), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment, and (iii) in the event of any conversion of any Eurodollar Borrowing prior to the end of the current Interest Period therefor, accrued interest on such Borrowing shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Prime Rate or Adjusted LIBO Rate shall be determined by the Bank and such determination shall be conclusive and binding upon the Borrower absent manifest error.

5. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Funding Lender determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate for such Interest Period; or

(b) the Adjusted LIBO Rate for such Interest Period will not adequately and fairly reflect the cost of making or maintaining the Borrowing for such Interest Period;

then the Funding Lender shall give notice thereof to the Borrower and the Holder by telephone or facsimile as promptly as practical thereafter and, until the Funding Lender notifies the Borrower that the circumstances giving rise to such notice no longer exist, any request for a new Eurodollar Borrowing shall be made as a CBFRR Borrowing with interest calculated at the CB Floating Rate, unless a Determination of Taxability shall have occurred, in which event the rate shall be the Taxable CBFRR Rate.

6. Increased Costs.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, the Holder or Funding Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate);

(ii) impose on the Funding Lender or the London interbank market any other condition, cost or expense (other than Taxes, i.e. all present or future taxes, levies, imposts duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority (including any interest, additions to tax or penalties thereto)) affecting this Note or the Project Loan made by the Funding Lender; or

(iii) subject the Funding Lender to any Taxes on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, or other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to the Funding Lender of making, continuing, converting into or maintaining any Loan (or of maintaining its obligation to make any such Loan) or to increase the cost or to reduce the amount of any sum received or receivable by the Funding Lender hereunder with respect to the Project Loan (whether of principal, interest or otherwise), then the Borrower will pay to the Funding Lender such additional amount or amounts as will compensate the Funding Lender for such additional costs incurred or reduction suffered.

(b) If the Funding Lender determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on the Holder's or Funding Lender's capital or on the capital of the Holder's or Funding Lender's holding company, if any, as a consequence of the Project Loan made by the Holder to a level below that which the Holder or Funding

Lender or Funding Lender's holding company could have achieved but for such Change in Law (taking into consideration the Holder's policies with respect to capital adequacy), then from time to time the Borrower will pay to the Holder, such additional amount or amounts as will compensate the Holder and the Funding Lender or the Holder's and the Funding Lender's holding company for any such reduction suffered.

(c) A certificate of the Funding Lender setting forth the amount or amounts necessary to compensate the Holder, or the Funding Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay the amount shown as due on any such certificate within twenty (20) days after receipt thereof.

(d) Failure or delay on the part of the Holder or Funding Lender to demand compensation pursuant to this Section shall not constitute a waiver of the right to demand such compensation; provided that the Borrower shall not be required to compensate the Holder or Funding Lender pursuant to this Section for any increased costs or reductions incurred more than 270 days prior to the date that the Borrower is notified of the Change in Law giving rise to such increased costs or reductions and of the intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

7. Break Funding. In the event of (a) the payment of any principal of a Eurodollar Borrowing other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Borrowing other than on the last day of the Interest Period applicable thereto, or (c) the failure to borrow, convert, continue or prepay any Eurodollar Borrowing on the date specified in any notice delivered pursuant hereto, then, in any such event, the Borrower shall compensate for the loss, cost and expense attributable to such event. Such loss, cost or expense shall be deemed to include an amount determined by the Funding Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Eurodollar Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Eurodollar Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for the Borrowing), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which the Funding Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of the Funding Lender setting forth any amount or amounts that the Holder is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay the Holder the amount shown as due on any such certificate within twenty (20) days after receipt thereof.

8. Electronic Notices. Notices of prepayments under Section 3 may be made by electronic communication (including e-mail and internet or intranet websites) pursuant to procedures approved by the Holder. Such approval may be limited to particular notices or communications.

Unless the Holder otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment), provided that if such notice or other communication is not sent during the

normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an internet or intranet website shall be deemed received upon the “receipt” by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available in identifying the website address therefor.

The Borrower and the Holder may change the address or telecopier number or e-mail address for notices and other communications hereunder by notice to the other.

9. Late Fee. If any scheduled payment of principal and/or interest required under this Note (except the balloon payment due on the Maturity Date during the Construction Phase) is not paid within ten (10) days after such payment is due, then the Borrower shall pay a late charge equal to three percent (3.0%) of the amount of such payment or Twenty-five (\$25.00), whichever is greater, up to the maximum amount of One Thousand Five Hundred Dollars (\$1,500.00) per late charge to compensate the Holder for administrative expenses and other costs of delinquent payments. This late charge may be assessed without notice, shall be due and payable within ten (10) days of notice and shall be in addition to all other rights and remedies available to the Holder.

10. Payments Generally. The Borrower shall make each payment required to be made by it hereunder (whether principal, interest or fees, or otherwise) prior to 11:00 a.m. prevailing Eastern time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Holder, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Holder at such place as may be designated by written notice to the Borrower from or on behalf of the Holder. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day. All payments made hereunder shall be made in U.S. dollars.

11. Indemnity.

(a) Anything in this Note, the Project Loan Agreement, the Series A Security Instrument, or any of the other Financing Documents to the contrary notwithstanding, the Borrower shall indemnify and hold the Holder and Funding Lender harmless and defend the Holder and Funding Lender at the Borrower’s sole cost and expense against any loss or liability, cost or expense (including, without limitation, reasonable attorneys’ fees and disbursements of counsel, whether in-house staff, retained firms or otherwise), and all claims, actions, procedures and suits arising out of or in connection with:

(i) any ongoing matters arising out of this Note, the Project Loan Agreement, the Series A Security Instrument, or any of the other Financing Documents or the transaction contemplated hereby or thereby, including, but not limited to, all costs of appraisal or reappraisal of all or any portion of any collateral for the Debt or of the granting by the Holder, in its sole and absolute discretion, of any lease non-disturbance agreements,

(ii) any amendment to, or restructuring of, the Debt, this Note, the Project Loan Agreement, the Series A Security Instrument, the Funding Loan Agreement, or any of the other Financing Loan Documents,

(iii) any and all lawful action that may be taken by the Holder in connection with the enforcement of the provisions of this Note, the Project Loan Agreement, the Series A Security Instrument, the Funding Loan Agreement, or any of the other Financing Documents, whether or not suit is filed in connection with the same, or in connection with the Borrower, any guarantor of all or any portion of the Debt and/or any partner, joint venturer or shareholder thereof becoming a subject of a voluntary or involuntary federal or state bankruptcy, insolvency or similar proceeding, and

(iv) any liability to brokers, finders or similar persons and/or under any applicable securities or blue sky laws.

All sums expended by the Holder or Funding Lender on account of any of the foregoing shall be reimbursable on demand, and until reimbursed by the Borrower pursuant hereto, shall be deemed additional principal evidenced hereby and shall bear interest at the default interest rate hereinbelow set forth. The obligations of the Borrower under this Section shall, notwithstanding any exculpatory or other provisions of any nature whatsoever which may be set forth herein, or in the Project Loan Agreement, the Series A Security Instrument, the Funding Loan Agreement, or the other Financing Documents, constitute the personal recourse undertakings, obligations and liabilities of the Borrower and shall be secured by the Series A Security Instrument.

(b) The Borrower shall indemnify the Holder and Funding Lender against any loss or expense that it may sustain or incur as a consequence of any failure by the Borrower to take down all or any portion of the Project Loan on the date the Borrower requested that the Project Loan be advanced or as a consequence of any default by the Borrower in the payment of any portion of the Principal Balance of this Note bearing interest at the Tax Exempt Eurodollar Rate or Taxable Eurodollar Rate or any part thereof, as and when due and payable, or the occurrence of an Event of Default under the this Note, the Project Loan Agreement, the Series A Security Instrument, the Fund Loan Agreement, or the other Financing Documents, including, but not limited to, any loss or expense sustained or incurred by the Holder and Funding Lender in liquidating or reemploying deposits from third parties acquired to effect or maintain the Tax Exempt Eurodollar Rate or Taxable Eurodollar Rate with respect to all or any portion of the Principal Balance hereof. The Holder and/or Funding Lender shall provide or cause to be provided to the Borrower a statement explaining the amount of any such loss or expense, which statement shall be conclusive and binding upon the Borrower absent manifest error.

12. Secured Note. This Note is secured by the Series A Security Instrument and the other Financing Documents and the collateral mortgaged, pledged, encumbered or assigned pursuant thereto (the "**Collateral**"). The Borrower agrees to perform and comply with each of the terms, covenants and provisions contained in the Series A Security Instrument, the Project Loan Agreement, the Construction Disbursement Agreement, the Funding Loan Agreement, and the other Financing Documents on the part of the Borrower to be observed or performed and which are hereby made part of this Note to the same extent and with the same force and effect as if they were fully set forth herein. All sums which shall or may become due and payable by the Borrower in accordance with the provisions of this Note shall under all circumstances be deemed to constitute additional interest on, and shall be evidenced by this Note, shall be secured by the Series A Security Instrument and the other Financing Documents and shall constitute part of the Debt.

13. Transfer. Upon the transfer of this Note, the Holder may deliver all the Collateral, or any part thereof, to the transferee who shall thereupon become vested with all the rights herein or under

applicable law given to the Holder with respect thereto, and the Holder shall thereafter forever be relieved and fully discharged from any liability or responsibility in the matter; but the Holder shall retain all rights hereby given to it with respect to any Liabilities (hereinbelow defined) and such collateral not so transferred. The Holder will provide the Borrower with notice of any such transfer.

14. Maximum Permissible Rate. This Note is subject to the express condition that at no time shall the Borrower be obligated or be required to pay interest on the Principal Balance at a rate which could subject the Holder to liability as a result of being in excess of the maximum rate which the Borrower is permitted by law to contract or agree to pay. If by the terms of this Note the Borrower is at any time required or obligated to pay interest on the Principal Balance at a rate in excess of such maximum rate, then the rate of interest under this Note shall be deemed to be immediately reduced to such maximum rate, interest payable hereunder shall be computed at such maximum rate and any prior interest payments made in excess of such maximum rate shall be applied and shall be deemed to have been payments made in reduction of the Principal Balance.

15. Set Off. In addition to any right available to the Holder under applicable law or any other agreement, the Borrower hereby gives to the Holder a lien on, security interest in and right of set-off against all moneys, securities and other property of the Borrower and the proceeds thereof, now or hereafter delivered to, remaining with or in transit in any manner to the Holder, its correspondents or its agents from or for the Borrower, whether for safekeeping, custody, pledge, transmission, collection or otherwise or coming into possession of the Holder in any way, and also, any balance of any deposit account and credits of the Borrower with, and any and all claims of the Borrower against, the Holder at any time existing, as collateral security for the payment of this Note, the Debt and of all liabilities and obligations now or hereafter owed by the Borrower to the Holder in connection therewith, including fees contracted with or acquired by the Holder, whether joint, several, direct, indirect, absolute, contingent, secured, matured or unmatured (all of which are hereafter collectively called "**Liabilities**"), hereby authorizing the Holder at any time or times, after an Event of Default without prior notice, to apply such balances, credits or claims, or any part thereof, to such Liabilities in such amounts as it may select, whether contingent, unmatured or otherwise and whether any collateral security therefor is deemed adequate or not. The collateral security described herein shall be in addition to any collateral security described in any separate agreement executed by the Borrower. The Holder, in addition to any right available to it under applicable law or any other agreement, shall have the right, at its option, to immediately set off against this Note and/or any other Liabilities all monies owed by the Holder in any capacity to the Borrower, whether or not due, and the Holder shall, at its option, be deemed to have exercised such right to set off and to have made a charge against any such money immediately upon the occurrence of any default or Event of Default contemplated by Section 14 hereof, even though such charge is made or entered on the books of the Holder subsequent to those events.

16. Events of Default. It is hereby expressly agreed that the entire Debt shall become immediately due and payable at the option of the Holder in the event any portion thereof is not paid within ten (10) days after the same is due and payable or on the happening of any default or any event by which, under the terms of this Note, the Project Loan Agreement, the Construction Disbursement Agreement, the Series A Security Instrument, the Project Loan Agreement or the other Financing Documents, the Debt may or shall become due and payable and that all of the terms, covenants and provisions contained in the Series A Security Instrument, the Project Loan Agreement, the Construction Disbursement Agreement and the other Financing Documents which are to be kept and performed by the Borrower are hereby made part of this Note to the same extent with the same force and effect as if they were fully set forth herein.

17. Default Interest. In addition to any late charges which may be due under this Note, upon the occurrence of an Event of Default, the Borrower shall, unless and until such date, if any, as the Holder may elect, in its sole and absolute discretion, to waive, in writing, all or any portion of such interest, pay interest on the Principal Balance from the date of such default until the date on which the Principal Balance then outstanding is paid in full (whether before or after judgment), at a rate per annum (calculated for the actual number of days elapsed on the basis of a 360-day year) equal to 3.0% plus the then applicable rate provided for in this Note, provided, however, that such interest rate shall in no event exceed the maximum interest rate which the Borrower may by law pay.

18. Authority. The Borrower (and the undersigned representative(s) of the Borrower, if any) represents that the Borrower has full power, authority and legal right to execute and deliver this Note and that this Note constitutes a valid and binding obligation of the Borrower.

19. Joint and Several Obligations. If the Borrower consists of more than one party, the obligations and liabilities of each such party hereunder shall be joint and several.

20. Defined Terms. Whenever used, the singular number shall include the plural, the plural the singular, and the words “**Holder**” and “**Borrower**” shall include their respective successors and assigns, provided, however, that the Borrower shall in no event or under any circumstance have the right, without obtaining the prior written consent of the Holder and Funding Lender, to assign or transfer its obligations under this Note, the Project Loan Agreement, the Construction Disbursement Agreement, the Series A Security Instrument, the Funding Loan Agreement or the other Financing Documents, in whole or in part, to any other person, party or entity.

21. Headings. The headings and captions of the numbered paragraphs of this Note are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

22. Enforceability. The Borrower acknowledges that this Note and the Borrower’s obligations under this Note are and shall at all times continue to be absolute and unconditional in all respects, and shall at all times be valid and enforceable irrespective of any other agreements or circumstances of any nature whatsoever which might otherwise constitute a defense to this Note and the obligations of the Borrower under this Note or the obligations of any other person or party relating to this Note or otherwise with respect to the Project Loan. This Note, the Project Loan Agreement, the Construction Disbursement Agreement, the Series A Security Instrument, the Funding Loan Agreement, and the other Financing Documents set forth the entire agreement and understanding of the Holder and the Borrower, and the Borrower absolutely, unconditionally and irrevocably waives any and all right to assert any setoff, counterclaim or crossclaim of any nature whatsoever with respect to this Note, the Project Loan Agreement, the Construction Disbursement Agreement, the Series A Security Instrument, the Funding Loan Agreement, and the other Financing Documents or the obligations of the Borrower hereunder and thereunder, or the obligations of any other person or party relating hereto and thereto or to the obligations of the Borrower hereunder or thereunder or otherwise with respect to the Project Loan, in any action or proceeding brought by the Holder to collect the Debt, or any portion thereof, or to enforce, foreclose and realize upon the liens and security interests of the Holder in any collateral therefor created by the Project Loan Agreement, the Construction Disbursement Agreement, the Series A Security Instrument or the other Financing Documents (provided, however, that the foregoing shall not be deemed a waiver of the Borrower’s right to assert any compulsory counterclaim maintained in a court of

the United States, or of the State of Florida if such counterclaim is compelled under local law or rule of procedure, nor shall the foregoing be deemed a waiver of the Borrower's right to assert any claim which would constitute a defense, setoff, counterclaim or crossclaim of any nature whatsoever against the Holder in any separate action or proceeding). The Borrower acknowledges that no oral or other agreements, conditions, promises, understandings, representations or warranties exist with respect to this Note or with respect to the obligations of the Borrower under this Note, except those specifically set forth in this Note.

23. Waiver. The Borrower waives presentment, demand for payment, notice of dishonor and any or all notices or demands in connection with the delivery, acceptance, performance, default or enforcement of this Note and consents to any or all delays, extensions of time, renewals, release of any party to this Note, the Project Loan Agreement, the Construction Disbursement Agreement, the Series A Security Instrument, the Funding Loan Agreement, or any other Financing Document, and of any available security therefor, to any party to this Note, the Project Loan Agreement, the Construction Disbursement Agreement, the Series A Security Instrument, the Funding Loan Agreement, or the other Financing Documents or to the actual holder thereof and any and all waivers or modifications that may be granted or consented to by the Holder with regard to the time of payment or with respect to any other provisions of this Note, the Project Loan Agreement, the Construction Disbursement Agreement, the Series A Security Instrument, the Funding Loan Agreement, or the other Financing Documents, and agrees that no such action, delay or failure to act on the part of the Holder shall be construed as a waiver by the Holder of, or otherwise affect, in whole or in part, its right to avail itself of any remedy with respect thereto. No notice to or demand on the Borrower shall be deemed to be a waiver of the obligation of the Borrower or of the right of the Holder to take further action without further notice or demand as provided in this Note, the Project Loan Agreement, the Construction Disbursement Agreement, the Series A Security Instrument, the Funding Loan Agreement, or the other Financing Documents. If the Borrower is a partnership, the agreements herein contained shall remain in force and applicable, notwithstanding any changes in the individuals comprising the partnership, and the term "Borrower", as used herein, shall include any alternate or successor partnerships, but any predecessor partnership and their partners shall not thereby be released from any liability. (Nothing in the foregoing sentence shall be construed as a consent to, or a waiver of, any prohibition or restriction on transfers of interests in such partnership which may be set forth in the Project Loan Agreement, the Construction Disbursement Agreement, the Series A Security Instrument, the Funding Loan Agreement, or any other Financing Documents.)

24. Amendments. This Note may not be modified, amended, changed or terminated orally, except by an agreement in writing signed by the Borrower and the Holder and consented by the Funding Lender. No waiver of any term, covenant or provision of this Note shall be effective unless given in writing by the Holder and, if so given by the Holder, shall only be effective in the specific instance in which given.

25. Governing Law. This Note is and shall be deemed entered into in the State of Florida and shall be governed by and construed in accordance with the laws of the State of Florida without regard to principles of conflicts of laws, and no defense given or allowed by the laws of any state or country shall be interposed in any action or proceeding hereon unless such defense is either given or allowed by the laws of the State of Florida.

26. Venue and Jurisdiction. The Borrower agrees to submit to personal jurisdiction in the State of Florida in any action or proceeding arising out of this Note. In furtherance of such agreement,

the Borrower hereby agrees and consents that without limiting other methods of obtaining jurisdiction, personal jurisdiction over the Borrower in any such action or proceeding may be obtained within or without the jurisdiction of any court located in the State of Florida and that any process or notice of motion or other application to any such court in connection with any such action or proceeding may be served upon the Borrower by registered or certified mail to, or by personal service at, the last known address of the Borrower, whether such address be within or without the jurisdiction of any such court. The Borrower hereby agrees that the venue of any litigation arising in connection with the indebtedness, or in respect of any of the obligations of the Borrower under this Note, shall, to the extent permitted by law, be in State of Florida. Provided, however, nothing in this Note is intended to limit any right that the Holder may have to bring any suit, action or proceeding relating to matters arising under this Note in any court of any other jurisdiction.

27. Borrower's Acknowledgement. The Borrower acknowledges that: (a) it is a knowledgeable real estate investor, (b) it fully understands the effect of the waivers set forth in this Note, (c) the making of the Project Loan evidenced by this Note at the interest rate set forth in this Note is sufficient consideration for such waivers, and (d) the Governmental Lender would not make the Project Loan and the Funding Lender would not originate the Funding Loan without such waivers.

28. Waiver of Special Damages. To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against the Holder, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Note or any agreement or instrument contemplated hereby, the transactions, the Project Loan or the use of the proceeds thereof.

29. WAIVER OF JURY TRIAL. THE BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY IRREVOCABLY WAIVES, TO THE FULL EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING, DIRECTLY OR INDIRECTLY, ARISING OUT OF OR RELATING TO THIS NOTE OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). THE BORROWER HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE HOLDER HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE HOLDER WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE AUTHORITY HAVE BEEN INDUCED TO ENTER INTO THE LOAN TRANSACTION BY, AMONG OTHER THINGS, THE WAIVER AND CERTIFICATIONS IN THIS SECTION.

(Signature Page Follows)

Doc #02-525574.2

IN WITNESS WHEREOF, the Borrower has duly executed this Note the day and year first above written.

BRADENTON LEASED HOUSING ASSOCIATES III, LLLP
a Minnesota limited liability limited partnership

By: Bradenton Leased Housing Associates III, LLC
a Minnesota limited liability company
its general partner

By: _____
Christopher P. Barnes, Vice President

ALLONGE

This Allonge is attached to and made a part of that certain Series A Project Note in the original principal amount of [Twenty Million Five Hundred Thousand Dollars (\$20,500,000)] made by BRADENTON LEASED HOUSING ASSOCIATES III, LLLP, a Minnesota limited liability limited partnership to HOUSING FINANCE AUTHORITY OF MANATEE, FLORIDA, a public body corporate and politic created, organized and existing under the laws of the State of Florida for purposes of annexing thereto the following endorsement:

Pay to the order of U.S. BANK NATIONAL ASSOCIATION, as Fiscal Agent under that certain Funding Loan Agreement dated as of _____ 1, 2017, without recourse.

[Signature Page Follows]

[Allonge to Series A Project Note]

HOUSING FINANCE AUTHORITY OF
MANATEE COUNTY (FLORIDA)

ATTEST:

By: _____
James J. Heagerty, Jr., Chairman

Frank R. Dobson, III, Secretary/Treasurer