

**CONSTRUCTION AND LOAN SERVICING AGREEMENT
(River Trace Project)**

This **CONSTRUCTION AND LOAN SERVICING AGREEMENT** (this “Agreement”) is made as of June 1, 2017, by and among the **HOUSING FINANCE AUTHORITY OF MANATEE COUNTY, FLORIDA** a public body corporate and politic duly created and existing under the laws of the State of Florida (the “Issuer”), **FIRST HOUSING DEVELOPMENT CORPORATION OF FLORIDA** (the “Issuer Servicer”), **U.S. BANK NATIONAL ASSOCIATION**, a national banking association, with a representative office located in St. Paul, Minnesota, as fiscal agent under the below-described Funding Loan Agreement (in such capacity, the “Fiscal Agent”), and **BRADENTON LEASED HOUSING ASSOCIATES III, LLLP**, a Florida limited liability limited partnership (the “Borrower”).

WITNESSETH:

WHEREAS, all capitalized terms in this Agreement not otherwise defined shall have the meanings set forth in the Project Loan Agreement (hereinafter defined) or the Funding Loan Agreement (hereinafter defined), as the case may be; and

WHEREAS, the Issuer has been created and organized pursuant to and in accordance with the provisions of Chapter 159, Part IV, Florida Statutes, as amended (the “Act”), for the purpose, among others, of financing the costs of residential developments that will provide decent, safe and sanitary housing for persons or families of low, moderate or middle income in Manatee County, Florida (the “County”); and

WHEREAS, the Act authorizes the Issuer; (a) to make loans to finance residential developments located within the State, and intended to be occupied by persons or families of low, moderate and middle income; (b) to issue revenue bonds for the purpose of obtaining monies to make such loans and provide such financing and to pay administrative costs and other costs incurred in connection with the issuance of such bonds; and (c) 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, pursuant to a resolution of the Issuer adopted on June 13, 2017, the Issuer has agreed to issue its Housing Finance Authority of Manatee County, Florida Multifamily Housing Revenue Note (River Trace Project), Series 2017A (the “Series A Note”) in the original aggregate principal amount of \$[_____] and its Housing Finance Authority of Manatee County, Florida Taxable Multifamily Housing Revenue Note (River Trace Project), Series 2017B in the original principal amount of \$3,000,000 (the “Series B Note” and, collectively with the Series A Note referred to herein as the “Notes”); and

WHEREAS, the Notes are being issued pursuant to that certain Funding Loan Agreement dated as of June 1, 2017 (the “Funding Loan Agreement”), by and among the Issuer, the Fiscal Agent and JPMorgan Chase Bank, N.A., the initial funding lender (the “Initial Funding Lender”); and

WHEREAS, pursuant to its lawful authority under the Act, the Issuer, the Fiscal Agent, the Borrower have entered into that certain Project Loan Agreement dated as of June 1, 2017 (the “Project Loan Agreement”), by the terms of which Project Loan Agreement the Issuer has agreed to loan the proceeds of the Series A Note to the Borrower (the “Project Loan”) and the proceeds of the Series B Note to the Borrower (the “Bridge Loan”) for the purpose of providing funds for a portion of the costs of the acquisition and rehabilitation of a 178 unit multifamily rental housing project known as “River Trace Apartments” (the “River Trace Project”) and 40 single family homes to be used for rental purposes and known as “Manatee Pond Single Family Rental Homes” (the “Manatee Pond Project” and, collectively with the River Trace Project referred to herein as the “Development”); and

WHEREAS, the Project Loan and the Bridge Loan will be evidenced by separate promissory notes of the Borrower in the aggregate principal amount of \$[_____] with respect to the Project Loan and in the aggregate principal amount of \$3,000,000 with respect to the Bridge Loan, each dated as of June [___], 2017 (collectively, the “Mortgage Notes”) from the Borrower to the Issuer and secured by a Series A Mortgage and a Series B Mortgage (as hereinafter defined), each dated June [___], 2017 from the Borrower to the Issuer (collectively, the “Mortgages”); and

WHEREAS, the Issuer intends to assign the Mortgages, the Mortgage Notes and other instruments securing repayment of the Notes, to the Fiscal Agent; and

WHEREAS, the Issuer Servicer has represented and warranted that it is duly qualified and authorized to engage in the business of administering loans of the type of the Loan referred to herein; and

WHEREAS, the Issuer Servicer shall act as agent of the Issuer in performing certain functions under the Loan Documents (as defined below), and shall manage and service the Regulatory Agreement (as defined below) on behalf of the Issuer, subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, Ten Dollars (\$10) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS. Capitalized terms used herein and not defined below shall have the meanings ascribed to them in the Funding Loan Agreement. The following definitions shall apply as context may require in this Agreement:

A. “Agreement” -- This Construction Loan Servicing Agreement, as from time to time amended, modified or supplemented.

B. “Architect” – Ebersoldt & Associates Architect.

C. “Budget” -- The proposed budget for the Improvements which is attached hereto as Exhibit “B” and by this reference made a part hereof, which contains a construction schedule of the Improvements, as amended in accordance with the terms hereof, including,

without limitation, amendments resulting from change orders approved in accordance with the terms hereof.

D. “Consulting Engineer” – GLE Associates, LLC.

E. “Construction Contract” -- That certain Standard Form of Agreement between the Borrower and the Contractor, dated [_____], 2017 regarding the rehabilitation of the Improvements.

F. “Contractor” – ZMG Construction, Inc., a Florida corporation, and its successors.

G. “Costs of the Improvements” – All direct and indirect costs, including interest costs, required to be expended by the Borrower to comply with requirements of this Agreement, specifically including items set forth in the Budget. The Cost of the Improvements shall include the reasonable cost of labor and materials actually expended or incurred by the Borrower and incorporated in the Improvements on the Land, as well as interest costs and issuance costs and fees associated with the closing of the Loans and the issuance of the Notes (excluding any fees and profit of the Borrower), and include materials stored on the Land.

H. “Development” –The real property described in Exhibit “A”, which is attached hereto and by this reference made a part hereof, and the Improvements.

I. “Events of Default” – Those events of default as defined in Paragraph 18 of this Agreement.

J. “Force Majeure” – An act of God, strikes, lockouts, act of public enemy, lightning, fire, storm, flood, or any other cause of delay beyond the reasonable control of the party claiming the applicability of the Force Majeure doctrine (financial inability excepted).

K. “Improvements” – All improvements described in the Plans and Specifications and all additions and equipment reasonably necessary to rehabilitate, equip, renovate, operate and rent the Development, including all amenities. Without limiting the foregoing, the term Improvements shall include all landscaping, walls, drives, approaches, sidewalks, curbs, paving and all chattels, furniture, furnishings and equipment described in the Plans and Specifications.

L. “Inspecting Engineer” – GLE Associates, LLC.

M. “Land” – The real property described in Exhibit “A”, which is attached hereto and by this reference made a part hereof.

N. “Loans” – The Project Loan and the Bridge Loan contemplated by the Project Loan Agreement in an original aggregate principal amount of \$[_____].

O. “Loan Documents” – Collectively, this Agreement, the Mortgages, the Mortgage Notes, the Project Loan Agreement, the Regulatory Agreement and the Funding Loan

Agreement and all other documents and instruments evidencing, securing or guaranteeing payment of the Loans, or any portion thereof.

P. “Manager” – Dominion Florida Management Services, LLC, as manager of the Borrower.

Q. “Mortgages” – Collectively, the Series A Mortgage and the Series B Mortgage.

R. “Plans and Specifications” – The final plans and specifications for the Improvements heretofore approved by the Issuer and the Inspecting Engineer or their respective agents together with any and all amendments and modifications thereto made with the approval of the Issuer or its agent or otherwise in accordance with the terms hereof. (It is understood that the Plans and Specifications shall be construed in such manner so that any works, structures or parts thereof mentioned or shown in the Plans and Specifications and not mentioned or shown in the specifications, or vice versa, are to be constructed and erected as if they were in fact reflected in the Plans and Specifications.)

S. “Regulatory Agreement” – The Land Use Restriction Agreement, dated as of June 1, 2017, by and among the Issuer, the Fiscal Agent and the Borrower.

T. “Series A Mortgage” – That certain Mortgage, Security Agreement and Assignment of Rents, Leases and Profits (Series A) with respect to the Project Loan from the Borrower to the Issuer and assigned to the Fiscal Agent.

U. “Series B Mortgage” – That certain Mortgage, Security Agreement and Assignment of Rents, Leases and Profits (Series B) with respect to the Bridge Loan from the Borrower to the Issuer and assigned to the Fiscal Agent.

V. “State” – The State of Florida.

2. **TERM.** This Agreement shall continue from the earlier of the date of this Agreement or from the date the Issuer Servicer shall begin servicing the Loans for the Issuer until occurrence of the first of the following events:

A. The Loans shall be paid in full.

B. Termination of this Agreement as to the Issuer Servicer, with or without cause, pursuant to Paragraph 15 hereof.

C. Assignment of all right, title and interest of the Issuer to a third party which terminates the interests of the Issuer.

3. **SERVICING.** The Issuer Servicer shall perform the services of the Issuer Servicer provided for in the Loan Documents.

A. Construction Servicing. During the period of rehabilitation of the Improvements, the Issuer Servicer and/or its contractor shall be responsible for monitoring the progress of the rehabilitation work on behalf of the Issuer as follows:

(1) The Issuer Servicer and/or its contractor shall attend all draw meetings, if any, and represent the Issuer with respect to approving all construction draws. The Issuer Servicer shall approve the draw only if all documents are appropriate, accurate and supported by proper documentation in accordance with the plans, specifications and construction contract.

(2) The Issuer Servicer and/or its contractor shall make site visits sufficient to verify that the work is being performed in accordance with the plans, specifications, this Agreement and other construction documents. This includes (a) verifying the quality of the work and the materials incorporated therein, (b) determining that the Architect is providing proper inspections of the Development in accordance with its contract, (c) notifying appropriate parties if the Issuer Servicer becomes aware that any unhealthful or unsafe condition exists at the Development, (d) comparing waivers of and lien of materialmen and affidavits of contractor and subcontractor with Notice-to-Owner forms, and verifying that no payments are being improperly made, and (e) such other monitoring tasks as are customary and that minimize risk to the Development.

(3) Provide monthly written reports to the Issuer confirming that all of the above are being performed in a manner consistent with the best interest of the project provided in sufficient detail to allow a reasonable person to assess the Development's status.

(4) Upon completion of the Improvements, the Issuer Servicer shall provide the Issuer with the Architect's Certificate of Substantial Completion.

B. Permanent Loan Servicing. If applicable, following completion of the Improvements, Issuer Servicer shall perform servicing of the Loans as follows:

(1) Establish a separate loan servicing file for the Development. The file shall contain copies of all closing documents pertaining to the Development.

(2) Verify and confirm with quarterly reports to the Issuer (with a copy to the Fiscal Agent) the sufficiency of all insurance policies as to dollar amounts and the types of coverage required by the Issuer. Establish tickler files for the renewal or anniversary premium payment dates of all policies. In the event of loss, the Issuer Servicer will administer the restoration program.

(3) Provide monthly loan servicing reports to the Issuer.

C. Continuing Duties of the Issuer and the Fiscal Agent. In connection with the construction period, the Issuer, the Borrower and the Fiscal Agent agree that:

(1) They shall do and perform all things reasonably necessary to assist the Issuer Servicer in servicing the Loans;

(2) Borrower shall direct investment of the proceeds of the Notes in accordance with the Funding Loan Agreement in such manner as will insure that such proceeds will be available to be disbursed at such reasonable times as proceeds of the Loans are required to be disbursed by the Fiscal Agent under this Agreement and substantially in accordance with the Draw Schedule attached hereto as Exhibit “B” and by this reference made a part hereof.

4. [RESERVED]

5. ADVANCES DURING REHABILITATION. The Issuer and the Fiscal Agent agree to make or cause to be made disbursements to the Borrower under the Project Loan Agreement, and this Agreement of the proceeds of the Notes in accordance with the Funding Loan Agreement, the Project Loan Agreement, the Budget, and in accordance with and subject to the procedures set forth below. The Budget may be amended by the Issuer Servicer from time to time, upon the written request of the Borrower; approval of such requests shall not be unreasonably withheld or delayed.

A. Requisition Request to be submitted to the Fiscal Agent, the Initial Funding Lender and the Issuer Servicer:

(1) At such time as the Borrower shall desire to obtain an advance, the Borrower shall complete, execute and deliver a Requisition Request, in the form as provided for in the Funding Loan Agreement, to the Initial Funding Lender and the Issuer Servicer. Each Requisition Request submitted by Borrower to obtain an advance under the Loans shall be signed by an authorized signatory of the Borrower. The Borrower shall not submit any Requisition Request to the Fiscal Agent until it has been approved by the Initial Funding Lender and the Issuer Servicer, and each Advance by the Fiscal Agent of the proceeds of the Notes shall be subject to the prior approval of the Requisition Request by the Initial Funding Lender and the Issuer Servicer and to the other conditions precedent set forth in the Funding Loan Agreement and the Project Loan Agreement. Requisition Requests should be submitted to the Fiscal Agent without attachments, except as provided in the Funding Loan Agreement and the Project Loan Agreement. The Issuer Servicer shall approve or object to any Requisition Request within ten (10) Business Days of its submission together with all additional information required in connection with such Advance. If the Issuer Servicer neither approves nor objects within such time, its approval shall be deemed given; in such instances, the Issuer Servicer must sign the Requisition Request by the tenth (10th) Business Day and forward it, as if it had been approved. The Initial Funding Lender shall endeavor to approve or object to any Requisition Request within ten (10) Business Days of its submission, together with all additional information required in connection with such Advance, but shall require at least two (2) Business Days after its receipt of the Issuer Servicer’s approval before approving or objecting to the Requisition Request. Failure to approve a Requisition Request on the part of the Initial Funding Lender within such time shall not be deemed to be an approval of the Initial Funding Lender and under no circumstances shall the Fiscal Agent disburse a Requisition Request unless signed by the Initial Funding Lender.

(2) Notwithstanding the foregoing, the Issuer Servicer shall not have the right to withhold its approval of any Requisition Request approved by the Initial Funding Lender unless, in the opinion of the Issuer Servicer, such Requisition Request would violate the

terms of the Loan Documents, if such Requisition Request (1) (i) has been approved by the Consulting Engineer, (ii) complies with the Budget, as amended in accordance with the terms of the Loan Documents, (iii) is for work that is in substantial accordance with the Plans and Specifications, and (iv) is accompanied by lien waivers with respect to the prior Requisition Request or by evidence that any liens which have been filed or for which notices of filing have been sent have been bonded to the satisfaction of the Title Company, or (2) if not approved, would jeopardize the coverage afforded by any Payment and Performance Bond. In addition, the Issuer Servicer shall not unreasonably withhold, condition or delay its approval of any Requisition Request otherwise approved by the Initial Funding Lender. In the event the Issuer Servicer withholds its approval of a Requisition Request which does not meet the requirements of subsections (1) and (2) of this paragraph, but which has otherwise been approved by the Initial Funding Lender, no funds shall be advanced for the disputed items (however, funds allocable to the items on such Requisition Request which are not disputed shall be available to be advanced) and the Initial Funding Lender and the Issuer Servicer shall submit the dispute to binding arbitration by a mutually acceptable single arbitrator selected by the Initial Funding Lender and the Issuer Servicer and experienced in the type of construction contemplated in this Agreement. The Initial Funding Lender and the Issuer Servicer shall use all reasonable efforts to complete such arbitration proceedings and obtain a decision within thirty (30) days.

B. The Issuer Servicer shall review each Requisition Request for compliance with this Agreement, the Land Use Restriction Agreement, draw schedule, budgets and time lines and all other Loan Documents; for compliance with the Plans and Specifications and all legal requirements; and for compliance with the customary and usual construction and on disbursement practices for the geographical area in which the Development is located.

(1) Where the Requisition Request includes amounts to be paid to the Contractor, such Requisition Request shall be accompanied by forms the same as or similar to AIA Form G702 and G703, to be reviewed and approved by the Issuer Servicer and executed by the Contractor and the Architect.

(2) Where the Requisition Request relates to items other than payments for work performed under the Construction Contract or a subcontract, there shall be included a statement of the purpose for which the advance is desired and/or invoices for the same, as the Issuer Servicer shall reasonably require.

(3) The Requisition Request shall be subject to the Inspecting Engineer verifying that the work has been accomplished in substantial accordance with the Plans and Specifications so as to entitle the Borrower to the disbursement required.

(4) The Issuer shall retain from each Requisition Request a sum equal to (a) ten percent (10%) of the amount of each Requisition Request (less any soft costs which are fully funded) as retainage in completing the first fifty percent (50%) of the Improvements (as certified by the Inspecting Engineer) and (b) five percent (5%) of the amount of each Requisition Request (less any soft costs which are fully funded) as retainage in completing the last fifty percent (50%) of the Improvements (as certified by the Inspecting Engineer). Provided, however, the amount withheld shall in no event be less the amount actually held back by the Borrower from the Contractor and all subcontractors and materialmen engaged in the

construction of the Improvements. All retainage shall be released when the Improvements are one hundred percent (100%) complete and all conditions of paragraph G herein have been met. The final payment of any balance due the Contractor or any subcontractor (including materialman or suppliers within the term "subcontractor") shall be made after full and final completion of the Improvements subject to punch list of the work on the Improvements being done by the Contractor or such subcontractor, as certified by the Borrower, the Issuer Servicer and the Inspecting Engineer, and delivery to the Issuer Servicer of a final mechanic's lien waiver and the other documents required in subparagraph G hereof, in a form reasonably approved by the Issuer Servicer and its counsel, at the time of final disbursement.

C. Non-Acceptance of Work. It is specifically understood and agreed that the making of any advance or advances, or part of any advance, shall not be construed as an approval or acceptance by the Issuer and the Fiscal Agent of the work theretofore done.

D. Notice, Frequency and Place of Disbursements. Each Requisition Request shall be submitted to the Issuer Servicer at least ten (10) business days prior to the date of the requested advance; disbursements shall be made no more frequently than monthly at the designated office of Fiscal Agent or at such other place as Fiscal Agent may designate. The provisions of this Paragraph shall not restrict the ability of the Fiscal Agent to make interest payments in accordance with the Funding Loan Agreement.

E. If an Event of Default has occurred and is continuing and all applicable cure periods have expired, the Fiscal Agent (at the direction of the Issuer but only with the written consent of the Initial Funding Lender) may make any or all advances for construction expenses directly to the Contractor for deposit in an appropriately designated special bank account and the execution of this Agreement by the Borrower shall, and hereby does, constitute an irrevocable authorization so to advance the proceeds of the Loans, subject, however, to the applicable provisions of this Agreement including, but not limited to the Initial Funding Lender's approval of all advances. No further authorization from the Borrower shall be necessary to warrant such direct advances to Contractor and all such advances shall satisfy pro tanto the obligations of the Issuer and the Fiscal Agent hereunder and shall be secured by the Mortgage as fully as if made directly to the Borrower.

F. All advances or parts of advances including the initial advance will be made subject to the approval of the Issuer Servicer and to the following conditions precedent as to each advance (each of which the Borrower covenants to fulfill), satisfaction of which shall be evidenced by the Issuer Servicer's approval:

(1) That the Borrower has fully complied with all of the provisions of the Loan Documents and is entitled to such advance, it being understood that the making of any advance or portion thereof when the Borrower is not so entitled will not constitute waiver of such compliance and that no event has occurred and is continuing which constitutes a "Default" or an "Event of Default" under any Loan Document.

(2) That the Mortgage is a good and valid first lien for the full amount then and theretofore advanced, and good, marketable and insurable title to the Borrower's fee simple interest in the Land is vested in the Borrower, free and clear of all encumbrances, except

Permitted Encumbrances as defined in the Mortgage and except for encumbrances being properly contested under the Mortgage, as evidenced by an updated title insurance endorsement.

(3) That the Improvements have been constructed substantially in accordance with the Plans and Specifications and all legal requirements, and that the Inspecting Engineer has made an inspection of and approves the work completed as represented in the current Requisition Request.

(4) That the Issuer Servicer has been furnished with an affidavit executed by an authorized representative of the Borrower or its agent as to whether or not the Borrower has been served with written notice that a lien may be claimed for any amounts unpaid for materials furnished or labor performed by any person, firm, entity or corporation furnishing materials or performing labor of any kind in the construction or installation of any of the Improvements. The date and manner of service shall be stated in such affidavit and a true and correct copy of each such notice shall be attached to the affidavit.

(5) That the Borrower has procured or will procure verified and proper mechanic's lien waivers and receipted bills or receipts from the Contractor, any subcontractor or materialmen in a form reasonably satisfactory to the Issuer or the Issuer Servicer, showing payment of all parties who have furnished materials or performed labor of any kind pertaining to the construction or installation of any of the Improvements, except for claims being contested under the terms of the Mortgage, through the date of the previous disbursement. The Issuer, the Fiscal Agent, and the Issuer Servicer shall not be required nor be responsible to ascertain that any such bills are, in fact, paid. In the event a lien has been filed against the Land, the Issuer Servicer shall require such lien to be satisfied or bonded before approving a Requisition Request.

(6) That the Borrower has furnished the Issuer Servicer reasonably satisfactory evidence that the undisbursed proceeds of the Loans together with projected earnings on invested funds under the Funding Loan Agreement and other identifiable funds available to the Borrower, including but not limited to capital contributions made or to be made under the Borrower's operating agreement will be sufficient to pay the cost of completing the Improvements (other than the deferred developer fee and other deferred fees to parties related to the Borrower) as required by the Loan Documents.

(7) That the Improvements are not being constructed in violation of the Land Use Restriction Agreement or any covenants, restrictions, codes, or zoning ordinances affecting the Land.

(8) That the Borrower and/or the Contractor have caused the Issuer Servicer to be provided with a list of all subcontractors and materialmen to be used on the Development, to be updated with each Requisition Request, and copies, certified by the Borrower and/or the Contractor to be true and correct, of all the contracts or subcontracts for all labor, material, equipment and furnishings to complete the Improvements.

(9) That the Requisition Request is accompanied by a certificate on the part of the Architect that the work has been accomplished in substantial accordance with the Plans and Specifications so as to entitle the Borrower to the disbursement requested.

G. Conditions to Final Advance. Prior to approving the final advance and release of any Retainage being held back hereunder, the Issuer Servicer shall have received:

(1) each of the items specified in the foregoing subparagraphs F(2) through (9);

(2) such documents, if any, as may be required by the County, as appropriate for the issuance of a final certificate of occupancy;

(3) a certificate of substantial completion in a form reasonably acceptable to the Issuer (the AIA form G704 is acceptable to the Issuer);

(4) final lien waivers from all subcontractors and materialmen;

(5) updated title insurance endorsements insuring the lien of the Mortgage as of the Completion Date to be a valid first lien on the Development, subject only to Permitted Encumbrances (as defined in the Mortgage) other than mechanic's liens, and otherwise providing the title insurance coverage required under the Mortgage as of the Completion Date;

(6) an updated "as-built" survey of the Development recertified to the Issuer, the Issuer's counsel, the Title Company and the Fiscal Agent as of the Completion Date;

(7) a set of "as-built" Plans and Specifications;

H. Continuing Duties of the Issuer Servicer after Construction. Monitor any letters of credit or insurance policies issued or received in connection with the Land or the Development and do all things or take any actions necessary or appropriate on behalf of the Issuer and the Fiscal Agent to secure, or cause to be secured, the timely renewal thereof for such periods as such items are to be in force and effect by the Loan Documents; provided that the Issuer Servicer has received from the Fiscal Agent (from funds held under the Funding Loan Agreement available for such purpose) from time to time any fees or charges the Issuer Servicer requires to secure payment or the timely renewal of such items upon the Borrower's failure to do so. The Issuer Servicer shall provide timely notice to the Fiscal Agent and the Borrower of any failure by the Borrower to renew within thirty (30) days of expiration any such letters of credit or insurance policies.

I. The Fiscal Agent may rely upon the approval of a Requisition Request by the Initial Funding Lender and the Issuer Servicer to establish compliance by the Borrower with subparagraphs A, B, E and F above.

6. COMPENSATION OF THE ISSUER SERVICER. The Borrower shall provide for payment to the Issuer Servicer for the services rendered by the Issuer Servicer hereunder in accordance with the following provisions:

A. Construction Servicing. The Issuer Servicer Fee is payable directly by the Borrower to the Issuer Servicer; (i) during rehabilitation of the Development, (1) an in-house review fee of \$173 per hour but not in excess of \$2,113 per disbursement and (2) an on-site inspection fee of \$173 per hour for services rendered but not in excess of \$1,718 per

disbursement, and (ii) a fee for extraordinary services with respect to the Development of \$173 per hour.

B. **Permanent Servicing.** The Borrower shall pay on a semi-annual basis an amount based on a monthly base servicing fee equivalent to one-twelfth of 2.3 basis points (0.023%) per annum on the outstanding principal amount of the Notes, with a minimum fee of \$207.00, payable in arrears on each January 1 and July 1 commencing January 1, 2018. An additional fee of \$173.00 per hour shall be paid by the Borrower for extraordinary permanent loan servicing services.

Any fees not paid by the Borrower may be paid by the Fiscal Agent (from amounts available under the Funding Loan Agreement) and charged against the Loans unless Borrower gives Fiscal Agent notice that such fees are disputed.

C. The Issuer Servicer's right to compensation hereunder (except for accrued, unpaid compensation and unreimbursed, previously incurred costs and expenses) for servicing the Loans shall cease upon the occurrence of any of the following events:

- (1) the Loans shall be paid in full and the Qualified Project Period shall have expired;
- (2) an Event of Default under the Notes or the Project Agreement; and
- (3) notification by the Fiscal Agent to the Issuer Servicer that its services or this Agreement shall be terminated by the Issuer or the Fiscal Agent with the Issuer's consent, with or without cause;

D. Any fees not paid by the Borrower may be deducted from a subsequent Requisition.

7. BUILDER'S RISK AND HAZARD INSURANCE. The Issuer Servicer shall see to it that at all times during the term of this Agreement, all buildings and improvements making up the Development are insured, under standard mortgagee clauses, for the benefit of the Fiscal Agent, the Initial Funding Lender and the Issuer, against loss or damage by fire and from such other insurable risks and hazards, all as more specifically set forth in the Loan Documents. Subject to the applicable provisions of the Loan Documents, fire insurance and extended coverage shall be in an amount at least equal to the full replacement value of the Development less applicable deductibles. Subject to the applicable provisions of the Loan Documents, in the event of the failure by the Borrower to maintain such insurance in full force and effect, and upon the written authorization of the Issuer, such insurance shall be maintained by the Issuer Servicer, subject to payment by the Fiscal Agent, which shall advance necessary funds (from amounts available for such purposes pursuant to the Funding Loan Agreement) to the Issuer Servicer, upon request from the Issuer Servicer. The Issuer Servicer shall retain and safely store, service and continually maintain all such policies and documents related thereto as are required by this Paragraph. All insurance coverage maintained pursuant to this Paragraph shall be without contribution by the Fiscal Agent and shall be issued by insurance companies having a general policyholder's rating and financial rating acceptable to the Issuer.

The Borrower shall deliver to the Issuer Servicer copies of ad valorem tax bills and hazard insurance premium notices as payment therefor becomes due. If the Project Loan Agreement or the Funding Loan Agreement provides for escrows of taxes and insurance, the Fiscal Agent shall deliver to the Issuer Servicer within ten business days after receipt of such tax bills or hazard insurance premiums notices, copies of such tax bills and hazard insurance premium notices and a statement setting forth the amounts being held by the Fiscal Agent for the payment of taxes and hazard insurance. Thereafter, the Issuer Servicer shall deliver to the Fiscal Agent a statement setting forth the amounts to be paid by the Borrower as a monthly escrow for the payment of taxes and insurance to ensure prompt and full payment of such taxes and insurance as they shall become due for the next 12 month period, subject in all respects to the applicable provisions of the Funding Loan Agreement and the Project Loan Agreement. If such escrows are maintained by the Initial Funding Lender, the Issuer Servicer shall obtain copies of such bills and evidence of payment from the Initial Funding Lender.

8. REPLACEMENT RESERVES. In the event the Loans remains Outstanding on the first day of the month in which occupancy of the units in the Development is at 90%, as determined by the Issuer Servicer, the Borrower shall establish, fund and maintain, a replacement reserve fund (“Replacement Reserve Fund”) of \$400.00 per unit, per year, to be deposited with the Fiscal Agent or the Initial Funding Lender on a monthly basis.

9. INSURANCE TO BE MAINTAINED BY THE ISSUER SERVICER. The Issuer Servicer shall maintain at all times during the existence of this Agreement, at its own expense, blanket fidelity insurance and errors and omissions insurance covering the Issuer Servicer’s officers and employees and other persons acting on behalf of the Issuer Servicer relating to the Issuer Servicer’s performance of this Agreement. All such policies of insurance shall be issued by an insurance company, with coverage satisfactory to the Issuer and the Issuer Servicer and shall name the Issuer and the Fiscal Agent as the insured under said policies. All premiums for such insurance shall be paid by the Issuer Servicer at its own expense as a cost of doing business.

10. NOTIFICATION TO THE FISCAL AGENT. The Issuer Servicer shall promptly notify the Issuer, the Borrower, and the Fiscal Agent of any of the following which may come to the attention of the Issuer Servicer:

A. Any failure of the Borrower to perform any covenant or obligation, applicable to it, under the Loan Documents (of which the Issuer Servicer has knowledge) if such failure continues for a period of fifteen (15) days, or lesser period, if so provided in any Loan Document.

B. Abandonment of the Development.

C. Any lack of repair or the deterioration or waste suffered or committed in respect to the Development.

D. Any other matter which would adversely or materially affect or result in diminution of value of the security described herein.

E. Any loss or damage by fire or any hazard to the property requiring repairs costing in excess of [FIFTEEN THOUSAND AND 00/100 (\$15,000.00) DOLLARS] to restore the Land of its condition prior to such loss or damage.

11. DEFAULT OF BORROWER. The Issuer Servicer shall not at any time, without the express written consent of the Issuer and the Fiscal Agent, as applicable, consent to a postponement of compliance on the part of the Borrower with any of the terms and provisions of the Project Loan Agreement or any other Loan Document relating to the Loans, or in any manner grant an extension or waiver to the Borrower, subject to the applicable provisions of the Funding Loan Agreement and the Project Loan Agreement.

12. FORECLOSURE. The Issuer Servicer, acting for and on behalf of the Issuer, in the case of any Event of Default under the Loan Documents shall, subject to the terms of the Loans and the Funding Loan Agreement, as applicable, proceed in accordance with the Funding Loan Agreement. The Issuer Servicer shall be reimbursed for any of its costs and expenses, including, but not limited to, reasonable legal fees, title search charges, and the Issuer Servicer's extraordinary servicing fees incurred in connection with any action taken by the Issuer Servicer acting upon the direction and written authorization of the Fiscal Agent, the Issuer, the Initial Funding Lender, under any foreclosure proceeding as to the Development. This Paragraph does not impose upon the Issuer Servicer the duty to advance funds for the purposes referred to herein unless such funds have been provided, in advance, to the Issuer Servicer by the Fiscal Agent from the proceeds of the Notes or other funds available for such purpose.

13. REPRESENTATIONS OF THE ISSUER SERVICER. The Issuer Servicer covenants, warrants and represents to the Issuer and the Borrower as follows:

A. The Issuer Servicer is a duly organized corporation under the laws of the State and is in good standing in such jurisdiction; that it is authorized to execute, deliver and perform this Agreement and all other documents and agreements required hereunder, and in so doing, that it will not violate any law, any provision of its charter or bylaws or any other agreement of instrument binding upon it.

B. The Issuer Servicer shall comply with all applicable laws and the provisions of the Loan Documents.

C. The Issuer Servicer shall cause any funds advanced to the Issuer Servicer by the Fiscal Agent under this Agreement to be deposited with a financial institution the deposits of which are insured by FDIC or by any successor agency or instrumentality of the United States government; and will cause such financial institution to designate said funds as escrow funds for the benefit of the Fiscal Agent; and will cause such financial institution to execute an agreement providing that it will not exercise any powers of right of offset or banker's lien against such escrow funds.

D. The Issuer Servicer hereby waives and releases any lien or encumbrances which it might at any time have or be able to claim against any property or funds held by the Fiscal Agent or the Issuer, except monies on deposit in the Administration Fund (or similar

account under the Funding Loan Agreement) and available for such payment under the Funding Loan Agreement.

14. BORROWER'S REPRESENTATIONS AND WARRANTIES. As of the Closing Date, and thereafter, the Borrower represents and warrants to the Issuer, the Fiscal Agent and the Issuer Servicer as follows:

A. Valid Existence. That it is a duly organized and validly existing limited liability limited partnership in good standing under the laws of the State of Minnesota, with full power and authority to consummate the transactions contemplated hereby in the State.

B. Unencumbered Land. That the Borrower is indefeasibly seized of a fee simple title in the Land and has full power and lawful right to mortgage the same, and that the Land is free and clear of all encumbrances, except current taxes and assessments which are not yet due and payable.

C. No Mechanic's Liens. That no materials of any kind have been placed on the Land by anyone, and no work or labor has been performed, thereon that has not been paid for; there are no unpaid bills for labor, materials, supplies or services furnished upon the Land; and no notice of commencement or claim of lien affecting the Land or the Improvements has been filed in the public records of the County which has not been provided to and approved by the Issuer.

D. Plans and Specifications Approved. Except as provided in the next succeeding sentence, by the date of commencement of rehabilitation, the Plans and Specifications shall have been approved by the Issuer Servicer and the Inspecting Engineer on behalf of the Issuer, and to the extent required by applicable law or any effective restrictive covenant, by all governmental authorities having jurisdiction thereover and the beneficiary of any such covenant, respectively.

E. Utilities. That all utilities services necessary for the rehabilitation of the Improvements and the operation thereof for their intended purpose, are or will be available prior to commencement of rehabilitation for the use of the Borrower at the Land, including water supply, storm and sanitary sewer facilities, electric, and telephone services.

F. Access. That adequate vehicular, pedestrian and utility access for reasonably direct ingress, egress and service, to and from the Land from publicly owned and maintained paved roadways are or will be available when needed at the Land.

G. Licenses and Permits. That all necessary licenses and permits will be obtained as soon as each is reasonably obtainable so as to permit the rehabilitation and completion of the Improvements, and operation of the Development.

H. Labor and Materials. That all labor and materials contracted for or utilized in connection with the rehabilitation of the Improvements shall be used and employed solely on the Land and in said rehabilitation and shall be substantially in accordance with the Plans and Specifications.

I. Monies in Trust. That the monies disbursed under this Agreement shall constitute a trust fund and shall be used solely for the payment of the Costs of the Improvements and for no other purpose, unless another use is specifically provided for in this Agreement or another Loan Document, or is consented to in writing by the Issuer and Fiscal Agent prior to any such usage.

J. No Suits Pending. That there are no actions, suits, or proceedings pending, or, to the knowledge of the Borrower, threatened against or affecting it or the Land at law or in equity, or before or by any governmental authority except actions, suits and proceedings fully covered by insurance or which, if adversely determined, would not substantially impair the ability of the Borrower to pay when due any amounts which may become payable in respect to the Project Loan Agreement; and to the Borrower's knowledge it is not in default with respect to any order, writ, injunction, decree or demand of any court or any governmental authority.

K. No Violation of Agreements. That the consummation of the transactions hereby contemplated and performance of this Agreement will not result in any breach of, or constitute default under, any mortgage, lease, bank loan or credit agreement, corporate charter, bylaws, partnership agreement, operating agreement, joint venture agreement, or other instrument to which the Borrower or its Manager are a party or by which they may be bound or affected.

L. No Event of Default Under Project Loan Agreement. That no Event of Default presently exists under the Notes, the Project Loan Agreement, this Agreement or any other Loan Document, and no event has occurred and is continuing which with notice or the passage of time or either would constitute a default under the Notes, the Project Loan Agreement or this Agreement or any other Loan Document.

M. No Financial Impediments. That Borrower has no known or contingent liabilities, and no material financial obligations under other agreements to which Borrower is a party or by which the Land is bound other than those obligations incurred with regard to the acquisition of the Land or in the ordinary course of the operation of the Development and those obligations arising out of or specified in the Loan Documents, and the Borrower's operating agreement.

N. Continuing Warranties. That each of the representations and warranties set forth in this Paragraph will be true on the date of each advance ("Advance") and the acceptance of any Advance by the Borrower shall be deemed to be a reaffirmation of each and every one of said representations and warranties.

15. COVENANTS OF THE BORROWER. As of the Closing Date, and thereafter, the Borrower covenants and agrees with the Issuer, the Fiscal Agent and the Issuer Servicer as follows:

A. Survey. The Borrower shall forthwith, and prior to the initial disbursement of any funds hereunder, furnish to the Issuer Servicer, at the Borrower's expense, a current survey, which survey shall be satisfactory to the Issuer Servicer, and which survey shall

locate all recorded restrictions and easements by recording references. Upon the completion of the Improvements, the Borrower shall furnish to the Issuer Servicer and the Fiscal Agent a final completion survey showing the Improvements completed and properly located on the Land. Such survey shall be made by a civil engineer or surveyor reasonably acceptable to the Issuer Servicer and the Issuer and shall be paid for by the Borrower and shall be on a form and contain such matters as may reasonably be required by the Issuer Servicer and the Issuer.

B. Insurance. The Borrower shall furnish and pay, or cause to be furnished and paid, the premiums for fire and extended coverage insurance as well as insurance against such other hazards (i) as required under the Project Loan Agreement, or (ii) if greater, as may be reasonably required by the Issuer and the Issuer Servicer, including flood insurance if required, with a company or companies meeting the reasonable requirements of the Issuer, said policies to be in full replacement value of the Improvements and covering the same, said policies to be in such amount, in such form and with such deductibles as are reasonably acceptable to the Issuer and the Issuer Servicer. Loss under such insurance policies shall be payable in accordance with the relevant provisions of the Loan Documents and said policies shall provide that they shall not be cancelable without at least thirty (30) days' prior written notice by the insurer to the Fiscal Agent and the Issuer. The Borrower shall also furnish at the Borrower's expense, or cause to be furnished, such workers' compensation insurance as may be reasonably required by law. Evidence of the foregoing shall be provided to the Fiscal Agent prior to the initial disbursement of funds. All insurance policies identified herein shall be renewed at least twenty (20) days prior to expiration with notice of renewal provided the Fiscal Agent. The provisions herein are intended to be consistent with and to impose the same insurance obligations as set forth in the Project Loan Agreement.

C. Construction in Workmanlike Manner. The Borrower shall rehabilitate, or cause to be rehabilitated, the Improvements on the Land in a true, thorough and workmanlike manner and in substantial accordance with the Plans and Specifications. The Borrower shall provide, or cause to be provided, at the Borrower's cost, all manner of materials, labor, scaffolding, implements and other items of every description as are required for the complete rehabilitation of the Improvements. The Borrower shall not make any material changes in the Plans and Specifications or materially deviate therefrom, except with the prior written consent of the Issuer and the Issuer Servicer which approval will not be unreasonably withheld or delayed and except with respect to change orders that do not require the consent of the Issuer or the Issuer Servicer pursuant to Section 17D. The question of materiality will be solely and reasonably decided by the Issuer or the Issuer Servicer in light of the Plans and Specifications submitted, existing building standards and the public purpose of the Development.

D. Lien Releases. The Borrower shall furnish all receipted bills, certificates, affidavits, receipts, releases of lien, approved Notes and any other documents which may be required or allowed by the lien laws of the State, or which may be reasonably required by the Issuer, the Issuer Servicer or the Fiscal Agent, as evidence of full payment or acceptable bond for all labor and materials incident to the rehabilitation of the Improvements, and will promptly secure the release (except for liens which are the subject of a bond as herein described) of the Land from any and all liens that might be imposed thereon. The Borrower specifically reserves the right to contest any such liens, provided such liens are properly transferred to a surety bond or cash deposit in accordance with Florida law.

E. Compliance with Project Loan Agreement. The Borrower shall comply with and perform each and every one of the provisions, terms, conditions, requirements and contingencies embodied in the Project Loan Agreement and the other Loan Documents and shall execute all instruments required to completely comply with and perform the same, and shall abide by, complete and carry out all of the Borrower's representations, proposals and commitments made in the Loan Documents.

F. No Further Encumbrances. The Borrower will not convey, encumber or impose a security interest on its interest in the Land or the Improvements in any way without the consent of the Issuer and the Fiscal Agent, nor shall the Borrower assign any rights under this Agreement or any advance or portion of any advance to be made hereunder without the Issuer's and the Fiscal Agent's prior written consent. All proposed easements affecting the Land shall be submitted to the Issuer Servicer for its reasonable approval prior to the execution thereof by the Borrower and shall be accompanied by a drawing or survey adequate to show the proposed location thereof.

G. Right of Entry. The Borrower will permit the Issuer, the Fiscal Agent and the Issuer Servicer and their authorized employees, agents or representatives to enter upon the Land after reasonable prior notice during normal business hours, to inspect the Improvements and all materials to be used in the rehabilitation thereof, and to examine all detailed plans and shop drawings which are or may be kept at the construction site and all books and records of the Borrower and the Contractor relating to the Land, and will cooperate and cause the Contractor to cooperate with the Issuer, the Fiscal Agent and/or the Issuer Servicer and their representatives to enable them to perform their functions hereunder. It is expressly agreed that any inspection made by the Issuer, the Fiscal Agent or the Issuer Servicer or their representatives shall be made solely and exclusively for the protection and benefit of each of them and neither the Borrower nor any third party shall be entitled to claim any loss or damage either against the Issuer, the Fiscal Agent or the Issuer Servicer or its employees, agents or representatives for failure to properly discharge any alleged duties of the Issuer, the Fiscal Agent or the Issuer Servicer and they shall have no duty to make such inspections.

H. Correct Non-Complying Work. The Borrower agrees that it will cause to be corrected at no cost to the Issuer, the Fiscal Agent, or the Issuer Servicer, any work performed and replace any material that does not substantially comply with the Plans and Specifications.

I. Additional Documents. The Borrower agrees to execute any and all such other and further instruments as may reasonably be required by the Issuer or Fiscal Agent from time to time in order to carry out the provisions of this Agreement, the Loan Documents or for the purpose of protecting, maintaining, or enforcing the Issuer's and the Fiscal Agent's security for the Loans.

J. Insufficiency of Loan Proceeds. Unless otherwise agreed in writing by the Issuer and the Issuer Servicer, the Borrower covenants, warrants and agrees that it will provide from its own funds such amounts as may be necessary to pay for all Costs of the Improvements which are in excess of the disbursements required to be made by the Fiscal Agent hereunder and other available and identified funds (as approved by the Issuer Servicer), and in the event of any default hereunder (subject to any applicable notice and cure periods), the Issuer Servicer shall

not be required to approve any disbursement hereunder if the undisbursed proceeds of the Loans together with all other available and identified funds shall be less than the amount necessary to pay for the completion of the Improvements. If the Issuer or the Issuer Servicer at any time determine in their reasonable judgment from any certification, report, cost projection, work stoppage, price or wage change or from any other source or for any reason, that the Cost of the Improvements will exceed those costs and projections estimated by the Borrower or the Issuer and certified to the Issuer Servicer from time to time, and that the undisbursed proceeds of the Loans (plus any and all funds of the Borrower deposited with the Fiscal Agent together with all other available and identified funds) shall be less than the amount necessary, in the Issuer's or the Issuer Servicer's reasonable judgment, to pay for all work done or to be done and all other expenses for completion of the Improvements, or that any amount specified in the Budget may be less than the amount necessary (taking into account all other available and identified funds which are so approved by the Issuer Servicer), in the Issuer's or the Issuer Servicer's reasonable judgment, to pay for all work done or to be done and all expenses incurred or to be incurred in connection with the Improvements, then in such event, the Fiscal Agent shall, if directed by the Issuer, withhold further disbursements to the Borrower until the Borrower shall have provided a sufficient plan to pay for all work done or to be done and expenses incurred or to be incurred in connection with the Improvements, to the reasonable satisfaction of the Issuer, including but not limited to the requirement that collateral sufficient to cover such costs be posted with or for the benefit of the Fiscal Agent.

K. Construction Contract. Except as otherwise provided herein with respect to change orders that do not require consent, the Borrower shall not amend the Construction Contract in any manner without the prior written consent of the Issuer, the Initial Funding Lender and the Issuer Servicer.

16. TERMINATION.

A. By the Fiscal Agent. The Fiscal Agent, with the consent of the Issuer, shall have the right to terminate the Issuer Servicer's rights and obligations under this Agreement, without cause, upon ten (10) days' written notice to the Issuer Servicer, and with cause, upon such written notice as the Issuer deems reasonable under the circumstances.

B. Automatic Termination. Upon the occurrence of any one or more of the following events, the Issuer Servicer's rights and obligations under this Agreement shall be automatically terminated:

(1) The Issuer Servicer shall assign or attempt to assign its rights or obligations under this Agreement.

(2) The Issuer Servicer shall institute proceedings for voluntary bankruptcy or shall file a petition seeking reorganization under the Federal Bankruptcy Laws or for relief under any other law for the relief of debtors or shall consent to the appointment of a receiver of all or substantially all of its property, or make a general assignment for the benefits of its creditors, or shall admit in writing its inability to pay its debts as they become due, or shall be adjudicated bankrupt or insolvent by a court of competent jurisdiction, or if an order shall be made by a court of competent jurisdiction appointing a receiver, liquidator or Fiscal Agent of the

Issuer Servicer or of all or substantially all of its property or approving any petition filed against the Issuer Servicer for its reorganization, and such adjudication or order shall remain in force or unstayed for a period of thirty (30) days.

(3) The Issuer Servicer shall fail to perform any of its obligations hereunder and shall fail, within thirty (30) days after written notice from the Fiscal Agent or the Issuer, to correct or cure such failure.

(4) The Notes shall be redeemed.

(5) The amounts owed by the Borrower under the Loan Documents are paid in full.

C. Effect of Termination. In the event this Agreement is terminated pursuant to this Section 16, then the rights and obligations of the Issuer Servicer and its right to compensation hereunder shall immediately terminate, the Issuer Servicer shall forthwith deliver to the Issuer or to whomever the Issuer directs, all documents relating to the Loans and shall do such other acts as may reasonably be required by the Issuer to facilitate the termination hereof.

D. Termination of Rights and Duties of Issuer Servicer. Upon termination of the rights and duties of the Issuer Servicer hereunder, the Fiscal Agent and the Borrower shall join the Issuer in entering into a substantially similar agreement with a replacement Issuer Servicer designated by the Issuer.

17. AGREEMENTS RELATING TO CONTRACTORS.

A. Rights Inferior. Neither the Fiscal Agent nor the Issuer shall be liable to materialmen, contractors, subcontractors, sub-subcontractors, laborers, suppliers or others for goods or services delivered by them in or upon the Land or employed in the rehabilitation of the Improvements, or for any debts or claims accruing to any of said parties against the Borrower or against the Land, and it is distinctly understood and agreed that there is no contractual relationship, either express or implied, between either the Issuer, the Fiscal Agent or the Issuer Servicer and any materialmen, contractors, sub-contractors, sub-subcontractors, craftsmen, laborers or any person supplying any work, labor or material. The Borrower is not, and shall not be, the agent of either the Issuer, the Fiscal Agent or the Issuer Servicer for any purpose, nor shall any of them be the agent of Borrower for any purpose, except, as to both, as may be specifically set forth herein. It is specifically understood and agreed that no party shall be a third party beneficiary hereunder, except and unless it is specifically provided herein that any provision shall operate or inure to the use and benefit of a party, i.e., no subcontractor, sub-subcontractor or materialman, laborer or supplier shall have any rights hereunder against the Issuer, the Fiscal Agent or the Issuer Servicer or be entitled to the protection of any of the covenants herein contained.

B. Borrower's Rights Assigned. The Borrower hereby assigns to the Issuer and Fiscal Agent, effective, however, only after an Event of Default and the expiration of applicable cure periods, all rights of the Borrower under its contract with the Contractor and under its contract with the Architect, and the Issuer or the Fiscal Agent shall have the option after an Event of Default, and the expiration of applicable cure periods, in its sole discretion and in

addition to any other rights and remedies the Issuer or the Fiscal Agent may have, to exercise their rights under this assignment. Nothing herein shall be construed, however, to require the Issuer or the Fiscal Agent to exercise any rights under this Paragraph.

C. No Other Contracts. Except for items set forth and approved by the Issuer Servicer in the Budget, the Borrower represents that it has not and agrees that it will not enter into any significant contract or agreement (in excess of \$50,000) relating to the rehabilitation, purchase or installation of the Improvements other than the contracts with the property manager, the Developer, the Architect and the Contractor and a contract with its surveyors or engineers, nor will the Borrower agree to any material modification or amendment in its contract with the property manager, the Contractor or the Architect without first obtaining the Issuer Servicer's written approval of and consent to such contract, agreement or amendment, which consent shall not be unreasonably withheld or delayed for more than five (5) days after receipt of said notice.

D. Change Orders. The Borrower covenants and warrants that any change order of \$25,000 or more, or \$50,000 in the aggregate, shall require the prior written approval of the Issuer Servicer, which approval shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, the Issuer Servicer shall be provided with copies of all change orders, regardless of amount. Change orders that do not require the consent of the Issuer Servicer shall not be deemed material.

E. No Joint Venture. Nothing herein nor the acts of the parties hereto shall be construed to create a partnership or joint venture between the Borrower and the Issuer, the Fiscal Agent or the Issuer Servicer with respect to the Loans.

18. EVENTS OF DEFAULT.

A. Subject in all instances to the provisions of subparagraph B of this Section 18 and the provisions of the Funding Loan Agreement, an Event of Default under this Agreement shall, at the Issuer's option, be deemed to have occurred hereunder if:

(1) Default Under Loan Documents. Any Event of Default, as defined therein, shall occur under any of the other Loan Documents which is not cured within any applicable grace or cure period; or

(2) Breach of Covenant. The Borrower shall breach or fail to perform, observe or meet any material covenant or condition in this Agreement within thirty (30) days after written notice thereof from any other party hereto; or

(3) Filing of Liens Against the Land. Any lien for labor, materials, or taxes (except for ad valorem taxes not yet due and payable) or otherwise shall be filed against Borrower's interest in the Land and not be either released (by payment, bonding or otherwise) within the earlier of forty (40) days after the date of filing thereof or thirty (30) days after the Borrower receives actual notice thereof or properly contested, except as disclosed in the pending litigation schedule attached hereto as Exhibit "C" and made a part hereof; or

(4) Judgment Against Borrower. Any final judgment shall be entered against the Borrower, the Manager, or the controlling members of the Manager which the

Borrower, the Manager or the controlling members of the Manager has not appealed and which could reasonably be expected to impair the ability of the Borrower to perform each and every one of its respective obligations under and by virtue of the Loan Documents; or

(5) Levy Upon The Development. A levy shall be made under any process on, or a receiver be appointed for, the Development or any part thereof; or

(6) Bankruptcy. The Borrower, the Manager, or the controlling members of the Manager shall commit any act of bankruptcy; or any proceeding under bankruptcy laws or other debtor-relief or similar laws shall be brought against the Borrower, the Manager or the controlling members of the Manager which is not dismissed within sixty (60) days; or the Borrower, the Manager or the controlling members of the Manager shall file for or take advantage of any form of reorganization or arrangement under any bankruptcy law or other debtor-relief or similar law or proceeding; or

(7) Assignment for the Benefit of Creditors. The Borrower, the Manager or the controlling members of the Manager shall make a general assignment for the benefit of creditors; or

(8) Abandonment or Cessation of Construction. Rehabilitation of the Improvements shall cease and not be resumed within sixty (60) days thereafter, unless the Borrower is prevented from resuming same as a result of Force Majeure, or shall be abandoned for more than thirty (30) days; or

(9) Denial of Inspection. The Issuer, the Fiscal Agent or the Issuer Servicer or representatives shall not be permitted, at all reasonable times and after reasonable notice, to enter upon the Land, to inspect the Improvements and the rehabilitation thereof and all materials, fixtures, and articles used or to be used in the rehabilitation of the Improvements, and to examine all detailed plans, shop drawings, specifications and other records which relate to the Improvements, or the Borrower shall fail to furnish to the Issuer, the Fiscal Agent or the Issuer Servicer or to their authorized representatives, when reasonably requested, copies of such plans, shop drawings, specifications, and records; or

(10) Improper Materials. Any of the materials, fixtures, machinery, equipment, articles and/or personal property used in the rehabilitation of the Improvements or the appurtenances thereto, or to be used in the operation thereof, shall not, in the reasonable opinion of the Issuer Servicer or the Issuer, confirmed by the Inspecting Engineer, substantially comply with the Plans and Specifications as approved by the Issuer and such default is not cured by the Borrower within forty-five (45) days after the Issuer Servicer or the Fiscal Agent has given notice to the Borrower to cure same; or

(11) Materials Not Free and Clear. The Borrower shall not, except in the case of leased washing machines, dryers, vending machines, office telephones, office equipment, office communications equipment and model furniture and other items normally used in common by tenants, execute (other than to the Issuer or the Fiscal Agent) any conditional bill of sale, chattel mortgage, security agreement or other security instrument covering any materials, fixtures, machinery, equipment, articles, and/or personal property intended to be incorporated in

the Improvements or the appurtenances thereto, or placed in the Improvements, or if a financing statement publishing notice of such security instrument shall be filed, or if any of such materials, fixtures, machinery, equipment, articles, and/or personal property shall not be purchased so that the ownership thereof will vest unconditionally in the Borrower, free from encumbrances other than the Issuer and the Fiscal Agent, on delivery at the Land, or if the Borrower shall not produce to the Issuer, the Fiscal Agent or the Issuer Servicer upon demand the contracts, bills of sale, statements, receipted vouchers or agreements, or any of them, under which the Borrower claims title to any thereof; or

(12) Failure to Complete Improvements. The Improvements, in the reasonable judgment of the Issuer Servicer or the Issuer, are not, or cannot reasonably be, completed on or before the Completion Date (as defined in the Funding Loan Agreement), subject, however, to force majeure; or

(13) False Representation or Warranty. At any time any representation, warranty or statement made by the Borrower in any Loan Document shall be incorrect or misleading in any material respect when made and such matter not be cured within thirty (30) days of the giving of notice thereof to the Borrower by the Issuer or the Fiscal Agent.

Notwithstanding anything herein to the contrary, this Paragraph shall in no way be construed to limit the Issuer's, the Fiscal Agent's or the Issuer Servicer's right to seek specific performance of this Agreement against the Borrower or to enforce its remedies under Paragraph 21 hereof or to withhold approval of a Requisition until the Borrower is in compliance with this Agreement.

B. Notice of Default; Opportunity to Cure. Except as set out below no default under the preceding Section shall constitute an Event of Default hereunder until:

(1) The Issuer Servicer and/or the Fiscal Agent, by registered or certified mail, shall give notice to the Issuer, the Initial Funding Lender, the Borrower, the Borrower's Investment Member and Special Member and the Fiscal Agent of such default specifying the same and stating that such notice is a "Notice of Default"; and

(2) The Borrower shall have had thirty (30) days (or such extended period as permitted (approved in writing with notice to the Fiscal Agent and the Issuer Servicer) by the Issuer when curative action is being diligently pursued) after receipt of such notice to correct the default and shall not have corrected it or, if such default cannot be corrected within thirty (30) days, shall have failed to initiate and diligently pursue (in the sole reasonable judgment of the Issuer) appropriate corrective action. The Borrower's Investment Member and Special Member shall have the right, but not the obligation to cure any default.

Notwithstanding the foregoing, notice of and opportunity to cure any default arising from a default under the other Loan Documents shall be governed by the terms of such agreements, and no additional notices of or opportunity to cure any default under such agreements shall be required hereunder to complete the notice and cure procedure provided in such agreements.

19. MISCELLANEOUS PROVISIONS:

A. No Waiver. Nothing herein shall be construed to waive or diminish any right or security of the Issuer or the Fiscal Agent under the Project Loan Agreement. It is the purpose and intent hereof to provide safeguards, protections and rights for the Issuer and the Fiscal Agent in addition to those provided in the Project Loan Agreement.

B. Cumulative Remedies. The remedies provided herein shall be in addition to and not a substitution for the rights and remedies which would otherwise be vested under any Loan Document or in law or equity, all of which rights and remedies are specifically reserved. The remedies herein provided or otherwise available to the Issuer, the Fiscal Agent or the Issuer Servicer shall be cumulative and may be exercised separately or concurrently and as often as the occasion therefor may arise. The failure to exercise any of the remedies herein shall not constitute a waiver thereof, nor shall use of any of the remedies hereby provided prevent the subsequent or concurrent use of any other remedy or remedies. It is intended that this clause shall be broadly construed so that all remedies herein provided or otherwise available to the Issuer, the Fiscal Agent or the Issuer Servicer shall continue and be each and all available until all sums due by reason of the Project Loan Agreement are paid in full and all obligations incurred by the Borrower in connection with the rehabilitation or operation of the Improvements have been fully discharged.

C. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their heirs, legal representatives, successors and assigns. The Borrower may be released from obligations and agreements hereunder only by a written instrument of the Fiscal Agent and the Issuer specifically providing for such release. The Borrower shall be released from any and all liability hereunder, upon payment of the Loans in full and the expiration of the Qualified Project Period.

D. Assignability. This Agreement shall not be assignable by the Borrower or the Issuer Servicer without the prior written consent of the Issuer and the Fiscal Agent. If the Issuer and the Fiscal Agent approve an assignment hereof by the Borrower, the Fiscal Agent shall be entitled to make advances to such assignee and such advances shall be secured by the Loan Documents.

E. Governing Law. This Agreement shall be construed under the laws of the State of Florida, regardless of where it may have been executed or delivered.

F. Construction. Whereas this Agreement was negotiated with input from all parties hereto, this Agreement shall not be construed more strongly against any party regardless of who was more responsible for its preparation.

G. Costs and Legal Fees. In the event that any party shall be required to enforce this Agreement and whether or not suit be brought, the prevailing parties shall be entitled to recover from the losing parties all reasonable legal fees and costs incurred in connection therewith, whether incurred in collection, at trial, on appeal, in bankruptcy or other similar proceedings affecting creditors' rights or otherwise.

H. Invalid Provisions. All rights, powers and remedies provided herein may be exercised only to the extent that the exercise thereof does not violate any applicable law and are intended to be limited to the extent necessary so that they will not render this Agreement invalid, illegal, or unenforceable under any applicable law. If any term of this Agreement shall be held to be invalid, illegal or unenforceable, the validity of the other terms of this Agreement shall in no way be affected thereby, nor shall such terms be invalid or unenforceable under other, dissimilar facts and circumstances.

I. Headings. The paragraph headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning, content, or interpretation hereof.

J. Amendments. This Agreement shall not be amended or modified except by an amendment in writing, executed by all parties hereto in the same form as this Agreement.

K. Time of Essence. Time is of the essence of this Agreement.

L. Right to Publicize. The Issuer and the Issuer Servicer shall have the right to publicize its involvement in the financing of the Development and may require the Borrower to name the Issuer as its lender in all publicity releases and promotional materials issued in connection with the Development.

M. Dealings with the Issuer Servicer. The Issuer Servicer shall be protected and shall incur no liability in acting or proceeding in good faith upon resolution, notice, telegram, consent, waiver, certificate, affidavit, voucher, bond or other paper or document which it shall in good faith reasonably believe (i) to be genuine and, (ii) to have been passed or prepared and furnished pursuant to the provisions of the Funding Loan Agreement, the Regulatory Agreement, the Project Loan Agreement and the Issuer Servicer shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements unless the instrument on its face reasonably indicated that the Issuer Servicer should inquire further or unless the Issuer Servicer has actual knowledge or information which reasonably should cause the Issuer Servicer to inquire further. The Issuer Servicer shall not be held liable under this Agreement except for its own negligence or willful misconduct or gross negligence. The Borrower shall indemnify and hold the Issuer Servicer harmless from any claim, action or liability of any kind or character whatsoever arising from or in any way related to acts or omissions of the Borrower or any of its agents, employees, consultants, counsel, or independent contractors. This Paragraph shall in no way be construed to relieve the Issuer Servicer of the normal and usual duties of a reasonably prudent loan servicer or monitoring agent.

N. Terms. Wherever used herein, the terms utilized shall include masculine, feminine, neuter, singular and/or plural, as the context admits or requires.

O. Conflicts. Notwithstanding anything herein to the contrary, the terms and conditions of the Mortgage Notes and the Project Loan Agreement shall govern, control and

prevail, in the event of any conflict between the terms and conditions hereof and those contained in the Mortgage Notes and the Project Loan Agreement.

P. Remedies. Subject to the terms of the Regulatory Agreement upon the occurrence of any Event of Default which is not cured within the applicable cure period, the Issuer (or the Fiscal Agent or the Issuer Servicer), shall be entitled to seek specific performance hereof against the Borrower, and/or in addition to any other right or remedy available to it in law or equity. It is specifically agreed by the Borrower that a violation of this Agreement or the Regulatory Agreement could cause harm for which no damages could be calculated, therefore entitling the Issuer to immediate equitable relief, including without limitation a temporary restraining order or mandatory injunction without notice.

20. [RESERVED]

21. EXERCISE OF RIGHTS BY ISSUER. Notwithstanding any provision herein to the contrary, the Issuer Servicer shall approve or disapprove all advances requested hereunder by the Borrower except that the Issuer Servicer is hereby permitted to disapprove any such request by the Borrower for advances hereunder which is not in substantial compliance with the credit underwriting guidelines of the Issuer.

22. NOTICES. Any notice required to be given hereunder shall be given by personal delivery, by registered U.S. mail or by expedited service at the addresses specified below or at such other addresses as may be specified in writing by the parties hereto, and any such notice shall be deemed received on the date of delivery if by personal delivery or expedited delivery service, or upon actual receipt of sent by registered U.S. Mail.

To the Issuer: Housing Finance Authority of Manatee County, Florida
c/o Angela A. Abbott, Esq.
4420 S. Washington Avenue
Titusville, FL 32780

To the Borrower: Bradenton Leased Housing Associates III, LLLP
c/o Dominion Development & Acquisition, LLC
2905 Northwest Boulevard, Suite 150
Plymouth, MN 55441-7400
Attn: Christopher P. Barnes

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

To the Fiscal Agent: U.S. Bank National Association.
Corporate Trust Services
60 Livingston Avenue, 3rd Floor
DP-MN-WS3C
St. Paul, Minnesota 55107-2292
Attention: Dan Sheff
Telephone: (651) 466-6302
Facsimile: (651) 466-7430

To the Initial Funding Lender: JPMorgan Chase Bank, N.A.
Community Development Group
10 S. Dearborn
Chicago, Illinois 60603
Attention: John D. Bernhard, Executive Director
Telephone: (312) 325-5032
Facsimile: (312) 325-5050

The Issuer Servicer: First Housing Development Corporation of Florida
107 S. Willow Avenue
Tampa, FL 33606
Attention: Edward Busansky
Telephone: (813) 289-9410
Facsimile: (813) 289-5580

23. ENTIRE AGREEMENT. This Agreement sets forth the entire agreement among the Issuer, the Issuer Servicer, the Fiscal Agent and the Borrower as to the subject matter hereof, and all prior agreements, negotiations and understandings with respect thereto are merged into and superseded by this Agreement.

24. WAIVER OF TRIAL BY JURY. THE BORROWER, THE ISSUER, THE FISCAL AGENT AND THE ISSUER SERVICER KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EACH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, ANY OTHER LOAN DOCUMENT AND ANY OTHER AGREEMENT EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HERewith, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF PARTIES, WHETHER IN CONNECTION WITH THE MAKING OF THE LOANS, COLLECTION OF THE LOAN, OR OTHERWISE. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE ISSUER TO MAKE THE PROJECT LOAN AND THE BRIDGE LOAN EVIDENCED BY THE PROJECT LOAN AGREEMENT.

[Counterpart Signature Page – Construction Loan Servicing Agreement]

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.

**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

[Counterpart Signature Page – Construction Loan Servicing Agreement]

HOUSING FINANCE AUTHORITY OF
MANATEE COUNTY, FLORIDA

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

ATTEST:

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

APPROVED AS TO LEGAL
SUFFICIENCY:

By: _____
Angela A. Abbott, Esq.

[Counterpart Signature Page – Construction Loan Servicing Agreement]

**FIRST HOUSING DEVELOPMENT
CORPORATION OF FLORIDA, a**
Florida corporation

By: _____
Print: Edward Busansky
Title: Senior Vice President

[Counterpart Signature Page – Construction Loan Servicing Agreement]

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

By: _____

Name: Dan Sheff

Title: Vice President

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.

EXHIBIT "B"

BUDGET AND CONSTRUCTION DRAW SCHEDULE

EXHIBIT "C"

PENDING LITIGATION SCHEDULE

WPB 383930696v10/016751.015100