

**THIS INSTRUMENT PREPARED
BY AND RETURN TO:**

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Draft No.2 11/30/17
010.43

ABOVE SPACE RESERVED FOR
RECORDING PURPOSES ONLY

LAND USE RESTRICTION AGREEMENT

This Land Use Restriction Agreement (the "Agreement") is made and entered into as of December 1, 2017, by and among the BREVARD COUNTY HOUSING FINANCE AUTHORITY, a public body corporate and politic organized and existing under the laws of the State of Florida (the "Governmental Lender") whose mailing address is 4420 South Washington Avenue, Titusville, Florida 32780, WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, with a corporate trust office in Minneapolis, Minnesota (the "Fiscal Agent"), pursuant to the Funding Loan Agreement dated as of December 1, 2017 securing the Governmental Lender's Multifamily Mortgage Revenue Note, Series 2017 (Crane Creek Apartments Project) (the "Funding Note"), in the aggregate principal amount of \$8,210,000, and with respect to the Governmental Lender's Subordinate Multifamily Housing Revenue Note, Series 2017 (Crane Creek Apartments Project) (the "Subordinate Note") in the aggregate principal amount of \$4,992,000, and the Borrower referenced below.

WHEREAS, pursuant to and in accordance with the Act (hereinafter defined), the Governmental Lender has determined to issue its Funding Note and Subordinate Note and to lend the proceeds thereof to MELBOURNE LEASED HOUSING ASSOCIATES II, LLLP, a Florida limited liability limited partnership (the "Borrower"), for the purpose of (i) providing funds to finance the acquisition and rehabilitation of a 127-unit multifamily rental housing project in Melbourne, Florida currently known as Crane Creek Senior Apartments (the "Project"); and (ii) paying all or a portion of the expenses incurred in connection with the issuance of the Funding Note and Subordinate Note; and

WHEREAS, as a condition of making the Loan referenced herein and in connection with the issuance of the Funding Note and Subordinate Note, the parties hereto have agreed to enter into this Agreement in order to preserve the tax-exempt status of interest on the Funding Note and Subordinate Note;

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be

legally bound hereby, the Governmental Lender, the Fiscal Agent and the Borrower hereby agree as follows:

Section 1. Definitions and Interpretation. All initially capitalized, undefined terms used herein shall have the meanings assigned to such terms in the Funding Loan Agreement. In addition, the following words and phrases shall have the following meanings:

"Act" means Chapter 159, Part IV, Florida Statutes, Chapter 159, Part II, Florida Statutes, the Governmental Lender's resolution adopted December 14, 2017, and other applicable provisions of law.

"Affiliated Party" of any person means a person such that (i) the relationship between such persons would result in a disallowance of losses under Section 267 or 707(b) of the Code, or (ii) such persons are members of the same controlled group of corporations as defined in Section 1563(a) of the Code, except that "more than 50 percent" shall be substituted for "at least 80 percent" each place it appears therein, or (iii) a related person within the meaning of Section 144(a) or 147(a) of the Code.

"Agreement" means this Land Use Restriction Agreement, dated as of December 1, 2017, as the same may be amended, modified, supplemented or restated from time to time.

"Applicable Income Limit" means sixty percent (60%) of area median gross income (within the meaning of Section 142(d) of the Code) for Brevard County, Florida, Standard Metropolitan Statistical Area, as determined by the Secretary of the United States Department of the Treasury in a manner consistent with determinations of lower income families and area median gross income under Section 8 of the Housing Act of 1937, as amended (or if such program is terminated, under such program as in effect immediately before such termination), including adjustments for family size.

"Area Median Gross Income" means the median gross income for the area in which the Project is located as determined under Section 8 of the Housing Act of 1937 (or, if such program is terminated, under such program as in effect immediately before such termination) and as published annually by HUD.

"Bond Closing Date" means the date of delivery of the Funding Note and Subordinate Note.

"Borrower" means Melbourne Leased Housing Associates II, LLLP, a Florida limited liability limited partnership, and its successors and assigns.

"Borrower Loan Agreement" means that certain Borrower Loan Agreement, dated as of even date herewith, entered into by and between the Borrower and the Governmental Lender, as amended or supplemented from time to time.

"Borrower Loan Documents" shall have the meaning set forth in the Borrower Loan Agreement.

"Business Day" means any day other than a Saturday, Sunday or a day when banks are authorized to be closed under the laws of the States of Florida or New York or the New York Stock Exchange is closed.

"Certificate of Continuing Program Compliance" means the certificate required to be delivered by the Borrower to the Governmental Lender pursuant to Section 4(f) hereof.

"Code" means the Internal Revenue Code of 1986, as amended, and the Regulations thereunder, or any successor statute, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the Treasury Department or Internal Revenue Service of the United States. Any reference to a particular provision of the Code shall be deemed to include (a) any successor provision or any successor Internal Revenue Law and (b) the applicable regulations, whether final, temporary or proposed, under such provision or successor provision.

"County" means Brevard County, Florida.

"Current Annual Family Income" is determined in accordance with Section 8 of the Housing Act of 1937 (the "Housing Act"), as amended (or, if such program is terminated, under such program as in effect immediately before such termination) and includes the forms of income described in the Income Certification as promulgated by the Governmental Lender from time to time in accordance with the Housing Act.

"Eligible Persons" means persons or families determined by the Governmental Lender to be of low, middle or moderate income and "eligible persons" under the Act applicable to the Project, which determination includes, but is not limited to, an income limit which shall not exceed 150% of the median family (family of four) income for the County; provided that persons 65 years of age or older shall be defined as "Eligible Persons" regardless of their incomes.

"Funding Loan Agreement" means the Funding Loan Agreement, dated as of even date herewith, among the Governmental Lender, the Fiscal Agent and Citibank, N.A. relating to the issuance of the Funding Note, as amended or supplemented from time to time.

"Funding Note" has the meaning provided in the introductory paragraph of this Agreement.

"Income Certification" means the certification required to be obtained from each Lower-Income Tenant by the Borrower pursuant to Section 4(a) hereof.

"Land" means the real property described in Exhibit "A" attached hereto.

"Loan" means the loan in an amount equal to the principal amount of the Funding Note and Subordinate Note, made by the Governmental Lender to the Borrower from the proceeds of the Funding Note and Subordinate Note, as described in this Agreement and secured by the Funding Loan Agreement, the Borrower Loan Agreement and the Borrower Loan Documents.

"Lower-Income Tenant" means individuals or families whose income does not exceed sixty percent (60%) of the Area Median Gross Income; provided, however, that if all the occupants of a unit are students (as defined in Section 151(c)(4) of the Code), no one of whom is entitled to file a joint return under Section 6013 of the Code, the occupants of that Unit shall in no event be deemed to be "Lower-Income Tenants". The income of individuals and Area Median Gross Income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and Area Median Gross Income under Section 8 (or, if such program is terminated, under such program in effect immediately before such termination). Determinations under the preceding sentence shall include adjustments for family size as prescribed under Section 8, e.g., a family of four generally will qualify if the family has an income of sixty percent (60%) or less of the area median income; a family of three having an income of fifty-four percent (54%) or less generally will qualify; a family of two having an income of forty-eight percent (48%) or less generally will qualify; and a single individual having an income of forty-two percent (42%) or less generally will qualify.

"Mortgage" means the Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of December 1, 2017, as the same may be amended, modified, supplemented or restated from time to time, that grants a first mortgage on and security interest in the Borrower's leasehold interest in the Land, the buildings and equipment comprising the Project, made from the Borrower to the Governmental Lender, as assigned to the Fiscal Agent.

"Permitted Encumbrances" shall have the meaning set forth in the Mortgage.

"Project" means the affordable housing development located on the Land.

"Qualified Tax Counsel" means an attorney, or firm of attorneys, of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions, appointed by the Governmental Lender.

"Qualified Project Period" means the period commencing on the first day on which at least ten percent (10%) of the residential units in the rehabilitated Project are first occupied (as certified in writing by the Borrower to the Governmental Lender) (or, if later, the date on which the Funding Note and Subordinate Note are issued) and ending on the latest of the following: (i) the date that is fifteen (15) years after the date on which at least fifty percent (50%) of the residential units in the rehabilitated Project are first occupied (as certified in writing by the Borrower to the Governmental Lender); (ii) the first day on which the Funding Note is no longer outstanding; or (iii) the date on which any assistance provided with respect to the Project under Section 8 terminates (as certified in writing by the Borrower to the Governmental Lender).

"Regulations" means the regulations promulgated by the United States Department of the Treasury pursuant to the Code, as amended from time to time.

"Rental Housing" shall mean a residential rental project within the meaning of Section 1.103-8(b)(4) of the Treasury Regulations under Section 142(d) of the Code. As such, Rental Housing shall consist of a building or structure or proximate buildings or structures, (a) containing

one or more similarly constructed residential units which are to be used on other than a transient basis and any facilities which are functionally related and subordinate to such units, and (b) all of the residential units which are rented or available for rental on a continuous basis to members of the general public in accordance with the requirements of Section 142(d) of the Code. Rental Housing consists of similar residential units together with any functionally related and subordinate facilities within the meaning of Section 142(d) of the Code. A building or structure is a discrete edifice or other man-made construction consisting of an independent (i) foundation, (ii) outer walls, and (iii) roof, and containing one or more similarly constructed residential units. Buildings or structures are proximate if they are all located on a single parcel of land or several parcels of land which are contiguous except for the interposition of a road, street, stream or similar property. Proximate buildings or structures are part of the same project only if owned for federal tax purposes by the same person and if the buildings are financed pursuant to a common plan. In no event shall Rental Housing include a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium, rest home, or trailer park or court. Furthermore, Rental Housing shall not include any building or structure which contains fewer than five residential units, one residential unit of which is occupied by an owner of the units or a party related to such owner.

"Section 8" means Section 8 of the United States Housing Act of 1937.

"State" means the State of Florida.

"Term of this Agreement" means the term determined pursuant to Section 7 hereof.

Unless the context clearly requires otherwise, as used in this Agreement, words of the masculine, feminine or neuter gender shall be construed to include any other gender when appropriate, and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

Section 2. Residential Rental Property. The Governmental Lender and the Borrower hereby declare their understanding and intent that, during the term of this Agreement, the Project is to be owned, managed and operated as a "project for residential rental property" as such phrase is utilized in Section 142(d) of the Code and shall be owned, managed and operated as Rental Housing. The Borrower hereby represents, covenants, warrants and agrees that:

(a) The Project is being acquired and rehabilitated for the purpose of providing a "qualified residential rental project" as such phrase is used in Section 142(d) of the Code, (2) the Borrower shall own the entire Project for federal tax purposes, and (3) the Project shall be owned, managed and operated as a multifamily residential rental property comprised of a building or structure or several proximate buildings or structures containing similarly constructed units, together

with any functionally related and subordinate facilities and no other facilities, in accordance with Section 142(d) of the Code and Section 1.103-8(b) of the Regulations, and in accordance with such requirements as may be imposed thereby on the Project from time to time.

(b) The Project is comprised of one or more similarly constructed units, each of which contains separate and complete facilities for living, sleeping, eating, cooking and sanitation for an individual or a family, including a living area, a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a refrigerator and sink.

(c) None of the units in the Project will at any time be (1) utilized on a transient basis, (2) used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, nursing home, hospital, sanitarium, rest home, trailer court or park, or (3) rented for lease periods of less than six (6) months unless such lesser period immediately follows a lease period that was at least six (6) months.

(d) All of the units in the Project will be rented or available for rent on a continuous basis to members of the general public, and other than to households with at least one member 62 years of age or older, the Borrower will not give preference to any particular class or group in renting the units in the Project, except to the extent that units are required to be leased or rented to Lower-Income Tenants or Eligible Persons, and units may be restricted as required pursuant to any restrictive agreement existing or hereafter recorded against the Project in connection with qualifying low-income housing tax credits under Section 42 of the Code. Lower-Income Tenants will have equal access to and enjoyment of all common facilities of the Project.

(e) The Land consists of a parcel of real property or parcels of real property that are contiguous except for the interposition of a road, street, stream or similar property, and the Project comprises buildings, structures and facilities that are geographically contiguous and functionally related.

(f) The Borrower or a related person, as defined in Section 147(a) of the Code, shall not occupy any of the units in the Project; provided, however, that the Borrower or a related person may occupy a unit in a building or structure that contains five or more units if the Borrower or related person is a resident manager or other necessary employee (e.g., maintenance and security personnel).

(g) None of the proceeds of the Funding Note or Subordinate Note (including investment earnings) will be used to provide a health club facility, skybox or any other private luxury box, an airplane, or store the principal business of which is the sale of alcoholic beverages for consumption off premises or a facility used primarily for gambling.

(h) The Borrower shall not discriminate in violation of fair housing laws on the basis of race, creed, religion, color, sex, marital status, family status, handicapped status or national origin in the lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project.

The requirements of this Section 2 shall terminate on the later of (i) the end of the Qualified Project Period or (ii) the end of the remaining term of the Funding Note and Subordinate Note, as such requirement is interpreted pursuant to the Code, unless otherwise terminated pursuant to Section 7 hereof.

Section 3. Lower-Income Tenants and Eligible Persons. The Borrower hereby represents, warrants and covenants as follows:

(a) There shall be no default hereunder, during the time the Funding Note and Subordinate Note are outstanding, so long as, at all times during the Qualified Project Period, not less than forty percent (40%) of the completed units in the Project shall be occupied by Lower-Income Tenants, as required by Section 142(d) of the Code.

(b) At all times during which the Funding Note and Subordinate Note are outstanding, those units that are not occupied by Lower-Income Tenants and are available for rental to tenants other than Lower-Income Tenants in accordance with Section 3(a) hereof will be rented to or available for rent by Eligible Persons.

(c) At all times until the later of the end of the Qualified Project Period or the date on which the Funding Note and Subordinate Note are no longer outstanding, all of the units in the Project will be rented as a residential dwelling, on a continuous basis and may not be used or converted to owner-occupied housing or other residential or business use. For purposes of this requirement, a building or structure will not be deemed to be held for rental use if it contains less than five units, any unit of which is occupied by the owner of the units.

(d) For purposes of paragraphs (a) and (b) of this Section 3, a unit occupied by an individual or family who at the commencement of the occupancy of such unit is a Lower-Income Tenant (or Eligible Person) shall be counted as occupied by a Lower-Income Tenant (or Eligible Person) during such individual's or family's tenancy in such unit, even though such individual or family ceases to be a Lower-Income Tenant (or Eligible Person). However, the preceding sentence shall cease to apply to any Lower-Income Tenant whose income under the most recent determination exceeds one hundred forty percent (140%) of the applicable income limit or to any Eligible Person (other than persons 65 years of age or older) whose income under the most recent determination exceeds one hundred fifty percent (150%) of the applicable area median income if after such determination but before the next determination, any unit of comparable or smaller size in the Project is occupied by a new resident whose income exceeds the applicable income limit. In addition, a unit that was occupied by a Lower-Income Tenant (or Eligible Person) shall be counted as occupied by a Lower-Income Tenant (or Eligible Person) until it is reoccupied other than for a temporary period not exceeding 31 days, at which time the unit shall be considered to be occupied by a Lower-Income Tenant (or Eligible Person) only if the individual or family then occupying the unit satisfies the definition of a Lower-Income Tenant (or Eligible Person).

Section 4. Reporting Requirements, Payment of Governmental Lender's Annual Compliance Fee and Maintenance.

(a) During the Qualified Project Period, the Borrower shall obtain from each Lower-Income Tenant, at the time of such Lower Income Tenant's initial occupancy in the Project, an Income Certification dated immediately prior to the initial occupancy of such Lower Income Tenant in the Project, in the form and containing the information required by applicable rules, rulings, policies, procedures, Regulations or other official statements now or hereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service with respect to obligations issued under Section 142(d) of the Code.

(b) At all times during which the Funding Note and Subordinate Note are outstanding, the Borrower shall obtain from each Eligible Person residing in the Project, at the time of such person's or family's initial occupancy in the Project, an Income Certification in form and content acceptable to the Governmental Lender.

(c) The Borrower shall file with the Governmental Lender and its compliance agent, on or before January 30 of each year, copies of the Income Certifications specified in Sections 4(a) and (b) hereof obtained by the Borrower during the previous calendar year.

(d) At all times during the Qualified Project Period, the Borrower will obtain and maintain on file from each Lower-Income Tenant residing in the Project the information demonstrating each tenant's income eligibility.

(e) The Borrower shall maintain complete and accurate records pertaining to the incomes of and rentals charged to Lower-Income Tenants and Eligible Persons residing in the Project, and shall permit, upon 5 Business Days' notice to the Borrower, any duly authorized representative of the Governmental Lender or the Fiscal Agent to inspect the books and records of the Borrower pertaining to the incomes of and rentals charged to all tenants residing in the Project. All tenant lists, applications, and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of the Borrower which is unrelated to the Project, and shall be maintained, as required by the Governmental Lender from time to time, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the Governmental Lender or the Fiscal Agent. Failure to keep such lists and applications or to make them available to the Governmental Lender or the Fiscal Agent will be a default hereunder.

(f) On or before January 30 of each year, the Borrower shall prepare and submit to the Governmental Lender and its compliance agent rent rolls and to the Governmental Lender a Certificate of Continuing Program Compliance, in the form attached hereto as Exhibit "B", executed by the Borrower stating (i) the percentage of units that were occupied by Lower-Income Tenants and Eligible Persons, respectively, as of the 20th day of the previous month, (ii) that at all times during the previous month at least 20% of the units were occupied by Lower-Income Tenants (as determined in accordance with Section 3 of this Agreement), and (iii) that no default has occurred under this Agreement or, if such a default has occurred, the nature of such default and the steps, if any, the Borrower has taken or proposes to take to correct such default.

(g) Commencing on _____ 1, 2018, and continuing on _____ 1 of every year thereafter, the Borrower shall submit to the Secretary of the Department of the Treasury (at such time and in such manner as the Secretary shall prescribe) an annual certification as to whether the Project

continues to meet the requirements of Section 142(d) of the Code. The Borrower shall simultaneously send copies of such certifications to the Governmental Lender. The Borrower acknowledges that failure to file such certification may subject the Borrower to penalty (presently, though subject to change, one hundred dollars (\$100) per day for every day after the due date that the report is not filed) as provided in Section 6652(j) of the Code.

(h) Reserved.

(i) The Borrower shall immediately notify the Fiscal Agent and the Governmental Lender of any change in the management of the Project.

(j) The Borrower will keep the buildings, parking areas, roads and walkways, recreational facilities, landscaping and all other improvements of any kind now or hereafter erected as part of the Project, in good condition and repair (normal wear and tear excepted), will not commit or suffer any waste and will not do or suffer to be done anything which would or could increase the risk of fire or other hazard to the Project or any part thereof. In order to ensure the Borrower's compliance with this covenant, the Governmental Lender and/or its representatives are hereby authorized to enter upon and inspect the Project at any time during normal business hours upon reasonable notice and subject to the rights of tenants. Notwithstanding the foregoing, the Governmental Lender has no affirmative duty to make such inspections.

(k) The Borrower will construct and operate the Project so that it conforms in all material respects with all applicable zoning, planning, building and environmental laws, ordinances and regulations of governmental authorities having jurisdiction over the Project, including, but not limited to, the Americans with Disabilities Act of 1990, as amended.

Section 5. Fair Housing Laws. The Borrower will comply with all fair housing laws, rules, regulations or orders applicable to the Project. All advertising and promotional material used in connection with the Project shall contain the phrase "Fair Housing Opportunity."

Section 6. Covenants to Run With the Land. The covenants, reservations and restrictions set forth herein shall be deemed covenants running with the Borrower's interest in the Land and, except as provided in Section 7 hereof, shall pass to and be binding upon the Borrower's assigns and successors interest in the Land or the Project; provided, however, that upon the termination of this Agreement in accordance with the terms hereof said covenants, reservations and restrictions shall automatically and without further action expire. Except as provided in Section 7 hereof, each and every contract, lease or other instrument hereafter executed covering or conveying the Borrower's interest in the Land or the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions of the Project are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Project.

Section 7. Term. This Agreement shall remain in full force and effect until the later of (i) the expiration of the Qualified Project Period and (ii) the date as of which the Funding Note and Subordinate Note are no longer outstanding; provided, however, that this Agreement shall terminate

in the event of involuntary noncompliance with the provisions of this Agreement caused by fire, seizure, requisition, foreclosure or transfer by deed in lieu of foreclosure, change in a federal law or an action of a federal agency that prevents the Governmental Lender from enforcing the provisions hereof, or condemnation or a similar event (as determined by Qualified Tax Counsel), but only if within a reasonable period thereafter (i) the Funding Note and Subordinate Note are retired in full or rendered no longer outstanding by means of foreclosure or a deed in lieu of foreclosure or (ii) the proceeds received as a result of such event are used to finance a development that complies with the provisions hereof and any other applicable requirements of the Code and the Regulations. In such event, upon the request and at the expense of the Borrower or a lender in possession, the parties hereto shall execute an appropriate document in recordable form to evidence such automatic termination. In the case of foreclosure or transfer of title by deed in lieu of foreclosure or similar event (as determined by Qualified Tax Counsel), such termination will cease to be in effect if, at any time during the remainder of the Qualified Project Period, the Borrower, or a "related person" to any such person within the meaning of Section 147(a) of the Code, obtains an interest in the Project for federal tax purposes. Once the Funding Note and Subordinate Note are no longer outstanding, if this Agreement by its terms will remain in effect, this Agreement shall be deemed automatically amended so that the Fiscal Agent shall no longer be a party hereto or have any obligations or duties hereunder.

Section 8. Correction of Noncompliance. The failure of the Borrower to comply with any of the provisions of Section 2 or 3 of this Agreement shall not be deemed a default hereunder unless such failure has not been corrected within a period of ninety (90) days following the date that Borrower learned of such failure or should have learned of such failure by the exercise of reasonable diligence. Not later than twenty (20) Business Days next succeeding the day on which the Fiscal Agent or the Governmental Lender learns of such failure, the Fiscal Agent or the Governmental Lender shall attempt with reasonable diligence to notify the Borrower of such failure by telephonic communication. In addition, the Fiscal Agent or Governmental Lender, as the case may be, shall send to all parties to this Agreement (including Borrower) written notice of such failure in accordance with Section 18 hereof. The Fiscal Agent shall not be deemed to have learned of such failure unless it has received a written notice from the Borrower or the Governmental Lender to the effect that such failure to comply with Section 2 or 3 hereof has occurred.

Section 9. Modification and Termination of Tax Covenants. To the extent any amendments, modifications or changes to the Regulations or the Code shall, in the written opinion of Qualified Tax Counsel filed with the Governmental Lender, the Borrower and the Fiscal Agent, impose requirements upon the ownership, occupancy or operation of the Project different than those imposed by the Regulations or the Code and stated herein, and the Borrower's failure to comply with such different requirements would produce a material and substantial risk that interest on the Funding Note will become includable in gross income for federal income tax purposes, then this Agreement shall be amended and modified in accordance with such requirements. The parties hereto agree to execute, deliver and record, if applicable, any and all documents or instruments necessary in the opinion of and in the form approved by Qualified Tax Counsel to effectuate the intent of this Section 9.

Section 10. Burden and Benefit. The Governmental Lender, the Fiscal Agent and the Borrower hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the Land in that the Borrower's legal interest in the Land and the Project is

rendered less valuable thereby. The Fiscal Agent, the Governmental Lender and the Borrower hereby further declare their understanding and intent that the benefit of such covenants touch and concern the Land by enhancing and increasing the enjoyment and use of the Land and the Project by Lower-Income Tenants and Eligible Persons, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Funding Note was issued. The Borrower hereby expressly acknowledges that this Agreement is necessary to preserve the exclusion from gross income for federal income tax purposes of interest on the Funding Note issued by the Governmental Lender to finance the Loan and covenants and agrees that in connection with the acquisition, construction, ownership and operation of the Project, it shall and shall require any subsequent purchaser of the Project to fully comply with all terms and conditions of this Agreement.

Section 11. Uniformity; Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project.

Section 12. Remedies; Enforceability. If a violation of any of the provisions hereof occurs or is attempted which is not cured within the applicable cure period, the Governmental Lender and its successors and assigns may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation, to compel specific performance hereunder, or to recover monetary damages caused by such violation or attempted violation. The provisions hereof are imposed upon and made applicable to the Land and shall run with the Land and shall be enforceable against the Borrower or any other person or entity that has or had an ownership interest in the Project at the time of such violation or attempted violation. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation hereof at any later time or times.

Section 13. Indemnification. The Borrower hereby covenants and agrees that it shall indemnify and hold harmless the Governmental Lender, Brevard County, Florida and the Fiscal Agent and their respective officers, directors, officials, employees and agents from and against any and all claims by or on behalf of any person arising from any cause whatsoever in connection with the operation of the Project by the Borrower or the delivery of the Funding Note to finance the Project, any and all claims arising from any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees in connection with the Project or the delivery of the Funding Note to finance the Project, and all costs, reasonable counsel fees, expenses or liabilities incurred in connection with any such claim or proceeding brought thereon; except that the Borrower shall not be required to indemnify any person for damages caused by the negligence or willful misconduct or breach of contract of such person or for losses relating to principal and interest. In the event that any action or proceeding is brought against the Governmental Lender, Brevard County, Florida, the Fiscal Agent or any of their respective officers, directors, officials, employees or agents, with respect to which indemnity may be sought hereunder, the Borrower, upon written notice from the indemnified party (which notice shall be given in a timely manner so as not to impair Borrower's rights to defend), shall assume the investigation and defense thereof, including the employment of counsel reasonably acceptable to the indemnified party and the payment of all fees and expenses, including such fees and expenses on appeal, if any. The indemnified party shall have the right to

employ separate counsel in any such action or proceedings and to participate in the defense thereof, but, unless such separate counsel is employed with the approval and consent of the Borrower, or because of a conflict of interest between the Borrower and the indemnified party or because the matter may involve a criminal charge, the Borrower shall not be required to pay the fees and expenses of such separate counsel. The Borrower agrees to execute any additional documents deemed necessary by the Governmental Lender, Brevard County, Florida or the Fiscal Agent to evidence the indemnification provided for in this Section 13. At the request of the Governmental Lender, Borrower agrees, in addition to the above indemnification, to pay the reasonable costs and expenses of the attorney for the Governmental Lender in connection with the action or proceeding giving rise to the indemnification.

The Borrower hereby further indemnifies, and agrees to defend and hold harmless, the Fiscal Agent, Brevard County, Florida, the Governmental Lender, any member, officer, official or employee of the Fiscal Agent, Brevard County, Florida and the Governmental Lender, and each Person, if any, who controls the Fiscal Agent, Brevard County, Florida and the Governmental Lender, and any official thereof, within the meaning of Section 15 of the Securities Act of 1933, as amended, against any and all losses, claims, damages, liabilities or expenses whatsoever caused by any untrue or misleading statement, or alleged untrue or misleading statement, of a material fact contained in any preliminary official statement, official statement, private placement memorandum, or other offering or disclosure document relating to the Funding Note or Subordinate Note ("Disclosure Statement") or the omission or alleged omission of any material fact of any Disclosure Statement, necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. Notwithstanding the foregoing, the Borrower shall have no indemnification obligation with respect to any statement or omission for which the indemnified party is responsible.

While the Borrower has possession of the Project, the Borrower also shall pay and discharge and shall indemnify and hold harmless the Governmental Lender and the Fiscal Agent from (a) any lien or charge upon payments by the Borrower to the Governmental Lender and the Fiscal Agent hereunder, and (b) any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges other than income and other similar taxes in respect of any portion of the Project. If any such claim is asserted, or any such lien or charge upon payments, or any such taxes, assessments, impositions or other charges other than income and other similar taxes, are sought to be imposed, the Governmental Lender or the Fiscal Agent shall give prompt notice to the Borrower and the Borrower shall have the sole right and duty to assume, and will assume, the defense thereof, with full power to litigate, compromise or settle the same in its sole discretion. In such instance, the indemnified party shall have the right to employ separate counsel at the expense of the Borrower in any such action as aforesaid.

In addition thereto, the Borrower will pay upon demand all of the reasonable fees and expenses paid or incurred by the Fiscal Agent, Brevard County, Florida and/or the Governmental Lender in enforcing the provisions hereof, including such fees and expenses on appeal, if any.

This Section 13 shall survive termination of this Agreement, or in the case of the Fiscal Agent, its removal or replacement.

Section 14. Reserved.

Section 15. Filing. This Agreement shall be duly recorded in the office of the Clerk of Court for Brevard County within ten days following its execution.

Section 16. Governing Law. This Agreement shall be governed by the laws of the State of Florida, without regard to the principles of conflicts of laws. The venue for any proceeding hereunder shall be a court of appropriate jurisdiction in Brevard County.

Section 17. Amendments.

(a) This Agreement shall not, except as may otherwise occur pursuant to Section 7 hereof, be amended, revised, or terminated except by a written instrument, executed by the parties hereto or their successors in title, and duly recorded in the office of the Clerk of Court of Brevard County. Anything to the contrary notwithstanding, the parties hereby agree to amend this Agreement to the extent required in the opinion of Qualified Tax Counsel, in order for interest on the Funding Note and Subordinate Note to remain exempt from federal income taxation under Section 103 of the Code. The Borrower agrees, from time to time, to take such other actions and steps necessary to comply, and to cause the Project to comply, with the requirements of Section 142(d) of the Code and to enter into modifications and amendments to this Agreement to the extent required by any interpretation of federal law, by any amendment to the Code or by any Regulation promulgated thereunder (and the parties hereto agree that this Agreement shall be deemed to be automatically amended to impose such requirements pending execution of any such amendment), in each case so that interest on the Funding Note and Subordinate Note remains exempt from federal income taxes. If either the Borrower or the Governmental Lender fails to perform its obligations under this clause (a) within a reasonable period of time after gaining actual knowledge of such failure or the Fiscal Agent shall be authorized by such other parties (and is hereby appointed as their respective true and lawful attorney-in-fact) to execute, deliver and record, on behalf of such other parties, as applicable, any such amendment; provided that the Fiscal Agent shall not take action pursuant to this sentence without first notifying the Borrower and the Governmental Lender in writing of its intention to take such action and without first providing the Borrower or the Governmental Lender, as applicable, an opportunity to comply with the requirements of this clause (a).

(b) Subject in all respects to the other provisions of this Agreement and the Funding Loan Agreement, the Governmental Lender, the Fiscal Agent and the Borrower may from time to time enter into one or more amendments or supplements to this Agreement for any of the following purposes:

- (i) To correct or amplify the description of the Project;
- (ii) To evidence the succession of another person or entity to the Governmental Lender, the Fiscal Agent or the Borrower and the agreement by any successor to perform the covenants of their predecessor;

- (iii) To make such changes to the covenants hereof to the extent required by Sections 9 and 17(a) hereof in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Funding Note and Subordinate Note;
- (iv) To cure any ambiguities, to correct or supplement any provisions of this Agreement which may be inconsistent with any other provision herein, or to make any other provision with respect to matters or questions arising under this Agreement, which will not be inconsistent with the provisions of this Agreement, provided that such action will not adversely affect the interests of the owners of the Funding Note or Subordinate Note; or
- (v) Upon delivery of an opinion of Qualified Tax Counsel to the effect that such amendment or supplement will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Funding Note and Subordinate Note, to amend the covenants of the Borrower hereunder to the extent consistent with any applicable amendment to the Code or Regulations.

Section 18. Notice. All notices and other communications required or permitted under this Agreement must be in writing and shall be deemed to have been duly given (i) when delivered, if sent by registered or certified mail (return receipt requested), (ii) when delivered, if delivered personally, (iii) when transmitted, if sent by facsimile if a confirmation of transmission is produced by the sending machine (and a copy of each facsimile promptly shall be sent by first class United States mail, postage fully prepaid) or (iv) on the following Business Day, if sent by overnight mail or overnight courier, in each case to the parties at the following addresses (or at such other addresses that may be specified by like notice):

If to the Borrower:

Melbourne Leased Housing Associates II, LLLP
 c/o The Partnership, Inc.
 2001 West Blue Heron Blvd.
 Riviera Beach, Florida 33404
 Attention: John Corbett
 Facsimile: (561) 841-4797

with a copy to:

Brady & Brady, P.A.
 1200 N. Federal Hwy., Ste. 200
 Boca Raton, Florida 33432
 Attention: Frank R. Brady
 Facsimile: (561) 338-9256

with a copy to:

Melbourne Leased Housing Associates LP II, LLC
 2905 Northwest Boulevard, Ste. 150
 Plymouth, Minnesota 55441
 Attention: Paul R. Sween and Mark G. Sween
 Facsimile: (763) 354-5519

with a copy to:

Winthrop & Weinstine, P.A.
225 S. Sixth Street, Ste. 3500
Minneapolis, Minnesota 55402
Attention: John D. Nolde
Facsimile: (612) 604-6498

If to the Governmental Lender:

Brevard County Housing Finance Authority
4420 S. Washington Avenue
Titusville, Florida 32780
Attention: Angela A. Abbott
Facsimile: (321) 264-0334

If to Funding Lender:

Citibank, N.A.
390 Greenwich Street, 2nd Floor
New York, NY 10013
Attention: Transaction Management Group
Deal ID No. _____
Facsimile: (212) 723-8209

and

Citibank, N.A.
325 East Hillcrest Drive, Suite 160
Thousand Oaks, CA 91360
Attention: Operations Manager/Asset Manager
Deal ID No. _____
Facsimile: (805) 557-0924

and

Prior to the Conversion Date,
with a copy to:

Citibank, N.A.
390 Greenwich Street, 2nd Floor
New York, NY 10013
Attention: Account Specialist
Deal ID No. _____
Facsimile: (212) 723-8209

Following the Conversion Date,
with a copy to:

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

And a copy of any notices
of default sent to:

Citibank, N.A.
388 Greenwich Street
New York, NY 10013
Attention: General Counsel's Office
Deal ID No. _____
Facsimile: (646) 291-5754

If to Fiscal Agent:

Wells Fargo Bank, National Association
600 South 4th Street
Minneapolis, Minnesota
MAC _____
Attention: Lisa Lewis
Facsimile: (612) 316-0196

A duplicate copy of each notice, certificate or other communication given hereunder by either the Governmental Lender or the Borrower to the others shall also be given to the Fiscal Agent.

Section 19. Severability. If any provision hereof shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

Section 20. Reserved.

Section 21. Multiple Counterparts. This Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 22. Negative Covenants. During the Term of this Agreement, the Borrower shall not:

(a) Except pursuant to the provisions of this Agreement, the Borrower Loan Agreement, the Funding Loan Agreement and the Mortgage, or except upon a sale or transfer of the Project in accordance with the terms of this Agreement, the Funding Loan Agreement, the Borrower Loan Agreement and the Mortgage, encumber any of the mortgaged property, including the grant of commercial leases (other than for vending machines, coin operated laundry facilities and similar amenities functionally related and subordinate to the Project and granted in connection with the day to day operation of an apartment complex for seniors), or permit the conveyance, transfer or encumbrance of such property (except for such leases and for residential leases) except as otherwise provided herein. Nothing in this paragraph shall prohibit the granting of easements for the purpose of providing utility services (including cable television or private satellite television) to the Project.

(b) Demolish any part of the Project necessary for the operation thereof for its intended purposes or substantially subtract from any real or personal property of the Project; or

(c) Permit the use of the dwelling accommodations of the Project for any purpose except rental residences in compliance with Section 142(d) of the Code.

Section 23. Application of Insurance and Condemnation Proceeds. If during the Term of this Agreement the Project is damaged or destroyed or if all or a portion thereof is taken through eminent domain proceedings, or under threat thereof, proceeds from insurance on the Project or any condemnation awards pertaining to such eminent domain proceedings shall be applied as provided in the Borrower Loan Agreement, the Funding Loan Agreement and the Mortgage.

Section 24. Compliance with the Act, Regulations Thereunder and Governmental Lender Policy. The Borrower will comply with the Act, with any regulations promulgated thereunder and with the policies of the Governmental Lender, of which the Borrower will be notified from time to time.

Section 25. Assignment. The interest of the Governmental Lender in this Agreement shall be assigned to the Fiscal Agent and the rights of the Governmental Lender hereunder shall, if the Fiscal Agent so elects, be enforceable by the Fiscal Agent. Other than in connection with the enforceability of the Governmental Lender's rights by the Fiscal Agent, the Governmental Lender shall, notwithstanding such assignment, continue to provide all approvals, consents and related affirmative actions required of the Governmental Lender hereunder. The Borrower's interest may be assigned as provided in the Borrower Loan Agreement and the Funding Loan Agreement.

Section 26. Reliance. The Governmental Lender and the Borrower hereby recognize and agree that the representations and covenants set forth herein may be relied upon by all persons interested in the legality and validity of the Funding Note and Subordinate Note and in the exemption from federal income taxation of the interest on the Funding Note and Subordinate Note. In performing their duties and obligations hereunder, the Governmental Lender and the Fiscal Agent may rely upon statements and certificates of the Borrower, the Lower-Income Tenants, Eligible Persons and tenants of the Project that are believed to be genuine and to have been executed by the proper person or persons, and upon audits of the books and records of the Borrower pertaining to occupancy of the Project.

Section 27. Relationship with Loan Documents. The terms, covenants and restrictions of this Agreement, other than those set forth in Sections 2, 3, 4, 6, 7, 9, 12, 13 and 22 hereof, are and shall at all times hereafter remain subject and subordinate, in all respects, to the liens, rights and interests created under the Borrower Loan Agreement, the Funding Loan Agreement and the Mortgage. Upon a conveyance or other transfer of title to the Project pursuant to a foreclosure (judicial or under power of sale) or deed in lieu of foreclosure under the Mortgage, the person who acquires title to the Project pursuant to such foreclosure or deed in lieu of foreclosure (unless such person is the Borrower or an Affiliated Party to the Borrower, in which event this Agreement shall remain in full force and effect) shall acquire such title free and clear of the terms, covenants and restrictions of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, all obligations of the Borrower under this Agreement for the payment of money and all claims for damages against the Borrower occasioned by breach or alleged breach by the Borrower of its obligations under this Agreement, including indemnification obligations, shall not be a lien on the

Project and no person shall have the right to enforce such obligations other than directly against the Borrower as provided in Section 12 hereof. No subsequent owner of the Project shall be liable or obligated for the breach or default of any obligation of any prior owner under this Agreement, including but not limited to any payment or indemnification obligation, if such owner shall have taken title to the Project as a result of a foreclosure or deed in lieu of foreclosure, but such obligations shall be treated as personal to the person who was the owner at the time the default or breach was alleged to have occurred and such person shall remain liable for any and all damages occasioned thereby even after such person ceases to be the owner.

The Borrower warrants that it has not, and will not, execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that, in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith, subject in all respects to the provisions of this Section 27.

IN WITNESS WHEREOF, the Governmental Lender, the Fiscal Agent and the Borrower have caused this Agreement to be executed by their duly authorized representatives, all as of the date first above written.

**BREVARD COUNTY HOUSING
FINANCE AUTHORITY**

By: _____
Title: Chairman

[SEAL]

Attest: _____
Signature

Printed Name

Title

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Fiscal Agent**

By: _____
Name:
Title:

[SIGNATURES CONTINUED ON NEXT PAGE]

**MELBOURNE LEASED HOUSING
ASSOCIATES II, LLLP**, a Florida limited liability
limited partnership

By: The Partnership, Inc., a Florida not-for-profit
corporation, its General Partner

By: _____

Name: Hugh Jacobs

Its: Executive Vice President

Witness: _____

Printed Name: _____

Witness: _____

Printed Name: _____

STATE OF FLORIDA)
) ss:
COUNTY OF BREVARD)

I hereby certify that on this day before me, _____, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally appeared LARRY BOUDRIE, personally known to me or producing _____ as identification, who executed the foregoing instrument as Chairman of the Brevard County Housing Finance Authority, and severally acknowledged before me that he/she executed the same as such officer in the name and on behalf of said Governmental Lender.

Witness my hand and official seal in the County and State, last aforesaid this ____ day of December, 2017.

[Seal]

NOTARY PUBLIC; STATE OF FLORIDA
Printed Name: _____
Commission No. _____
My Commission Expires: _____

STATE OF FLORIDA)
) ss:
COUNTY OF BREVARD)

I hereby certify that on this day before me, _____, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally appeared BARRY FORBES, personally known to me or producing _____ as identification, who executed the foregoing instrument as Secretary of the Brevard County Housing Finance Authority, and severally acknowledged before me that he/she executed the same as such officer in the name and on behalf of said Governmental Lender.

Witness my hand and official seal in the County and State, last aforesaid this ____ day of December, 2017.

[Seal]

NOTARY PUBLIC; STATE OF FLORIDA
Printed Name: _____
Commission No. _____
My Commission Expires: _____

STATE OF _____)
) ss:
COUNTY OF _____)

I hereby certify that on this day before me, _____, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally appeared _____, personally known to me or producing proper identification, who executed the foregoing instrument as authorized signatory Wells Fargo Bank, National Association, and severally acknowledged before me that he/she executed the same as such officer in the name and on behalf of said bank.

Witness my hand and official seal in the County and State, last aforesaid this ____ day of December, 2017.

[Seal]

NOTARY PUBLIC; STATE OF FLORIDA
Printed Name: _____
Commission No. _____
My Commission Expires: _____

STATE OF FLORIDA)
) ss:
COUNTY OF _____)

I hereby certify that on this day before me, _____, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally appeared Hugh Jacobs personally known to me or producing proper identification, who executed the foregoing instrument as authorized signatory of THE PARTNERSHIP, INC., a Florida not-for-profit corporation, the General Partner of MELBOURNE LEASED HOUSING ASSOCIATES II, LLLP, a Florida limited liability limited partnership, on behalf of its successors and assigns, and severally acknowledged before me that he/she executed the same as such officer in the name and on behalf of said not-for-profit corporation and limited liability limited partnership.

Witness my hand and official seal in the County and State, last aforesaid this ____ day of December, 2017.

[Seal]

NOTARY PUBLIC; STATE OF FLORIDA
Printed Name: _____
Commission No. _____
My Commission Expires: _____

EXHIBIT "A"

LEGAL DESCRIPTION

The land referred to herein below is situated in the County of Brevard, State of FL, and is described as follows:

A parcel of land lying and being in Brevard County, Florida, to-wit:

Beginning at a point lying on the North boundary of the Southwest 1/4 of the Southwest 1/4 of Section 3, Township 28 South, Range 37 East, said line having a bearing of South 87 degrees 54 minutes 10 seconds East, said point being a distance of 200.10 feet from the Northwest corner of the Southwest 1/4 of the Southwest 1/4, thence South 87 degrees 54 minutes 10 seconds East along said North line, 408.38 feet to an iron pipe; thence South 980 feet, more or less to the low water line on the North bank of Crane Creek; thence in a Southwesterly direction meandering the said North low water line to the South boundary of Section 3; thence North 88 degrees 16 minutes 45 seconds West, along the South boundary of Section 3, approximately 71 feet to a point 200.09 feet distance from the Southwest corner of Section 3; thence North 1266.98 feet to the Point of Beginning, excepting the North 30 feet and except the street right of way, less and except Deed Book 251, Page 265, and O.R. Book 1194, Page 656, all of the Public Records of Brevard County, Florida.

ALSO LESS AND EXCEPT the lands described in Official Records Book 4121, Page 2635, of the Public Records of Brevard County, Florida.

TOGETHER WITH:

Lots 1 through 10, Block 1, LINDSAY SUBDIVISION, as recorded in Plat Book 3, Page 82, of the Public Records of Brevard County, Florida, less and except additional road right-of-way for Babcock Street.

EXHIBIT "B"

CERTIFICATION OF CONTINUING PROGRAM COMPLIANCE

Witnessed that on this 1st day of _____ 20____, the undersigned, having borrowed certain funds from the Brevard County Housing Finance Authority (the Authority) for the purpose of acquiring or constructing apartments, does hereby certify that such multifamily rental housing project is in continuing compliance with the Land Use Restriction Agreement executed by the undersigned and filed in the official public records of Brevard County, Florida (including the requirement that all units be and remain rental units), that Income Certifications have been submitted for each new tenant in such multi-family rental housing project since the filing of the last such certification and that the same are true and correct to the best of the undersigned's knowledge and belief. As of the date of this certificate, the following percentages of completed residential units in the project are occupied by Lower-Income Tenants (as such term is defined in the Land Use Restriction Agreement), Eligible Persons, non-revenue units and vacant units.)

Total number of units available for occupancy as of _____, 20

	<u>Percentage</u>	<u>Number</u>
Lower-Income Tenants		
Eligible Persons		

Melbourne Leased Housing Associates II,
LLLP, a Florida limited liability limited
partnership, as Owner

By: The Partnership, Inc., its General Partner

By: _____