

BORROWER SUBORDINATE PROMISSORY NOTE

[\$3,124,500]

June ____, 2017

Bradenton Leased Housing Associates III, LLLP, a Minnesota limited liability limited partnership (the “Borrower”), for value received, promises to pay to the order of the Housing Finance Authority of Manatee County, Florida (the “Issuer”) and its assigns, the principal sum of [THREE MILLION ONE HUNDRED TWENTY-FOUR THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$3,124,500)] 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 Housing Revenue Note (River Trace Project), Series 2017C (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 June ____, 2052 (the “Maturity Date”). Interest hereon and principal hereof 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, 2017, 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 River Oaks Housing Partners, 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 1, 2017. 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.

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 Notes, as defined in the Subordinate Loan Agreement, to payment in full of the indebtedness evidenced by the Senior Loan Notes. This subordination is pursuant to, and in accordance with, the Subordination Agreement dated May 1, 2017, by and between U.S. Bank National Association, as fiscal agent for the Senior Loan Notes and the initial holder of this Note, its successors and assigns.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed and delivered on its behalf on the date first written above.

**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: _____
Name: Christopher P. Barnes
Title: Vice President

**THIS NOTE ARISES OUT OF OR IS GIVEN TO SECURE
THE REPAYMENT OF A LOAN ISSUED IN CONNECTION WITH THE FINANCING OF HOUSING
UNDER PART IV, CHAPTER 159, FLORIDA STATUTES
AND IS EXEMPT FROM DOCUMENTARY STAMP TAX AND INTANGIBLE TAX
PURSUANT TO SECTION 159.621, FLORIDA STATUTES**

[Signature Page to Subordinate Project Note]