

**FEE GUARANTY AND ENVIRONMENTAL
INDEMNITY AGREEMENT**

THIS FEE GUARANTY AND ENVIRONMENTAL INDEMNITY AGREEMENT (herein the "Agreement") is made and entered into on June ___, 2017, by and among the HOUSING FINANCE AUTHORITY OF MANATEE COUNTY, FLORIDA, a public body corporate and politic of the State of Florida (together with its successors and assigns, the "Governmental Lender"), U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States and having a designated corporate trust office located in St. Paul, Minnesota (together with its permitted successors and assigns, the "Fiscal Agent"), BRADENTON LEASED HOUSING ASSOCIATES III, LLLP, a Minnesota limited liability limited partnership (the "Owner"), BRADENTON LEASED HOUSING ASSOCIATES III, LLC, a Minnesota limited liability company (the "General Partner"), BRADENTON LEASED HOUSING DEVELOPMENT III, LLC, a Minnesota limited liability company, POLARIS HOLDINGS I, LLC, A Minnesota limited liability company, DOMINIUM HOLDINGS I, LLC, a Minnesota limited liability company, and DOMINIUM HOLDINGS II, LLC, a Minnesota limited liability company (collectively, the "Dominium Indemnitors") (each individually, including the Owner, the General Partner and the Dominium Indemnitors, referred to herein as an "Indemnitor" and collectively referred to as the "Indemnitors").

W I T N E S S E T H:

WHEREAS, pursuant to the terms and provisions of that certain Project Loan Agreement dated as of June 1, 2017 (the "Project Loan Agreement"), by and among the Governmental Lender, the Owner and the Fiscal Agent, the Governmental Lender shall make a project loan in the initial principal amount of \$_____ (the "Project Loan") and a bridge loan in the initial principal amount of \$3,000,000 (the "Bridge Loan") and pursuant to the terms and provisions of that certain Subordinate Loan Agreement dated as of June 1, 2017 (the "Subordinate Loan Agreement") by and between the Owner and the Governmental Lender, the Governmental Lender shall make a subordinate loan in the initial principal amount of \$_____ (the "Subordinate Loan"), to the Owner to make purchase money financing available and shall loan the proceeds received therefrom to the Owner pursuant to the terms of the herein referred to Funding Loan Agreement and the Subordinate Loan Agreement to be used for the purpose of financing a portion of the costs of the Project (as such term is defined in the Project Loan Agreement) located on the property described on Exhibit A attached hereto (the "Property"); and

WHEREAS, pursuant to the terms and provisions of that certain Funding Loan Agreement dated as of June 1, 2017 (the "Funding Loan Agreement"), by and among the Governmental Lender, the Fiscal Agent, JPMorgan Chase Bank, N.A., as initial funding lender and the Owner and pursuant to the terms and provisions of the Subordination Loan Agreement, the Governmental Lender intends to loan the proceeds from the Project Loan, Bridge Loan and Subordinate Loan (collectively, the "Loans") to the Owner to finance a portion of the Project; and

WHEREAS, in connection with the issuance of the Project Loan, the Owner shall enter into that certain Land Use Restriction Agreement, dated as of June 1, 2017 (the “Restriction Agreement”), by and among the Owner, the Governmental Lender and the Fiscal Agent; and

WHEREAS, the Restriction Agreement requires the Owner to set aside and rent a number of units in the Project financed with the Project Loan to low-income tenants as required by the Internal Revenue Code of 1986, as amended, during the Qualified Project Period (as such term is defined in the Restriction Agreement); and

WHEREAS, for as long as the Restriction Agreement shall remain in effect, the Owner is obligated to pay the Governmental Lender Fee, an annual fee of equal to 20 basis points on the initial par amount of the Loans per annum (\$_____), payable semi-annually in arrears on each January 1 and July 1 commencing January 1, 2018; for the period commencing from the Effective Date; and

WHEREAS, as a condition of the Governmental Lender making the Loans and loaning the proceeds to the Owner, the Governmental Lender requires the Indemnitors to enter into this Agreement for the benefit of the Governmental Lender and the Fiscal Agent; and

WHEREAS, any capitalized term used herein and not otherwise defined shall have the meaning ascribed to such term in the Funding Loan Agreement, the Restriction Agreement or Project Loan Agreement, as applicable.

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. Indemnification.

A. Notwithstanding any other provision in any Financing Document to the contrary, the Indemnitors, hereby agree, on a joint and several basis, to indemnify and hold harmless the Governmental Lender and the Fiscal Agent, their respective officers, directors, employees, agents, representatives, successors and assigns (collectively, the “Indemnified Parties” and, individually, an “Indemnified Party”) from and against all claims, demands, losses, costs, fines, penalties, judgments, suits, proceedings, orders, forfeitures, damages (including, without limitation, consequential damages suffered by a third party claimant) and expenses of every kind and nature whatsoever, whether joint or several, that arise out of or relate to any Hazardous Materials (as herein defined) at, on, in, under, affecting, emanating or otherwise related to any portion of the Project.

The foregoing indemnity includes, but is not limited to, the following: reasonable out-of-pocket attorneys’ and consultants’ fees and court costs (including those incurred at the appellate level); all actual out-of-pocket costs of removing, remediating, and implementing corrective action required by due applicable governmental authority with respect to, abating or otherwise responding to Hazardous Materials relating to the Project; costs incurred to avoid the imposition of, or to discharge, a lien on the Project arising out of any environmental law, regulation, order or cleanup; all actual out-of-pocket costs of determining whether the Project is, and causing the Property to be, in compliance with all applicable environmental laws, regulations and orders; and all actual out-of-pocket costs associated with claims for injury to persons, property or natural resources.

For purposes herein, “Hazardous Material” means (i) any “hazardous substance” defined as such in (or for the purposes of) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C.A. § 9601(14), as amended from time to time, or any so-called “superfund” or “superlien” law, including the judicial interpretation thereof, (ii) any “pollutant or contaminant” as defined in 42 U.S.C.A. § 9601(33), as amended from time to time, (iii) any material now defined as “hazardous waste” pursuant to 40 C.F.R. Part 260, (iv) any petroleum, including crude oil or any fraction thereof, (v) any natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel, (vi) any “hazardous chemical” as defined pursuant to 29 C.F.R. Part 1910, as amended from time to time, and (vii) any other substance, regardless of physical form, that is subject to any other law or other past, present or future requirement of any governmental authority regulating, relating to, or imposing obligations, liability or standards of conduct concerning the protection of human health, plant life, animal life, natural resources, property or the reasonable enjoyment of life or property free from the presence in the environment of any solid, liquid, gas, odor or any form of energy, from whatever source; provided however that the term “Hazardous Materials” shall not apply to substances in quantities that are generally recognized to be appropriate to normal residential uses and to the maintenance of property of a size and use comparable to the Property.

B. In the event that any Indemnified Party receives notice that any action or proceeding has been brought against such Indemnified Party with respect to which indemnity may be sought hereunder, such Indemnified Party shall, as a condition of such indemnification, give written notice thereof to any of the Indemnitors within 30 days after receipt of such notice. The Indemnitors, upon timely written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Indemnitors, subject to the approval of the Indemnified Party, which approval shall not be unreasonably withheld in such party’s reasonable discretion, 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 the Governmental Lender and the Fiscal Agent shall have the right to review and approve or disapprove any such compromise or settlement, which approval shall not unreasonably be conditioned, delayed or denied. In the event of a conflict of interest either between any of the Indemnitors and any Indemnified Party or among any Indemnified Parties, each Indemnified Party with respect to which such conflict of interest exists shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Indemnitors shall pay the reasonable fees and expenses of such separate counsel; provided, however, that unless such separate counsel is employed under the circumstances described above, the Indemnitors shall not be required to pay the fees and expenses of such separate counsel.

C. Notwithstanding any transfer of the Project to another Owner in accordance with the provisions of the Restriction Agreement and the other Financing Documents, the Indemnitors shall remain obligated to indemnify each Indemnified Party pursuant to this Agreement with respect to acts and occurrences which arose during the Owner’s Ownership of the Project. Notwithstanding anything to the contrary contained herein, the Indemnitors shall have no liability with respect to acts and occurrences not arising during the Owner’s ownership of the Project.

D. Except as otherwise provided herein, the obligations of the Indemnitors under this Agreement shall survive, and shall in no way be limited, impaired or otherwise affected by the foreclosure of the Project or acceptance by any person of a deed in lieu of foreclosure and shall be independent of the obligations of the Owner to the Governmental Lender and the Fiscal Agent under the Restriction Agreement, Project Loan Agreement and Subordinate Loan Agreement.

E. Any amount claimed hereunder, accompanied by appropriate backup information by an Indemnified Party and an explanation of the amounts claimed, not paid by the Indemnitors within thirty (30) days after written demand from such Indemnified Party shall bear interest at the prime rate of U.S. Bank National Association, plus 2.00%.

F. The liability of the Indemnitors under this Section 1 shall in no way be limited, impaired or otherwise affected by, and Indemnitors hereby consent to and agree to be bound by, any amendment or modification of the provisions of the Restriction Agreement or Funding Loan Agreement made with the consent of the Owner in accordance with the terms thereof. In addition, except as otherwise provided herein, the liability of the Indemnitors under this Section 1 shall in no way be limited, impaired or otherwise affected by (i) any extensions of time for or waivers of performance of any covenants or obligations set forth in the Restriction Agreement, Funding Loan Agreement and Subordinate Loan Agreement, (ii) any sale, assignment or transfer of the Project, (iii) the release of the Owner or any other person from performance or observance of any of the agreements, covenants, terms or conditions contained in the Restriction Agreement, the Funding Loan Agreement, the Subordinate Loan Agreement or by operation of law, the Governmental Lender's or the Fiscal Agent's voluntary act, or otherwise, or (iv) any delay or omission by the Governmental Lender or the Fiscal Agent in its choice of remedies under the Restriction Agreement or Funding Loan Agreement, which with the passage of time and events may or may not prove to have been the best choice to maximize recovery by the Governmental Lender or the Fiscal Agent at the lowest cost to the Indemnitors, it being understood that such choice of remedies will necessarily be and should properly be a matter of business judgment.

G. To the extent allowed by law, each of the Indemnitors hereby waives (i) any and all notices and demands of every kind which may be required to be given by any statute, rule or law, (ii) any defense, right of set-off or other claim which any Indemnitor may have against any Indemnified Party, or (iii) any and all formalities which otherwise might be legally required to charge the Indemnitors with liability hereunder; provided, however, that the Indemnitors shall have no liability hereunder unless the Indemnitors receive timely written notice as set forth in paragraph B hereof.

H. No modification or waiver of any of the provisions of this Section 1 shall be binding upon any party hereto except as expressly set forth in a writing duly signed and delivered on behalf of such party.

I. Any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be in writing and shall be deemed to have been properly given if given in accordance with the terms of Section 8.01 of the Project Loan Agreement.

J. In the event of any inconsistencies or conflicts between the terms of this Section 1 and the terms of the Project Loan Agreement or the Funding Loan Agreement (including any exculpatory language contained therein), the terms of this Section shall control, provided however, that it is not the intention of the parties hereto to change directly or indirectly the nature of the Indemnitors' nonrecourse obligation with respect to payment of the Project Loan under the Funding Loan Agreement.

K. Notwithstanding anything to the contrary contained herein, the Indemnitors shall have no liability to an Indemnified Party, or, as appropriate, liability shall be reduced by any applicable comparative negligence statutes, in connection with a specific claim for indemnity by an Indemnified Party if a court of competent jurisdiction shall determine that such claim for damages arises out of or was caused by the gross negligence or willful misconduct or intentional acts of such Indemnified Party. The Indemnitors shall have no further liability under this Agreement for any acts or omissions occurring after a foreclosure or deed in lieu of foreclosure whereby as a result therefrom neither the Owner nor a related party to the Owner has any interest in the Project.

L. The rights of the Governmental Lender and the Fiscal Agent under this Agreement shall be in addition to, and not in lieu of, any other rights and remedies of the Governmental Lender and the Fiscal Agent under the Project Loan Agreement, the Funding Loan Agreement or any of the other Financing Documents.

Section 2. Fee Guaranty of Governmental Lender's Fee and Fiscal Agent Fees. Notwithstanding any provision in any Financing Document or any other resolution or document to the contrary, the Indemnitors agree to pay the Governmental Lender's fees (including, but not limited to, the fees described in Section 10 of the Restriction Agreement and the Governmental Lender Fee), Fiscal Agent fees and all fees and reasonable out of pocket expenses incurred by the Governmental Lender, its counsel, Bond Counsel and the Fiscal Agent and its counsel in connection with the transactions contemplated under the Project Loan Agreement and Subordinate Loan Agreement. Until the agreements set forth herein are completely performed, this Section 2 shall survive the payment in full of the Project Loan and the disposition of the Project.

Section 3. Termination. This Agreement shall terminate on the later of the date that the Restriction Agreement terminates pursuant to Section 10(a) thereof or the final rebate calculation has been made and any rebate that is owed by the Borrower has been paid; provided, however, that this Agreement shall continue and the Indemnitors shall remain obligated hereunder for any causes arising or accruing prior to such termination.

Section 4. Notices. Any written notice required or permitted to be given hereunder shall be given by (i) personal delivery, (ii) registered U.S. mail or (iii) registered expedited service at the addresses set forth below or at such other addresses as may be specified in writing by the parties hereto. Any such notice shall be deemed received on (i) the date of delivery, if given by personal delivery or by expedited delivery service, or (ii) upon the earlier of the third (3rd) Business Day after the date of mailing or upon actual receipt, if sent by registered U.S. mail.

Governmental Lender Housing Finance Authority of Manatee County, Florida
4420 S. Washington Avenue
Titusville, FL 32780
Attn: Angela A. Abbott, Esq.

Fiscal Agent: U.S. BANK NATIONAL ASSOCIATION
Corporate Trust Services
60 Livingston Avenue, 3rd Floor
EP-MN-WS3C
St. Paul, MN 55107-2292
Attn: Dan Sheff

Borrower, General
Partner and Dominion
Indemnitors: Bradenton Leased Housing Associates III, LLLP
c/o Dominion Development & Acquisition, LLC
2905 Northwest Boulevard, Suite 150
Plymouth, MN 55441-7400
Attn: Mark S. Moorehouse

with a copy to: WINTHROP & WEINSTINE, P.A.
225 South Sixth Street, Suite 3500
Minneapolis, MN 55402-4629
(which copy shall not constitute notice to Borrower)
Attn: John Stern

Section 5. Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same agreement, and in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Section 6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without regard to conflict of law principles.

IN WITNESS WHEREOF, the parties hereto have caused this Fee Guaranty and Environmental Indemnity Agreement to be executed as of the ___ day of June, 2017.

[SEAL]

**HOUSING FINANCE AUTHORITY OF
MANATEE COUNTY, FLORIDA**, as the
Governmental Lender

Attest:

By: _____
Name: Frank R. Dodson, III
Title: Secretary/Treasurer

By: _____
Name: James J. Heagerty, Jr.
Title: Chairperson

U.S. BANK NATIONAL ASSOCIATION, as the
Fiscal Agent

By: _____
Name: Dan Sheff
Title: Vice President

**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

**BRADENTON LEASED HOUSING
ASSOCIATES III, LLC**, a Minnesota limited
liability company

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

BRADENTON LEASED HOUSING DEVELOPMENT III, LLC, a Minnesota limited liability company

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

POLARIS HOLDINGS I, LLC, a Minnesota limited liability company

By: _____
Name: _____
Title: _____

DOMINIUM HOLDINGS I, LLC, a Minnesota limited liability company

By: _____
Name: _____
Title: _____

DOMINIUM HOLDINGS II, LLC, a Minnesota limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT A

LEGAL DESCRIPTION

RIVER TRACE PROJECT

All that certain real property situated in Manatee County, Florida, described as follows:

PARCEL 1

LOTS 1, 2 AND 4, OF FAIR OAKS SUBDIVISION, IN SECTION 32, TOWNSHIP 34 SOUTH, RANGE 18 EAST, OF THE TALLAHASSEE MERIDIAN, AS PER PLAT THEREOF, RECORDED IN PLAT BOOK 1, PAGE 171, OF THE PUBLIC RECORDS OF MANATEE COUNTY, FLORIDA.

LESS: LANDS LYING WITHIN THE FORMER EAST AND WEST RAILWAY RIGHT-OF-WAY DESCRIBED IN DEED BOOK 403, PAGE 217.

PARCEL 2

COMMENCING AT THE NE CORNER OF LOT 3 OF THE SW 1/4 OF THE NW 1/4 OF SECTION 32, TOWNSHIP 34 SOUTH, RANGE 18 EAST OF THE TALLAHASSEE MERIDIAN, OF THE SUBDIVISION OF FAIR OAKS, AS RECORDED IN PLAT BOOK 1, PAGE 171, OF THE PUBLIC RECORDS OF MANATEE COUNTY, FLORIDA, THENCE WESTERLY 322.50 FEET TO THE NE CORNER OF LANDS CONVEYED BY DEED RECORDED IN OFFICIAL RECORDS BOOK 707, PAGE 476, OF SAID PUBLIC RECORDS, THENCE SOUTH 330.00 FEET TO THE SOUTH BOUNDARY LINE OF SAID LOT 3 AND THE SE CORNER OF ABUTTING LANDS CONVEYED TO LAURENCE R. RIDDICK, THENCE EASTERLY 322.50 FEET TO THE SE CORNER OF SAID LOT 3, THENCE NORTHERLY 330.00 FEET TO THE POINT OF BEGINNING.

PARCEL 3

THE SOUTH 165.00 FEET OF THE WEST ONE-HALF OF THE LOT 3 OF THE SW 1/4 OF THE NW 1/4 OF SECTION 32, TOWNSHIP 34 SOUTH, RANGE 18 EAST OF THE TALLAHASSEE MERIDIAN, A SUBDIVISION OF FAIR OAKS AS RECORDED IN PLAT BOOK 1, PAGE 171, OF THE PUBLIC RECORDS OF MANATEE COUNTY, FLORIDA.

LESS: RIGHT-OF-WAY OF 27TH STREET EAST DESCRIBED IN ORDER OF TAKING RECORDED IN OFFICIAL RECORDS BOOK 275, PAGE 402.

MANATEE POND PROJECT

All that certain real property situated in Manatee County, Florida, described as follows:

Lots 1 through 32, inclusive, Block A, and Lots 1 through 8, inclusive, Block B, Manatee Pond Subdivision, according to the map or plat thereof, as recorded in Plat Book 29, Pages 98, 99 and 100, of the Public Records of Manatee County, Florida.

BEING THE SAME TRACT OF LAND DESCRIBED IN THE TITLE REPORT ISSUED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY - COMMERCIAL, FILE NO. 51580, EFFECTIVE DATE: JUNE 22, 2016.