
FINANCING AGREEMENT

Among

THE COUNTY OF LAKE, ILLINOIS,
as Issuer

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

AND

WHISPERING OAKS ASSOCIATES, L.P.,
as Borrower

RELATING TO

\$26,000,000
THE COUNTY OF LAKE, ILLINOIS
VARIABLE RATE DEMAND MULTIFAMILY HOUSING REVENUE BONDS
(WHISPERING OAKS APARTMENTS PROJECT),
Series 2008

Dated as of November 1, 2008

TABLE OF CONTENTS

SECTION	HEADING	PAGE
ARTICLE I	DEFINITIONS	2
Section 1.1.	Definitions	2
Section 1.2.	Interpretation.....	3
ARTICLE II	REPRESENTATIONS AND COVENANTS	3
Section 2.1.	Representations and Covenants of the Issuer	3
Section 2.2.	Representations, Warranties and Covenants of the Borrower	5
Section 2.3.	Representations and Warranties of the Trustee	10
Section 2.4.	Arbitrage and Rebate Fund Calculations.....	11
Section 2.5.	Tax Covenants of the Borrower	11
Section 2.6.	Enforcement of Bond Financing Documents.....	12
ARTICLE III	THE BOND MORTGAGE LOAN	12
Section 3.1.	Conditions to Funding the Bond Mortgage Loan	12
Section 3.2.	Terms of the Bond Mortgage Loan; Servicing	12
Section 3.3.	Initial Deposits	13
Section 3.4.	Assignment to Trustee.....	13
Section 3.5.	Investment of Funds	13
Section 3.6.	Damage; Destruction and Eminent Domain	13
Section 3.7.	Continuing Disclosure Requirements.....	13
ARTICLE IV	LOAN PAYMENTS	14
Section 4.1.	Payments Under the Bond Mortgage Note; Independent Obligation of Borrower.....	14
Section 4.2.	Payment of Certain Fees and Expenses Under the Bond Mortgage Note.....	15
Section 4.3.	Payments to Rebate Fund	17
Section 4.4.	Prepayment of Bond Mortgage Loan	17
Section 4.5.	Borrower's Obligations Upon Redemption or Tender	18
Section 4.6.	Principal Reserve Fund.....	18
ARTICLE V	SPECIAL COVENANTS OF BORROWER	19
Section 5.1.	Performance of Obligations	19
Section 5.2.	Compliance With Applicable Laws	19
Section 5.3.	Indenture Provisions.....	19
Section 5.4.	Alternate Credit Facility	19
Section 5.5.	Borrower to Maintain Its Existence; Certification of No Default	21
Section 5.6.	Borrower to Remain Qualified in State and Appoint Agent.....	21
Section 5.7.	Sale or Other Transfer of Project	21

Section 5.8.	Right to Perform Borrower’s Obligations	21
Section 5.9.	Notice of Certain Events.....	22
Section 5.10.	Survival of Covenants	22
Section 5.11.	Access to Project; Records	22
Section 5.12.	Tax-Exempt Status	22
ARTICLE VI	INDEMNIFICATION	23
Section 6.1.	Borrower’s Obligations	23
Section 6.2.	Defense of Claims	25
Section 6.3.	Borrower’s Continuing Obligations.....	25
Section 6.4.	Limitation With Respect to the Credit Facility Provider.....	26
ARTICLE VII	EVENTS OF DEFAULT AND REMEDIES.....	26
Section 7.1.	Events of Default.....	26
Section 7.2.	Remedies on Default	27
Section 7.3.	No Remedy Exclusive	28
Section 7.4.	Agreement to Pay Attorneys’ Fees and Expenses	28
Section 7.5.	No Additional Waiver Implied by One Waiver.....	28
Section 7.6.	Rights of Credit Facility Provider	28
ARTICLE VIII	MISCELLANEOUS.....	29
Section 8.1.	Notices	29
Section 8.2.	Concerning Successors and Assigns	31
Section 8.3.	Governing Law	32
Section 8.4.	Modifications in Writing	32
Section 8.5.	Further Assurances and Corrective Instruments	32
Section 8.6.	Captions	32
Section 8.7.	Severability	32
Section 8.8.	Counterparts.....	32
Section 8.9.	Amounts Remaining in Bond Fund or Other Funds	32
Section 8.10.	Effective Date and Term.....	33
Section 8.11.	Cross References.....	33
Section 8.12.	Credit Facility Provider and Servicer as Third-Party Beneficiaries.....	33
Section 8.13.	Credit Facility Provider	33
Section 8.14.	Non-Liability of Issuer	33
Section 8.15.	No Liability of Officers	36

EXHIBIT A—FORM OF BOND MORTGAGE NOTE

FINANCING AGREEMENT

THIS FINANCING AGREEMENT (this "*Financing Agreement*"), dated as of November 1, 2008, by and among THE COUNTY OF LAKE, ILLINOIS, a political subdivision duly organized and validly existing under the Constitution and the laws of the State of Illinois (together with its successors and assigns, the "*Issuer*"), THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and validly existing under the laws of the United States of America, as trustee (together with any successor trustee hereunder and their respective successors and assigns, the "*Trustee*"), and WHISPERING OAKS ASSOCIATES, L.P., a limited partnership duly organized and validly existing under the laws of the State of Illinois (together with its successors and assigns permitted hereunder, the "*Borrower*"),

WITNESSETH:

WHEREAS, pursuant to the provisions of the Constitution and the laws of the State of Illinois (the "*State*") and particularly 50 *Illinois Compiled Statutes 2006*, 445/1 *et seq.*, as supplemented and amended (the "*Act*"), and the Trust Indenture dated as of November 1, 2008 (the "*Indenture*"), by and between the Issuer and the Trustee, the Issuer has determined to issue The County of Lake, Illinois, Variable Rate Demand Multifamily Housing Revenue Bonds (Whispering Oaks Apartments Project), Series 2008 (the "*Bonds*") in the original aggregate principal amount of \$26,000,000 to provide for the financing of a portion of the cost of the acquisition, rehabilitation and equipping of a multifamily rental housing development located at various addresses from 2401 to 2443 West Dugdale Road in Waukegan, Lake County, Illinois, known as Whispering Oaks Apartments (the "*Project*"); and

WHEREAS, the Issuer has agreed to use the proceeds of the sale of Bonds to finance a mortgage loan in the principal amount of \$26,000,000 (the "*Bond Mortgage Loan*") from the Trustee to the Borrower in connection with the Project on the terms specified in this Financing Agreement and upon the satisfaction of various conditions contained herein and in the Indenture; and

WHEREAS, the Borrower has agreed to use the proceeds of the Bond Mortgage Loan to finance a portion of the cost of the acquisition, rehabilitation and equipping of the Project; and

WHEREAS, the Borrower's repayment obligations in respect of the Bond Mortgage Loan will be evidenced by a Bond Mortgage Note dated as of November 1, 2008 (together with all riders and addenda thereto, the "*Bond Mortgage Note*") delivered to the Trustee on behalf of the owners of the Bonds under the Indenture; and

WHEREAS, the Borrower will cause to be delivered to the Trustee on the date of the initial issuance of the Bonds (the "*Delivery Date*") a direct pay Credit Enhancement Agreement dated as of the date hereof (the "*Credit Enhancement Agreement*") between the Federal Home Loan Mortgage Corporation ("*Freddie Mac*" or the "*Credit Facility Provider*") and the Trustee, which will provide for (a) draws in an amount equal to the Guaranteed Payments (as hereinafter defined) with respect to the Bond Mortgage Loan, and (ii) the payment of the Purchase Price (as hereinafter defined) of the Bonds during any period the Bonds bear interest at the Variable Rate

(as hereinafter defined), to the extent there are insufficient remarketing proceeds to pay the Purchase Price of the Bonds tendered for purchase while the Bonds bear interest at a Variable Rate; and

WHEREAS, Prudential Affordable Mortgage Company (the “*Servicer*”) shall act as the initial servicer for the Bond Mortgage Loan; and

WHEREAS, the Borrower’s reimbursement obligations to Freddie Mac for draws made under the Credit Enhancement Agreement will be evidenced by a Reimbursement and Security Agreement dated as of November 1, 2008 (the “*Reimbursement Agreement*”), between the Borrower and Freddie Mac; and

WHEREAS, to secure the Borrower’s obligations under the Bond Mortgage Note, the Borrower will execute and deliver to the Trustee a Multifamily Mortgage, Assignment of Rents and Security Agreement dated as of November 1, 2008 (the “*Bond Mortgage*”), with respect to the Project; and

WHEREAS, to further secure the Borrower’s reimbursement obligations to Freddie Mac under the Reimbursement Agreement, the Borrower will execute and deliver to Freddie Mac on the Delivery Date a Multifamily Mortgage, Assignment of Rents and Security Agreement dated as of November 1, 2008 (the “*Reimbursement Mortgage*”), with respect to the Project; and

WHEREAS, the Issuer, the Trustee and Freddie Mac have also entered into an Intercreditor Agreement dated as of November 1, 2008 (the “*Intercreditor Agreement*”), in connection with Freddie Mac’s provision of the Credit Enhancement Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants and representations hereinafter contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. All words and phrases (except for Event of Default) defined in the Indenture shall have the same meanings for the purposes of this Financing Agreement. In addition to the words and phrases defined in the Indenture and elsewhere herein, the following words and phrases shall have the following meanings:

“*Event of Default*” means any of those events specified in and defined by the applicable provisions of Article VII hereof to constitute an event of default.

“*Financing Agreement*” means this Financing Agreement, together with any amendments to this Financing Agreement.

“*Taxes*” means all taxes, water rents, sewer rents, assessments and other governmental or municipal or public or private dues, fees, charges and levies and any liens (including federal tax

liens) which are or may be levied, imposed or assessed upon the Project or any part thereof, or upon any leases pertaining thereto, or upon the rents, issues, income or profits thereof, whether any or all of the aforementioned be levied directly or indirectly or as excise taxes or as income taxes.

“*Wrongful Dishonor*” means the failure of the Credit Facility Provider to honor a draw made in accordance with the terms of the Credit Facility (which draw strictly complies with, and conforms to, the terms and conditions of the Credit Facility).

Section 1.2. Interpretation. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. Words importing persons include firms, partnerships, limited liability companies, joint ventures, associations and corporations. References to Articles, Sections and other subdivisions of this Financing Agreement are the Articles, sections and other subdivisions of this Financing Agreement as originally executed.

The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms refer to this Financing Agreement; the term “heretofore” means before the date of execution of this Financing Agreement; and the term “hereafter” means after the date of execution of this Financing Agreement.

ARTICLE II

REPRESENTATIONS AND COVENANTS

Section 2.1. Representations and Covenants of the Issuer. Subject to the concluding paragraph of this Section 2.1, the Issuer makes the following representations and covenants:

(a) The Issuer is a political subdivision duly organized and validly existing under the Constitution and the laws of the State.

(b) The Issuer has all necessary power and authority to issue the Bonds and to execute and deliver this Financing Agreement, the Indenture and the other Bond Financing Documents to which it is a party, and to perform its duties and discharge its obligations hereunder and thereunder.

(c) The Issuer has taken all action on its part for the issuance of the Bonds and for the sale, execution and delivery of the Bonds.

(d) Each of the Bond Financing Documents to which the Issuer is a party has been duly and validly authorized, executed and delivered by the Issuer and, assuming the due authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, except as the enforceability thereof may be limited by

bankruptcy, insolvency, moratorium or other laws affecting creditors' rights generally and the application of equitable principles.

(e) The Issuer has complied with the provisions of the laws of the State, including, but not limited to, the Act, which are prerequisites to the consummation of the transactions on the part of the Issuer described or contemplated in the Bond Financing Documents. The execution and delivery of the Bonds and the Bond Financing Documents to which the Issuer is a party, the consummation of the transactions on the part of the Issuer contemplated thereby and the fulfillment of or compliance with the terms and conditions thereof do not and will not conflict with or result in the breach of any of the terms, conditions or provisions of any agreement or instrument or judgment, order or decree to which the Issuer is now a party or by which it is bound, nor do they constitute a default under any of the foregoing or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature upon any property or assets of the Issuer under the terms of any instrument or agreement.

(f) No authorization, consent, approval, order, registration, declaration or withholding of objection on the part of, or filing of or with any governmental authority, other than those already obtained, is required for the due execution and delivery by the Issuer of, and performance by the Issuer of its obligations under, the Bond Financing Documents.

(g) There is no action, suit, proceeding, inquiry or investigation pending or, to the knowledge of the Issuer, threatened against the Issuer by or before any court, governmental agency or public board or body, nor, to the knowledge of the Issuer, is there any basis therefor, which (i) affects or questions the existence or the territorial jurisdiction of the Issuer or the title to office of any member of the governing body of the Issuer; (ii) affects or seeks to prohibit, restrain or enjoin the execution and delivery of any Bond Financing Documents or the issuance, sale, execution or delivery of the Bonds; (iii) affects or questions the validity or enforceability of the Bonds or any Bond Financing Document; (iv) questions the tax-exempt status of the interest on the Bonds; or (v) questions the power or authority of the Issuer to perform its obligations under the Bonds or any Bond Financing Document, or to carry out the transactions contemplated by the Bonds and the Bond Financing Documents.

(h) No member of the County Board of the Issuer nor any other officer of the Issuer has any financial interest in the Borrower or the transactions contemplated hereby or by this Financing Agreement, the Indenture or any Bond Financing Document to which the Issuer is a party.

(i) Upon the discovery by the Issuer of any noncompliance by the Borrower with this Financing Agreement or the Tax Regulatory Agreement, the Issuer will notify the Trustee, the Servicer and the Credit Facility Provider of such noncompliance and will, subject to the provisions of Article VII hereof, promptly institute action, or cause the Trustee to institute action, to correct such noncompliance, will diligently pursue such action, and will attempt to correct such noncompliance within sixty (60) days after such

discovery, subject to the provisions of the Indenture, this Financing Agreement and the Tax Regulatory Agreement.

(j) The Project is located within the corporate boundaries of the City of Waukegan, Lake County, Illinois.

It is expressly acknowledged that the Issuer makes no representation as to the financial position or business condition of the Borrower, and does not represent or warrant as to any of the statements, materials (financial or otherwise), representations or certifications furnished or to be made and furnished by the Borrower in connection with the issuance, sale, execution and delivery of the Bonds, or as to the correctness, completeness or accuracy of such statements.

For purposes of making all of the representations and warranties made in this Section 2.1, the Issuer has relied, and hereby is relying, upon an opinion of Bond Counsel, dated the Closing Date, as to the qualification of the Project under the Act.

Section 2.2. Representations, Warranties and Covenants of the Borrower. The Borrower makes the following representations, warranties and covenants, all of which, together with the other representations and agreements of the Borrower contained in this Financing Agreement, are relied upon by the Issuer, the Servicer and the Trustee and serve as a basis for the undertakings of the Issuer, the Servicer and the Trustee contained in this Financing Agreement:

(a) The Borrower is a limited partnership duly organized, validly existing and in good standing under the laws of the State and duly qualified to conduct its business under the laws of the State and in every other state in which the nature of its business requires such qualification. All corporate general partners, if any, of the Borrower are duly incorporated, organized and in good standing under the laws of their respective states of incorporation and are duly qualified to transact business in the State as foreign corporations. All partnership general partners, if any, are duly formed and in good standing under the laws of their respective states of formation and, to the extent required by the laws of the State, are duly qualified to transact business in the State as foreign partnerships.

(b) The Borrower has the legal right, power and authority to (i) own its properties and assets, including, but not limited to, the Project, (ii) to carry on its business as now being conducted and the Borrower contemplates it to be conducted with respect to the Project, and (iii) execute and deliver, carry out its obligations under, and close the transactions provided for in, the Bond Financing Documents to which it is a party.

(c) Each of the Bond Financing Documents to which the Borrower is a party has been duly authorized, executed and delivered by the Borrower and, assuming due authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and general principles of equity.

(d) No authorization, consent, approval, order, registration, declaration or withholding of objection on the part of, or filing of or with any governmental authority, other than those already obtained, is required for the due execution and delivery or approval, as the case may be, by the Borrower of, and the performance by the Borrower of its obligations under, the Bond Financing Documents.

(e) None of the execution and delivery of the Bond Financing Documents to which the Borrower is a party, the consummation of the transactions provided for in the Bond Financing Documents, or the Borrower's fulfillment of or compliance with the terms and conditions of the Bond Financing Documents (i) violates or will violate any law, rule or regulation of any governmental agency or body having jurisdiction over the Borrower or its general partner, or any of its activities or properties, or any judgment, order, writ, injunction or decree to which the Borrower or its general partner is subject, or any of the organizational or other governing documents of the Borrower or its general partner, (ii) conflicts or will conflict with any agreement, instrument or license to which the Borrower or its general partner is now a party or by which it or any of its properties or assets is bound or results or will result in a breach of, or constitutes or will constitute a default (with due notice or the passage of time or both) under, any such agreement, instrument or license, (iii) contravenes or will contravene any such law, rule or regulation or any such judgment, order, writ, injunction or decree, or (iv) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower or its general partner, except for any lien, charge or encumbrance permitted under the terms of the Bond Financing Documents.

(f) The Borrower shall not cause or permit the Project, or any interest therein, to be sold, assigned or transferred, except as provided in the Bond Financing Documents.

(g) There is no action, suit, proceeding, inquiry or investigation pending or, to the Borrower's knowledge, threatened against or affecting the Borrower or any of its properties (including, without limitation, the Project), which, if adversely determined, would (i) impair the right of the Borrower to carry on its business substantially as now conducted and as contemplated by the Bond Financing Documents, (ii) adversely affect the financial condition of the Borrower, (iii) prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds, or the loaning of the proceeds of the Bonds to the Borrower or the execution and delivery of the Bonds or any of the Bond Financing Documents, (iv) adversely affect the validity or enforceability of the Bonds or any of the Bond Financing Documents, or (v) adversely affect the exclusion of the interest on the Bonds from gross income of the owners of the Bonds for federal income tax purposes.

(h) After completion of the acquisition, rehabilitation and equipping of the Project, the Project and the operation of the Project (in the manner contemplated by the Bond Financing Documents) will conform with the requirements of the Act, and will conform in all material respects with all applicable zoning, planning, building and environmental laws, ordinances and regulations of governmental authorities having jurisdiction over the Project.

(i) The Borrower has filed or caused to be filed all federal, state and local tax returns which are required to be filed or has obtained appropriate extensions therefor, and has paid or caused to be paid all taxes as shown on said returns or on any assessment received by it, to the extent that such taxes have become due.

(j) The Borrower is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party, which default would materially adversely affect the transactions contemplated by the Bond Financing Documents or the operations of the Borrower or the enforceability of the Bond Financing Documents to which the Borrower is a party or the ability of the Borrower to perform all obligations thereunder.

(k) The Borrower agrees to pay all costs of maintenance and repair, all Taxes and assessments, insurance premiums (including public liability insurance and insurance against damage to or destruction of the Project) concerning or in any way related to the Project, or any part thereof, and any expenses or renewals thereof, and any other governmental charges and impositions whatsoever, foreseen or unforeseen, and all utility and other charges and assessments concerning or in any way related to the Project.

(l) All of the partnership interests in the Borrower are validly issued and are fully registered, if required, with the applicable governmental authorities and/or agencies, and there are no outstanding options or rights to purchase or acquire those interests. Nothing in this Financing Agreement shall prevent the Borrower from issuing additional partnership interests if such units are issued in accordance with all applicable securities laws.

(m) The representations and warranties of the Borrower contained in the Tax Certificate and Tax Regulatory Agreement are true and accurate.

(n) The information, statements or reports furnished in writing to the Issuer or the Credit Facility Provider by the Borrower in connection with this Financing Agreement or the consummation of the transactions contemplated hereby (including, without limitation, any written information furnished by the Borrower in connection with the preparation of the Official Statement for the Bonds and of any other materials related to the issuance, delivery or offering of the Bonds on the Delivery Date) do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading; and the representations and warranties of the Borrower and the statements, information and descriptions contained in the Borrower's closing certificates, as of the Delivery Date, are true and correct in all material respects, do not contain any untrue statement of a material fact, and do not omit to state a material fact necessary to make the representations, warranties, statements, information and descriptions contained therein, in the light of the circumstances under which they were made, not misleading; and any estimates or the assumptions contained in any certificate of the Borrower delivered as of the Delivery Date are reasonable.

(o) To the knowledge of the Borrower, no member of the County Board of the Issuer nor any other officer or employee of the Issuer has any financial interest in the Borrower or the transactions contemplated hereby or by this Financing Agreement, the Indenture or any other Bond Financing Document to which the Issuer is a party.

(p) The Borrower intends to hold the Project for its own account, and has no current plans to sell, and has not entered into any agreement, to sell all or any portion of the Project.

(q) The Project is located wholly within the boundaries of (i) the City of Waukegan, Illinois, (ii) Lake County, Illinois, and (iii) the jurisdiction of the Issuer.

(r) The Borrower shall make no changes to the Project or to the operation thereof which would affect the qualification of the Project under the Act.

(s) The information contained in the Official Statement, insofar as such information relates to the Borrower and the Project, is accurate in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact pertaining to the Borrower and the Project necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(t) The Indenture and the Credit Enhancement Agreement have been submitted to the Borrower for examination, and the Borrower, by execution of this Financing Agreement, acknowledges and agrees that it has participated in the drafting of the Indenture and has reviewed the Credit Enhancement Agreement and that it is bound by, shall adhere to the provisions of, and shall have the rights set forth by the applicable terms and conditions of, the Indenture.

(u) The Borrower intends to use, and will use, the Project, in such a manner so as to maintain the status of the Project as a “project,” and a “residential project,” within the meaning of the Act and the Code, respectively, for at least the duration of this Agreement.

(v) The Borrower will comply with the provisions of Section 148 of the Code, and in that connection, has executed and delivered the Tax Certificate.

(w) The Borrower will not make any payments, or agreements to pay, to a party, other than the United States of America, an amount that is required to be paid to the United States of America under the rebate requirements of Section 148(f) of the Code by entering into any transaction that reduces the rebatable amount because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm’s length and had the yield on the Bonds not been relevant to either party. The Borrower will not acquire with the proceeds of the Bonds any certificate of deposit, investment contract, or any other type of investment which does not comply with the provisions of the Code, the Regulatory Agreement and the Tax Certificate.

(x) The information furnished by the Borrower and used by the Issuer in preparing the Form 8038, Information Return for Private Activity Bond Issues, which has been filed by or on behalf of the Issuer with the Internal Revenue Service Center in Ogden, Utah, pursuant to Section 149(e) of the Code, was true, correct and complete as of the date of filing of said Form 8038.

(y) The weighted average maturity of the Bonds does not exceed 120% of the weighted average estimated economic life of the components comprising the Project, as determined pursuant to Section 147(b) of the Code.

(z) The Project will further the public purposes set forth in the Act by retaining and increasing employment within the jurisdiction of the Issuer.

(aa) The Bonds are not “federally guaranteed” as defined in Section 149(b) of the Code.

(bb) Neither the Borrower nor any “related person” to the Borrower (within the meaning of Section 147(a)(2) of the Code) will purchase the Bonds pursuant to any arrangement, formal or informal.

(cc) The Borrower will cause the residential units in the Project to be rented or available for rental on a basis which satisfies the requirements of the Regulatory Agreement, including all applicable requirements of the Act and the Code, and pursuant to leases which comply with all applicable laws.

(dd) No part of the Project was acquired, constructed or equipped, by the Borrower or any related person and no Costs of the Project were incurred or expended, on or before sixty (60) days prior to December 11, 2007.

(ee) None of the proceeds of the Bonds will be used to provide any airplane, skybox or other private luxury box, health club facility, any facility primarily used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises, and none of the proceeds of the Bonds will be used for the acquisition of land to be used for farming or industrial park purposes.

(ff) The property comprising the Project constitutes and will constitute at all times during the term of this Agreement, either land or property of a character subject to the allowance for depreciation under the Code; at least 95% of the net proceeds of the Bonds are being used to finance the cost of land and such property; and all expenditures for and all costs of the Project will be charged to a capital account for federal income tax purposes, or would be so chargeable either with a proper election or but for a proper election to deduct. In estimating the costs of the Project, no amount has been included which, under the federal income tax laws, was or will be deductible by the Borrower in the year in which it was paid or incurred other than through an allowance for depreciation. No portion of the proceeds from the sale of the Bonds will be used to provide working capital or to finance inventory.

(gg) Less than twenty-five percent (25%) of the proceeds of the Bonds are to be used to finance the acquisition of land or any interest therein; and no portion of the proceeds of the Bonds is to be used to finance the acquisition of any property (or an interest therein), other than (i) property the first use of which is pursuant to such acquisition, and (ii) any building (and any equipment purchased as a part thereof, if any) if the “rehabilitation expenditures,” as defined in Section 147(d) of the Code, with respect to such building equal or exceed fifteen percent (15%) of the portion of the cost of acquiring such building (including such equipment) financed with the proceeds of the Bonds.

Section 2.3. Representations and Warranties of the Trustee. The Trustee makes the following representations and warranties:

(a) The Trustee is a national banking association duly organized and validly existing under the laws of the United States of America.

(b) The Trustee has all necessary power (including corporate trust powers) and authority (i) to execute and deliver, (ii) to perform its obligations under the Bond Financing Documents to which it is a party, and (iii) to consummate the transactions contemplated by the Bond Financing Documents.

(c) The Trustee has duly authorized (i) the execution and delivery of, and (ii) the performance by the Trustee of its obligations under, the Bond Financing Documents to which it is a party, as well the actions of the Trustee contemplated by the Bond Financing Documents.

(d) Each of the Bond Financing Documents to which the Trustee is a party has been duly executed and delivered by the Trustee, and assuming due authorization, execution and delivery by the other parties thereto, constitute valid and binding obligations of the Trustee, enforceable against the Trustee in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium or other laws affecting creditors’ rights generally and the application of equitable principles.

(e) The Trustee meets the qualifications to act as Trustee under the Indenture.

(f) The Trustee has complied with the provisions of law which are prerequisites to the consummation of the transactions on the part of the Trustee described or contemplated in the Bond Financing Documents.

(g) No approval, permit, consent, authorization or order of any court, governmental agency or public board or body not already obtained is required to be obtained by the Trustee as a prerequisite to (i) the execution and delivery of the Bond Financing Documents to which it is a party, (ii) the authentication or delivery of the Bonds, (iii) the performance by the Trustee of its obligations under the Bond Financing Documents to which it is a party, or (iv) the consummation of the transactions

contemplated by the Bond Financing Documents to which it is a party. The Trustee makes no representation or warranty relating to compliance with any federal or state securities laws.

Section 2.4. Arbitrage and Rebate Fund Calculations. The Borrower shall (a) take or cause to be taken all actions necessary or appropriate in order to fully and timely comply with Section 4.12 of the Indenture, and (b) if required to do so under Section 4.12 of the Indenture, select at the Borrower's expense, a Rebate Analyst reasonably acceptable to the Issuer for the purpose of making any and all calculations required under Section 4.12 of the Indenture. Such calculations, if required, shall be made in the manner and at such times as specified in Section 4.12 of the Indenture. The Borrower shall cause the Rebate Analyst to provide such calculations to the Trustee and the Issuer at such times and with such directions as are necessary to comply fully with the arbitrage and rebate requirements set forth in the Indenture and to comply fully with Section 148 of the Code, including the timely payment of any arbitrage rebate owed.

Section 2.5. Tax Covenants of the Borrower. The Borrower hereby covenants and agrees:

(a) It will at all times comply with the terms of the Tax Certificate and the Tax Regulatory Agreement;

(b) It will not take, or permit to be taken on its behalf, any action which would cause the interest payable on the Bonds to be included in gross income, for federal income tax purposes, and will take such action as may be necessary in the opinion of Bond Counsel to continue such exclusion from gross income, including, without limitation, the preparation and filing of all statements required to be filed by it in order to maintain such exclusion (including, but not limited to, the filing of all reports and certifications required by the Tax Regulatory Agreement);

(c) No changes will be made to the Project, no actions will be taken by the Borrower and the Borrower will not omit to take any actions, which will in any way adversely affect the tax-exempt status of the interest on the Bonds;

(d) It will comply with the requirements of Section 148 of the Code and the Regulations issued thereunder throughout the term of the Bonds, and will not make any use of the proceeds of the Bonds, or of any other funds which may be deemed to be proceeds of the Bonds under the Regulations, which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code; and

(e) If the Borrower becomes aware of any situation, event or condition which would, to the best of its knowledge, result in the interest on the Bonds becoming includible in gross income of the owners thereof for purposes of federal income tax purposes, it will promptly give written notice of such circumstance, event or condition to the Issuer, the Trustee and the Servicer.

Section 2.6. Enforcement of Bond Financing Documents. The Trustee may enforce and take all reasonable steps, actions and the proceedings necessary for the enforcement of all terms, covenants and conditions of the Bond Financing Documents as and to the extent set forth therein.

ARTICLE III

THE BOND MORTGAGE LOAN

Section 3.1. Conditions to Funding the Bond Mortgage Loan. Upon initial delivery of the Bonds, the Issuer shall cause the Bond proceeds to be deposited with the Trustee in accordance with Section 2.11 and 2.11A of the Indenture and Section 3.3 of this Financing Agreement. The Trustee shall use such proceeds as provided in Article IV of the Indenture; *provided*, that no such disbursements of proceeds of the Bonds shall be made until the following conditions have been met:

(a) The Borrower shall have executed and delivered to the Trustee the Bond Mortgage Note in the form attached hereto as Exhibit A, with only such changes therein as shall be approved in writing by the Credit Facility Provider;

(b) The Bond Mortgage and the Reimbursement Mortgage shall have been executed and delivered by the Borrower and filed for recording in the appropriate office for officially recording real estate documents in the jurisdiction in which the Project is located (the "Recorder's Office");

(c) The Tax Regulatory Agreement shall have been executed and delivered by the parties thereto, and shall have been filed for recording in the Recorder's Office, and the Trustee shall have received evidence satisfactory to it of such filing;

(d) The Credit Facility and all other Bond Financing Documents not listed above shall have been executed and delivered by all parties thereto and delivered to the Trustee; and

(e) The Borrower shall have delivered to the Trustee, the Issuer, the Servicer and the Credit Facility Provider a certificate confirming, as of the Delivery Date, the matters set forth in Section 2.2 hereof, and an opinion of its counsel or other counsel satisfactory to the Trustee, the Issuer, the Servicer and the Credit Facility Provider.

Section 3.2. Terms of the Bond Mortgage Loan; Servicing. (a) The Bond Mortgage Loan shall (i) be evidenced by the Bond Mortgage Note; (ii) be initially secured by the Credit Facility; (iii) be in the principal amount of \$26,000,000; (iv) bear interest as provided in the Bond Mortgage Note; (v) provide for monthly payments into the Principal Reserve Fund in accordance with the Principal Reserve Schedule; and (vi) be subject to optional and mandatory prepayment at the times, in the manner and on the terms, and have such other terms and provisions, as provided herein and in the Bond Mortgage Note.

(b) The Servicer shall service the Bond Mortgage Loan pursuant to the Commitment and the Guide. The Issuer, the Trustee and the Borrower acknowledge and agree that (i) selection or removal of any Servicer is in the sole and absolute discretion of the Credit Facility Provider; (ii) neither the Issuer nor the Trustee shall terminate or attempt to terminate any Servicer as the servicer for the Bond Mortgage Loan or appoint or attempt to appoint a substitute servicer for the Bond Mortgage Loan; (iii) the Commitment and the Guide are both subject to amendment without the consent of the Trustee, the Issuer or the Borrower; and (iv) none of the Trustee, the Issuer or the Borrower shall have any rights under, or be a third party beneficiary of, the Guide. The Servicer shall have the right to collect all payments made by the Borrower in connection with the Bond Mortgage Loan and to receive copies of all reports and notices provided for by the Bond Financing Documents.

Section 3.3. Initial Deposits. On the Delivery Date, proceeds of the Bonds in the amount of \$26,000,000 shall be deposited in the Bond Mortgage Loan Fund. Amounts in the Bond Mortgage Loan Fund are to be disbursed to the Borrower as provided in Section 2.11(d) of the Indenture. The Borrower will also deposit with the Trustee the sum of \$_____ for credit to the Cost of Issuance Fund.

To the extent that amounts in the Cost of Issuance Fund are insufficient to pay all costs of issuing the Bonds, the Borrower shall cause the payment of such additional costs of issuing the Bonds to be made on its behalf as such amounts become due.

Section 3.4. Assignment to Trustee. The parties hereto acknowledge, and the Borrower consents to, the assignment by the Issuer to the Trustee pursuant to the Indenture of all of the Issuer's right, title and interest in this Financing Agreement (excluding the Unassigned Rights), the Bond Mortgage Loan, the Bond Mortgage, the Revenues and the Credit Facility as security for the payment of the Purchase Price of, principal of, premium, if any, and interest on the Bonds and the payment of the Freddie Mac Credit Enhancement Fee and Freddie Mac Reimbursement Amount.

Section 3.5. Investment of Funds. Except as otherwise provided in the Indenture, any money held as a part of any fund or account established under the Indenture shall be invested or reinvested by the Trustee in Qualified Investments in accordance with Section 4.08 of the Indenture.

Section 3.6. Damage; Destruction and Eminent Domain. If, prior to payment in full of the Bonds, the Project or any portion thereof is destroyed or damaged in whole or in part by fire or other casualty, or title to, or the temporary use of, the Project or any portion thereof shall have been taken by the exercise of the power of eminent domain, and the Issuer, the Borrower, the Trustee or the Servicer receives Net Proceeds from insurance or any condemnation award in connection therewith, such Net Proceeds shall be utilized as provided in the Bond Mortgage Loan Documents and the Indenture.

Section 3.7. Continuing Disclosure Requirements. The Borrower hereby covenants and agrees that, at least 30 days prior to any time the Bonds are to bear interest at a Reset Rate or Fixed Rate, it will promptly execute and deliver to the Trustee and the Issuer a continuing

disclosure agreement complying with Securities and Exchange Commission Rule 15c2-12, as amended (the “Rule”), or deliver to the Trustee and the Issuer an opinion of counsel to the effect that the requirements of the Rule are not applicable as a result of the change in interest rate mode. Notwithstanding any other provision of this Financing Agreement, failure of the Borrower to comply with any continuing disclosure agreement shall not be considered an Event of Default hereunder; however, the Trustee, at the written request of any underwriter of the Bonds required to comply with the Rule or the owners of at least 25% in aggregate principal amount in Outstanding Bonds or the Credit Facility Provider, shall, but only to the extent indemnified to its satisfaction, or any owner of a Bond may, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Borrower to comply with its obligations under this Section.

ARTICLE IV

LOAN PAYMENTS

Section 4.1. Payments Under the Bond Mortgage Note; Independent Obligation of Borrower. (a) The Borrower agrees to repay the Bond Mortgage Loan on the dates and in the amounts necessary to enable the Trustee, on behalf of the Issuer, to pay all amounts payable with respect to the Bonds, when due, whether at maturity or upon redemption (with premium, if applicable), acceleration, tender, purchase or otherwise. If the Borrower purchases or otherwise acquires an interest rate hedge with respect to the Bonds which is an interest rate swap whereby the Borrower’s obligations thereunder are to make fixed rate payments and the obligations of the counterparty are to pay floating rate payments, the Borrower shall remain liable to make all payments necessary hereunder to repay the Bond Mortgage Loan notwithstanding the payment by the Borrower of the fixed rate payments thereunder. The obligation of the Borrower to make the payments set forth in this Article IV shall be an independent and separate obligation of the Borrower from its obligation to make payments under the Bond Mortgage Note, provided that in all events payments made by the Borrower under and pursuant to the Bond Mortgage Note shall be credited against the Borrower’s obligations hereunder on a dollar for dollar basis. If for any reason the Bond Mortgage Note or any provision of the Bond Mortgage Note shall be held invalid or unenforceable against the Borrower by any court of competent jurisdiction, the Bond Mortgage Note or such provision of the Bond Mortgage Note shall be deemed to be the obligation of the Borrower pursuant to this Financing Agreement to the full extent permitted by law and such holding shall not invalidate or render unenforceable any of the provisions of this Article IV, and shall not serve to discharge any of the Borrower’s payment obligations hereunder or eliminate the credit against such obligations to the extent of payments made under the Bond Mortgage Note.

(b) The obligations of the Borrower to repay the Bond Mortgage Loan, to perform all of its obligations under the Bond Mortgage Loan Documents, to provide indemnification pursuant to Section 6.1 hereof, to pay costs, expenses and charges pursuant to Section 4.2 hereof and to make any and all other payments required by this Financing Agreement, the Indenture or any other documents contemplated by this Financing Agreement or by the Bond Mortgage Loan Documents shall, subject to the limitations set forth in Section 5.1 hereof, be absolute and

unconditional, and shall not be subject to diminution by setoff, recoupment, counterclaim, abatement or otherwise.

(c) Notwithstanding anything contained in any other provision of this Financing Agreement to the contrary (but subject to the provisions of Section 5.1 hereof and the Intercreditor Agreement), the following obligations of the Borrower shall be and remain the joint and several full recourse obligations of the Borrower and the Borrower's general partner, payable from and enforceable against any and all income, assets and properties of the Borrower: (i) the Borrower's obligations to the Issuer and the Trustee under Section 4.2(b)(i), (ii), (iv) and (v) of this Financing Agreement; (ii) the Borrower's obligations under Section 6.1 of this Financing Agreement; (iii) the Borrower's obligation to pay any and all rebate amounts that may be or become owing with respect to the Bonds as provided in this Financing Agreement and the Tax Certificate; and (iv) the Borrower's obligation to pay legal fees and such expenses under Section 7.4 of this Financing Agreement.

Section 4.2. Payment of Certain Fees and Expenses Under the Bond Mortgage Note.

(a) In addition to the payments set forth in Section 4.1 hereof, payments to be made by the Borrower under the Bond Mortgage Note include certain money to be paid in respect of, among others, the Bond Fee Component, the Ordinary Servicing Fees and Expenses, the Counterparty in connection with any Hedge Agreement, the Freddie Mac Credit Enhancement Fee, the Principal Reserve Schedule payments pursuant to Section 4.6 hereof and amounts required to be deposited in a Custodial Escrow Account pursuant to the Bond Mortgage Loan Documents, as set forth in subsection (b) hereof. To the extent that any portion of the Bond Fee Component, the Ordinary Servicing Fees and Expenses, the fixed rate payment to the Counterparty to the Hedge Agreement if the Hedge is an interest rate swap, the Remarketing Agent's Fee, the Freddie Mac Credit Enhancement Fee, the Principal Reserve Schedule payments pursuant to Section 4.6 hereof and amounts required to be deposited in a Custodial Escrow Account remain due and owing at any time, such amounts remaining due and owing shall be payable from money on deposit in the Administration Fund as provided in Section 4.06 of the Indenture or from other money of the Borrower, to the extent that money in the Administration Fund is insufficient for such purposes. All other fees and expenses shall be payable from money of the Borrower as provided in subsection (b).

(b) The Borrower shall pay (or cause to be paid by the Trustee, to the extent paid from money on deposit in the Administration Fund or the Cost of Issuance Fund, as applicable), in consideration of the funding of the Bond Mortgage Loan, the following fees, expenses and other money payable in connection with the Bond Mortgage Loan:

(i) On the Delivery Date, from moneys on deposit in the Cost of Issuance Fund or, to the extent such moneys are insufficient for such purpose, from other moneys of the Borrower, to Freddie Mac, the closing fee of Freddie Mac set forth in Section 3.1 of the Reimbursement Agreement, together with all third party and out-of-pocket expenses of Freddie Mac (including but not limited to the fees and expenses of counsel to Freddie Mac) in connection with the Bond Mortgage Loan and the Credit Enhancement Agreement.

(ii) On the Delivery Date, from moneys on deposit in the Cost of Issuance Fund or, to the extent such moneys are insufficient for such purpose, from other moneys of the Borrower, to the Issuer, an initial financing fee in an amount equal to \$260,000, together with all third party and out-of-pocket expenses of the Issuer (including but not limited to the fees and expenses of counsel to the Issuer) in connection with the Bond Mortgage Loan and the issuance of the Bonds.

(iii) On the Delivery Date, from money on deposit in the Cost of Issuance Fund or, to the extent such money is insufficient for such purpose, from other moneys of the Borrower, to the Trustee, an acceptance fee (which includes the initial annual fee) in an amount equal to \$_____, together with all third party and out-of-pocket expenses of the Trustee (including but not limited to the fees and expenses of counsel to the Trustee) in connection with the Bond Mortgage Loan and the issuance of the Bonds.

(iv) From money of the Borrower, to the Trustee, within two (2) Business Days of receipt from the Trustee of a notice of deficiency in the Administration Fund as provided in Section 4.06 of the Indenture, the amount of any such deficiency in the Administration Fund.

(v) From money on deposit in the Administration Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Trustee, the Ordinary Trustee's Fees and Expenses and the Extraordinary Trustee's Fees and Expenses when due from time to time.

(vi) From money on deposit in the Administration Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Issuer, the Issuer Fee when due and any extraordinary expenses not covered by the Issuer Fee the Issuer may incur in connection with the Bond Financing Documents or the Project from time to time.

(vii) From money on deposit in the Administration Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Rebate Analyst, the reasonable fees and expenses of such Rebate Analyst in connection with the computations relating to arbitrage rebate required under the Indenture and this Financing Agreement when due from time to time.

(viii) From amounts withheld by the Servicer as provided in the Guide, to Freddie Mac, the Freddie Mac Credit Enhancement Fee due and owing from time to time.

(ix) From moneys on deposit in the Administration Fund or, to the extent such moneys are insufficient for such purpose, from other moneys of the Borrower, to Freddie Mac, the amount of any Freddie Mac Reimbursement Amount due and owing from time to time but unpaid and any portion of the Freddie Mac Credit Enhancement Fee remaining unpaid as provided in Section 4.06 of the Indenture.

(x) From amounts withheld by the Servicer as provided in the Guide, to the Servicer, the Ordinary Servicing Fees and Expenses due and owing from time to time.

(xi) From moneys on deposit in the Administration Fund or, to the extent such moneys are insufficient for such purpose, from other moneys of the Borrower, to the Servicer, the amount of any portion of the Ordinary Servicing Fees and Expenses remaining unpaid and any Extraordinary Servicing Fees and Expenses.

(xii) From amounts withheld by the Servicer as provided in the Guide, to the Servicer, the amounts required to be deposited in a Custodial Escrow Account pursuant to the Bond Mortgage Loan Documents from time to time.

(xiii) From moneys on deposit in the Administration Fund or, to the extent such moneys are insufficient for such purpose, from other moneys of the Borrower, to the Servicer, the amounts required to be deposited in the Custodial Escrow Account remaining unpaid.

(xiv) From money on deposit in the Administration Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Remarketing Agent, the Remarketing Agent's Fees remaining unpaid.

(xv) From money on deposit in the Administration Fund, or to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Rating Agency, the annual rating maintenance fee, if any, of the Rating Agency.

(xvi) From money on deposit in the Administration Fund, or to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Counterparty, the fixed rate payment due pursuant to the Hedge Agreement if the Hedge is an interest rate swap.

Section 4.3. Payments to Rebate Fund. The Borrower shall pay when due to the Trustee at its Principal Office any amount required to be deposited in the Rebate Fund in accordance with Section 4.12 of the Indenture.

Section 4.4. Prepayment of Bond Mortgage Loan. The Borrower shall have the option to prepay the Bond Mortgage Loan in full or in part prior to the payment and discharge of all the Outstanding Bonds in accordance with the provisions of the Indenture, this Financing Agreement, the Reimbursement Agreement and the Bond Mortgage Note, but only with the prior written consent of the Credit Facility Provider and the payment of any amount due under the next succeeding paragraph. The Borrower shall be required to prepay the Bond Mortgage Loan in each case that Bonds are required to be redeemed in accordance with the terms and conditions set forth in the Indenture.

In connection with any prepayment, whether optional or mandatory, in addition to all other payments required under the Bond Mortgage Note, the Borrower shall pay, or cause to be paid to the Servicer or other party as directed by the Credit Facility Provider (or, if no Credit

Facility is then in effect, to the Trustee), an amount sufficient to pay the redemption price of the Bonds to be redeemed, including principal, interest and premium (if any), such premium to be paid in Eligible Funds not consisting of funds drawn under the Credit Facility, and further including any interest to accrue with respect to the Bond Mortgage Loan and such Bonds between the prepayment date and the redemption date, together with a sum sufficient to pay all fees, costs and expenses in connection with such redemption and, in the case of redemption in whole, to pay all other amounts payable under this Financing Agreement, the Indenture and the Reimbursement Agreement. The Borrower shall provide notice of the prepayment to the Issuer, the Trustee, the Remarketing Agent, the Credit Facility Provider and the Servicer in writing forty-five (45) days, or such shorter time as is possible in the case of mandatory prepayments, prior to the date on which the Borrower will make the prepayment. Each such notice shall state, to the extent such information is available (a) the amount to be prepaid, (b) the date on which the prepayment will be made by the Borrower, and (c) the cause for the prepayment, if any.

Section 4.5. Borrower's Obligations Upon Redemption or Tender. In the event of any redemption of the Bonds prior to maturity, the Borrower will timely pay, or cause to be paid through the Servicer, to the Trustee an amount equal to the principal amount of such Bonds or portions thereof called for redemption, together with interest accrued to the date fixed for redemption and premium, if any, such premium to be paid in Eligible Funds not consisting of funds drawn under the Credit Facility. In addition, the Borrower will timely pay all fees, costs and expenses associated with any redemption of Bonds. In the event that on any optional tender date or mandatory tender date under and as provided in Sections 10.01, 10.02, 2.13 or 3.06 of the Indenture, Bonds are tendered and not remarketed by the Remarketing Agent, and remarketing proceeds are not available for the purpose of paying the purchase price of such Bonds, the Borrower will cause to be paid, under and subject to the terms of the Credit Facility and the Reimbursement Agreement, to the Trustee by the applicable times provided in the Indenture an amount equal to the principal amount of such Bonds tendered and not remarketed, together with interest accrued thereon to the optional tender date or mandatory tender date, as the case may be. The Borrower acknowledges that Purchased Bonds will be purchased by the Trustee for and on behalf of, and registered in the name of, the Borrower, and will be pledged to the Credit Facility Provider pursuant to the Pledge Agreement.

Section 4.6 Principal Reserve Fund. The Borrower shall make payments to the Servicer for remittance to the Trustee for deposit into the Principal Reserve Fund at the times and in the amounts set forth in the Reimbursement Agreement. Amounts on deposit in the Principal Reserve Fund shall be applied as provided in the Indenture.

Amounts on deposit in the Principal Reserve Fund shall not be credited against the principal amount of the Bond Mortgage Note or be deemed to be interest payments on the Bond Mortgage Loan until the date such amounts are withdrawn from the Principal Reserve Fund and used to reimburse the Credit Facility Provider for amounts paid under the Credit Facility to redeem or otherwise pay the principal of or interest on the Bonds.

ARTICLE V

SPECIAL COVENANTS OF BORROWER

Section 5.1. Performance of Obligations. The Borrower shall keep and faithfully perform all of its covenants and undertakings contained herein and in the Bond Financing Documents, including, without limitation, its obligations to make all payments set forth herein and therein in the amounts, on the dates and in the manner set forth herein and therein.

Except with respect to the obligations of the Borrower set forth in Sections 2.4, 2.5, 4.2, 5.8, 7.4, 8.14 and 8.15 and Article VI hereof, but otherwise notwithstanding any other provisions of this Financing Agreement to the contrary, the obligations of the Borrower under this Financing Agreement are a non-recourse liability of the Borrower on the same non-recourse basis as more fully set forth in the Reimbursement Agreement. However, nothing in this Section shall limit the right of the Issuer, the Trustee, the Servicer or the Credit Facility Provider to proceed against the Borrower to recover any fees owing to any of them or any actual out of pocket expenses (including but not limited to actual out of pocket attorneys' fees incurred by the Issuer and reasonable out of pocket attorneys' fees incurred by the others) incurred by any of them in connection with the enforcement of any rights under this Financing Agreement or other Bond Financing Documents. Nothing in this Section shall limit any right that the Servicer or the Credit Facility Provider may have to enforce the Bond Mortgage Note, the Bond Mortgage, or any other Bond Mortgage Loan Document in accordance with their terms. Notwithstanding anything herein to the contrary, the Borrower shall not have any recourse liability with respect to the payment of the principal of, premium, if any, or interest on the Bonds.

Section 5.2. Compliance With Applicable Laws. All work performed in connection with the Project shall be performed in strict compliance with all applicable federal, state, county and municipal laws, ordinances, rules and regulations now in force or that may be enacted hereafter.

Section 5.3. Indenture Provisions. The execution of this Financing Agreement shall constitute conclusive evidence of approval of the terms and provisions of the Indenture by the Borrower. Whenever the Indenture by its terms imposes a duty or obligation upon the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Indenture, and the Borrower shall carry out and perform all of its obligations under the Indenture as fully as if the Borrower were a party to the Indenture.

Section 5.4. Alternate Credit Facility. The Borrower, with the prior written confirmation of the Credit Facility Provider that the provisions of the Reimbursement Agreement have been satisfied (but without the consent of the Issuer, the Trustee or the owners of the Bonds), may, on any Interest Payment Date during a Variable Period, on any Reset Adjustment Date, on any Variable Rate Adjustment Date and on the Fixed Rate Adjustment Date (but no later than thirty (30) days prior to the expiration date of the Credit Facility unless an irrevocable commitment to extend the Credit Facility has been delivered to the Trustee satisfying the requirements of the Indenture, if applicable), and, following the beginning of a Reset Period, on any Interest Payment Date occurring after the Bonds may first be optionally redeemed at a price of not greater than par plus accrued interest to the date fixed for redemption and subject to the

terms of the Credit Facility and Reimbursement Agreement, arrange for the delivery to the Trustee of an Alternate Credit Facility in substitution for the Credit Facility then in effect (referred to in this Section 5.4 as “*credit support*”) and, if applicable, for payment of the Purchase Price of Bonds delivered or deemed delivered in accordance with Article X of the Indenture (referred to in this Section 5.4 as “*liquidity support*”); *provided*, that, without the consent of the Borrower (and without the consent of the Issuer, the Trustee or the Bondholders), the Credit Facility Provider may provide any other form of “credit support” or “liquidity support” (or combination thereof) issued by the Credit Facility Provider in substitution for then existing Credit Facility if (a) the conditions of Section 8.05 of the Indenture are satisfied, or (B)(i) the Rating Agency confirms in writing that such substitution will not result in a reduction, withdrawal or qualification of the then current rating on the Bonds, (ii) the Credit Facility Provider delivers to the Issuer and the Trustee an opinion of counsel satisfying the requirements of subsection (c) of this Section, and (iii) such substitute “credit support” or “liquidity support”(or combination thereof) does not increase the amounts required to be paid by, or other obligations of, the Borrower. Any Alternate Credit Facility shall satisfy the following conditions, as applicable:

(a) An Alternate Credit Facility may be issued to provide only credit support or only liquidity support so long as a separate Credit Facility provides, at all times while such Alternate Credit Facility is in effect, complementary credit support or liquidity support, as the case may be, so that at all times while any of the Bonds bear interest at the Variable Rate or the Reset Rate such Bonds shall be entitled to credit support and to the liquidity support required by such respective mode; *provided*, that in no event shall Freddie Mac be obligated to provide only liquidity or credit support if any Person other than Freddie Mac provides either liquidity or credit support. During the Fixed Rate Period, the Bonds shall be entitled to credit support only and no Alternate Credit Facility may be provided.

(b) The Alternate Credit Facility shall (i) be in an amount equal to the aggregate principal amount of the Bonds Outstanding from time to time plus the Interest Requirement (or otherwise provide coverage satisfactory to the Rating Agency); (ii) provide for payment in immediately available funds to the Trustee upon receipt of the Trustee’s request for such payment with respect to any Interest Payment Date, purchase date (if applicable) or extraordinary mandatory redemption date pursuant to the Indenture; (iii) if the Alternate Credit Facility is provided to secure Bonds during a Reset Period, provide an expiration date no earlier than the earliest of (a) the day following the Reset Adjustment Date immediately succeeding the Reset Period; (b) ten (10) days after the Trustee receives notice from the Credit Facility Provider of an Event of Default hereunder or a default under and as defined in the Reimbursement Agreement and a direction to redeem all Outstanding Bonds; (c) the date on which all Bonds are paid in full and the Indenture is discharged in accordance with its terms; and (d) the date on which the Bonds become secured by an Alternate Credit Facility in accordance with the terms of the Indenture and the Reimbursement Agreement; (iv) unless waived by the Issuer in its sole discretion, result in the Bonds receiving a long term rating or short term rating, or both, as applicable for the mode then in effect, for the long term rating in one of the two highest rating categories of the Rating Agency without regard to pluses or minuses, and for the short term rating in the highest rating category of the Rating Agency without regard to pluses or minuses; and (v) have a stated expiration or termination date not sooner than one year following its effective date.

(c) In connection with the delivery of an Alternate Credit Facility, the Trustee must receive (i) an opinion of counsel to the Credit Facility Provider issuing the Alternate Credit Facility, in form and substance satisfactory to the Issuer and the Trustee, relating to the due authorization and issuance of the Alternate Credit Facility, its enforceability, that the statements made relating to the Alternate Credit Facility and Reimbursement Agreement contained in any disclosure document or supplement to the existing disclosure document related to the Bonds are true and correct, that the Alternate Credit Facility is not required to be registered under the Securities Act of 1933, and, if required by the Rating Agency, that payments made by the Alternate Credit Facility Provider pursuant to the Alternate Credit Facility will not be voidable under Section 547 of the Bankruptcy Code and would not be prevented by the automatic stay provisions of Section 362(a) of the Bankruptcy Code, in the context of a case or proceeding by or against the Borrower, a general partner of the Borrower or by the Issuer under the Bankruptcy Code; (ii) an Opinion of Bond Counsel to the effect that the substitution of such Alternate Credit Facility does not adversely affect the exclusion of the interest payable on the Bonds from gross income of the owners thereof, for federal income tax purposes; and (iii) the delivery of a continuing disclosure agreement if required by Section 3.7 of this Financing Agreement.

Section 5.5. Borrower to Maintain Its Existence; Certification of No Default. (a) The Borrower agrees to maintain its existence and maintain its current legal status with authority to own and operate the Project.

(b) In addition to performing all other similar requirements under the Bond Financing Documents to which the Borrower is a party, the Borrower shall, within 30 days after the end of each calendar year, render to the Trustee a certificate executed by an Authorized Officer of the Borrower to the effect that the Borrower is not, as of the date of such certificate, in default of any of its covenants, agreements, representations or warranties under any of the Bond Financing Documents to which the Borrower is a party and that, to the best of the Borrower's knowledge after due inquiry, there has occurred no default under any Bond Financing Document.

Section 5.6. Borrower to Remain Qualified in State and Appoint Agent. The Borrower will remain duly qualified to transact business in the State and will maintain an agent in the State on whom service of process may be made in connection with any actions against the Borrower.

Section 5.7. Sale or Other Transfer of Project. Subject to the Intercreditor Agreement, the Borrower may convey and transfer the Project only upon strict compliance with the provisions of the Bond Mortgage Loan Documents and upon receipt of the prior written consent of the Issuer and the Credit Facility Provider.

Section 5.8. Right to Perform Borrower's Obligations. In the event the Borrower fails to perform any of its obligations under this Financing Agreement, the Issuer, the Trustee and/or the Servicer, after giving requisite notice, if any, and subject to the Intercreditor Agreement, may, but shall be under no obligation to, perform such obligation and pay all costs related thereto, and all such costs so advanced by the Issuer, the Trustee or the Servicer shall become an additional obligation of the Borrower hereunder, payable on demand and if not paid on demand with interest thereon at the default rate of interest payable under the Bond Mortgage Loan Documents.

Section 5.9. Notice of Certain Events. The Borrower shall promptly advise the Issuer, the Trustee and the Servicer in writing of the occurrence of any Event of Default hereunder or any event which, with the passage of time or service of notice or both, would constitute an Event of Default hereunder, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect thereto.

Section 5.10. Survival of Covenants. The provisions of Sections 2.4, 2.5, 4.2, 4.3, 7.4, 8.14 and 8.15 and Article VI of this Financing Agreement shall survive the expiration or termination of this Financing Agreement.

Section 5.11. Access to Project; Records. Subject to reasonable notice, the Issuer, the Trustee, the Servicer and the Credit Facility Provider, and the respective duly authorized agents of each, shall have the right (but not any duty or obligation) at all reasonable times and during normal business hours to enter the Project and any other location containing the records relating to the Borrower, the Project, the Bond Mortgage Loan and the Borrower's compliance with the terms and conditions of the Bond Financing Documents, and to inspect and audit any and all of the Borrower's records or accounts pertaining to the Borrower, the Project, the Bond Mortgage Loan and the Borrower's compliance with the terms and conditions of the Bond Financing Documents, and shall have the right to require the Borrower, at the Borrower's sole expense, to furnish such documents to the Issuer, the Trustee, the Servicer and the Credit Facility Provider, as the Issuer, the Trustee, the Servicer or the Credit Facility Provider, as the case may be, from time to time, deems reasonably necessary in order to determine that the provisions of the Bond Financing Documents have been complied with and to make copies of any records that the Issuer, the Trustee, the Servicer or the Credit Facility Provider or the respective duly authorized agents of each, may reasonably require. The Borrower shall make available to the Issuer, the Trustee, the Servicer and the Credit Facility Provider, such information concerning the Project, the Bond Mortgage and the Bond Financing Documents as any of them may reasonably request.

Section 5.12. Tax-Exempt Status. The Borrower hereby covenants with the Issuer and for and on behalf of the purchasers and owners of the Bonds from time to time outstanding that so long as any of the Bonds remain outstanding, moneys on deposit in any fund in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner which will cause the Bonds to be "arbitrage bonds," within the meaning of Section 148 of the Code, and any lawful Regulations promulgated thereunder, as the same exist on this date, or may from time to time hereafter be amended, supplemented or revised. The Borrower also covenants for the benefit of the owners of the Bonds to comply with all of the provisions of the Regulatory Agreement and the Tax Certificate. The Borrower reserves the right, however, to make any investment of such moneys permitted by State law, if, when and to the extent that said Section 148 or Regulations promulgated thereunder shall be repealed or relaxed or shall be held void by final judgment of a court of competent jurisdiction, but only upon receipt of an opinion of Bond Counsel that such investment does not have a material adverse effect on the tax status of the interest on the Bonds for federal income tax purposes. Notwithstanding any other provision hereof, the Borrower hereby covenants and agrees that it will not take or authorize or permit any action to be taken with respect to the Project or the proceeds of the Bonds (including investment earnings thereon), or any other proceeds derived directly or indirectly in connection with the Project, which will

result in the loss of the exclusion of interest on the Bonds from the gross income of the owners of the Bonds for federal income tax purposes; and the Borrower also will not omit to take any action in its power which, if omitted, would cause the above result.

Neither the Issuer nor the Borrower shall cause any proceeds of the Bonds to be expended except pursuant to the Indenture. The Borrower shall not (1) requisition or otherwise allow any payment out of the proceeds of the Bonds (i) if such payment is to be used for the acquisition of any property (or an interest therein) unless the first use of such property is pursuant to such acquisition, provided that this clause (i) shall not apply to any building (and the equipment purchased as a part thereof, if any) if the “rehabilitation expenditures”, as defined in Section 147(d) of the Code, with respect to the building equal or exceed fifteen percent (15%) of the portion of the cost of acquiring the building (including such equipment) financed with the proceeds of the Bonds, (ii) if as a result of such payment, twenty-five percent (25%) or more of the proceeds of the Bonds would be considered as having been used directly or indirectly for the acquisition of land (or an interest therein), (iii) if, as a result of such payment, less than 95% of the net proceeds of the Bonds, expended at the time of such requisition would be considered as having been used for costs of the acquisition, construction, reconstruction or improvement of land or property of a character subject to the allowance for depreciation for use as a “qualified residential rental project” within the meaning of Section 142(d) of the Code, or (iv) if such payment is used to pay Costs of Issuance (including attorneys’ fees and placement fees) in excess of an amount equal to two percent (2%) of the principal amount of the Bonds; (2) take or omit, or permit to be taken or omitted, any other action with respect to the use of such proceeds the taking or omission of which would result in the loss of exclusion of interest on the Bonds from gross income for purposes of federal income taxation; or (3) take or omit, or permit to be taken or omitted, any other action, the taking or omission of which would cause the loss of such exclusion. Without limiting the generality of the foregoing, the Company shall not permit (i) the proceeds of the Bonds to be used directly for the acquisition of land (or an interest therein) or so that any of the proceeds are used for the acquisition of land (or an interest therein) to be used for farming purposes; and (ii) any of the proceeds of the Bonds to be used to provide any airplane, skybox or other private luxury box, any health club facility, any facility primarily used for gambling or any store the principal business of which is the sale of alcoholic beverages for consumption off premises.

The representations and covenants contained in the Regulatory Agreement and the Tax Certificate are hereby incorporated herein by reference to the same extent and effect as if they were set forth in full in this Financing Agreement.

ARTICLE VI

INDEMNIFICATION

Section 6.1. Borrower’s Obligations. The Borrower shall indemnify and hold harmless the Issuer, the Trustee, the Servicer and the Credit Facility Provider and their respective past, present or future elected or appointed officers, directors, agents, attorneys, officials, employees (and, as to the Issuer, members of its governing body) and any person who controls the Issuer, the Trustee, the Servicer or the Credit Facility Provider within the meaning of the Securities Act

of 1933, from, and covenants and agrees to indemnify, hold harmless and defend the Issuer, the Trustee, the Servicer and the Credit Facility Provider and their respective past, present or future elected and appointed officers, directors, employees, attorneys, agents, members of its governing body, officials and any person who controls such party within the meaning of the Securities Act of 1933 and employees and each of them (each an “*Indemnified Party*”) from and against, any and all losses, claims, damages, liabilities and expenses (including attorneys’ fees and expenses), taxes, causes of action, suits and judgments of any nature, joint or several, by or on behalf of any person arising out of:

(a) the approval of financing for the Project or in connection with the Bond Mortgage Loan;

(b) the issuance and sale, resale or remarketing of any Bonds or any certifications or representations made by any person other than the party seeking indemnification in connection therewith, including, but not limited to, any (i) statement or information made by the Borrower with respect to the Borrower or the Project in any offering document or materials regarding the Bonds, the Project or the Borrower or in the Project Certificate of the Borrower or in any other certificate executed by the Borrower which, at the time made, is misleading, untrue or incorrect in any material respect, (ii) untrue statement or alleged untrue statement of a material fact relating to the Borrower or the Project contained in any offering material relating to the sale of the Bonds, as from time to time amended or supplemented, or arising out of or based upon the omission or alleged omission to state in such offering material a material fact relating to the Borrower or the Project required to be stated in such offering material or necessary in order to make the statements in such offering material not misleading, (iii) failure to properly register or otherwise qualify the sale of the Bonds or failure to comply with any licensing or other law or regulation which would affect the manner in which or to whom the Bonds could be sold;

(c) the interpretation, performance, enforcement, breach, default or amendment of the Bond Financing Documents or any other documents relating to the Project, the Bonds or in connection with any federal or state tax audit, or any questions or other matters arising under such documents;

(d) the Borrower’s failure to comply with any requirement of this Agreement or the Regulatory Agreement;

(e) the condition of the Project (environmental or otherwise), including any violation of any law, ordinance, court order or regulation affecting the Project or any part of it;

(f) any damage or injury, actual or claimed, of whatsoever kind, cause or character, to property (including loss of use of property) or persons, occurring or allegedly occurring in, on or about the Project or arising out of any action or inaction of the Borrower or any of its agents, servants, employees or licensees, whether or not related

to the Project, or resulting from the acquisition, construction, design, rehabilitation, repair, operation, use or management of all or any part of the Project;

(g) the Trustee's acceptance or administration of the trusts created by, and the exercise of its powers or duties under, the Indenture or under this Agreement, the Regulatory Agreement, the Credit Enhancement Agreement, the Remarketing Agreement or any other agreements in connection with such agreements to which it is a party; and

(h) to the extent not mentioned in any of the preceding subsections, any cause whatsoever in connection with transactions provided for in this Agreement and the other Bond Financing Documents or otherwise in connection with the Project, the Bonds or the execution or amendment of any document relating to the Bonds or the Project.

This indemnification shall extend to and include, without limitation, all costs, counsel fees, expenses and liabilities incurred in connection with any such claim, or proceeding brought with respect to such claim, except in the case of the foregoing indemnification of the Trustee, the Servicer or any of their Indemnified Parties, to the extent such damages are caused by the negligence or willful misconduct of such Person and in the case of the Credit Facility Provider damages caused by its willful misconduct or unlawful acts.

Section 6.2. Defense of Claims. In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought under Section 6.1, the Borrower, upon written notice from the Indemnified Party, will assume the investigation and defense of the action or proceeding, including the engagement of counsel selected by the Borrower, subject to the approval of the Indemnified Party in such party's sole discretion, and shall assume the payment of all expenses related to the action or proceeding, with full power to litigate, compromise or settle the same in its sole discretion; *provided, however*, that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to engage separate counsel in any action or proceeding and participate in the investigation and defense of such action or proceeding, and the Borrower shall pay the reasonable fees and expenses of such separate counsel if (i) the Indemnified Party determines that a conflict exists between the interests of the Indemnified Party and the interests of the Borrower or (ii) such separate counsel is engaged with the approval of the Borrower, which approval shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, the Issuer has the absolute right to employ separate counsel at the expense of the Borrower, and the Borrower shall pay the fees and expenses of such separate counsel.

Section 6.3. Borrower's Continuing Obligations. Notwithstanding any transfer of the Project to another owner in accordance with the Regulatory Agreement, the Borrower shall remain obligated to indemnify each Indemnified Party pursuant to this Article VI for all matters arising prior to such transfer, and, as a condition to the release of the transferor on and after the transfer date, the transferee must assume the obligations of the Borrower under this Agreement and the other Bond Financing Documents to which the Borrower is a party on and after the transfer date. Each Indemnified Party's rights under this Article VI shall survive the termination of this Agreement and the payment or defeasance of the Bonds.

Section 6.4. Limitation With Respect to the Credit Facility Provider. Notwithstanding anything in this Financing Agreement to the contrary, in the event that the Credit Facility Provider shall become the owner of the Project as a result of a foreclosure or a deed in lieu of foreclosure or comparable conversion of the Bond Mortgage Loan, the Credit Facility Provider shall not be liable for any breach or default of any prior owner of the Project under this Financing Agreement, and shall only be responsible for defaults and obligations incurred or occurring during the period that the Credit Facility Provider is the owner of the Project. Accordingly, during any period that the Credit Facility Provider owns the Project and that this Article VI is applicable to the Credit Facility Provider, the Credit Facility Provider's obligations under this Article VI shall be limited to acts and omissions of the Credit Facility Provider occurring during the period of the Credit Facility Provider's ownership of the Project.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.1. Events of Default. The following shall be "Events of Default" under this Financing Agreement and the terms "Event of Default" shall mean, whenever they are used in this Financing Agreement, one or all of the following events:

(a) Any representation or warranty made by the Borrower in the Bond Financing Documents or any certificate, statement, data or information furnished by the Borrower in connection therewith or included by the Borrower in its application to the Issuer for assistance proves at any time to have been incorrect when made in any material respect;

(b) Failure by the Borrower to pay any amounts due under this Financing Agreement, the Bond Mortgage Note or the Bond Mortgage on the dates and in the amounts required by this Financing Agreement, the Bond Mortgage Note and the Bond Mortgage, as applicable;

(c) The Borrower's failure to observe and perform any of its other covenants, conditions or agreements contained herein, other than as referred to in clause (a) above, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given by the Issuer or the Trustee to the Borrower; provided, however, that if the failure shall be such that it can be corrected, but not within such period, the Issuer and the Trustee will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Borrower within such period and diligently pursued until the failure is corrected; *provided further* that any such failure is cured within ninety (90) days of receipt of notice of such failure; or

(d) The occurrence of a default under the Reimbursement Agreement to the extent that the Credit Facility Provider provides written notice to the Trustee that such default constitutes an Event of Default under this Financing Agreement.

The occurrence of an Event of Default hereunder shall in the discretion of the Credit Facility Provider constitute a default under the Bond Mortgage Loan Documents and the Reimbursement Agreement.

Nothing contained in this Section is intended to amend or modify any of the provisions of the Bond Financing Documents or to bind the Issuer, the Trustee, the Servicer or the Credit Facility Provider to any notice and cure periods other than as expressly set forth in the Bond Financing Documents.

Section 7.2. Remedies on Default. Subject to Section 7.6 hereof and the provisions of the Intercreditor Agreement, whenever any Event of Default hereunder shall have occurred and be continuing, the Trustee or the Issuer where so provided may take any one or more of the following remedial steps:

(a) The Issuer shall cooperate with the Trustee as the Trustee acts pursuant to Section 6.02 of the Indenture.

(b) In the event any of the Bonds shall at the time be Outstanding and not paid and discharged in accordance with the provisions of the Indenture, the Issuer or the Trustee may have access to and inspect, examine and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Borrower.

(c) The Issuer or the Trustee may, without being required to give any notice (other than to the Issuer or the Trustee, as applicable), except as provided herein, pursue all remedies of a creditor under the laws of the State, as supplemented and amended, or any other applicable laws.

(d) The Issuer or Trustee may take whatever action at law or in equity may appear necessary or desirable to collect the payments due under this Financing Agreement then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Financing Agreement.

Any amounts collected pursuant to Article IV hereof and any other amounts which would be applicable to payment of principal of and interest and any premium on the Bonds collected pursuant to action taken under this Section shall be applied in accordance with the provisions of the Indenture.

The provisions of this Section are subject to the further limitation that if, after any Event of Default hereunder all amounts which would then be payable hereunder by the Borrower if such Event of Default had not occurred and was not continuing shall have been paid by or on behalf of the Borrower, and the Borrower shall have also performed all other obligations in respect of which it is then in default hereunder, and shall have paid the reasonable charges and expenses of the Issuer, the Trustee, the Servicer and the Credit Facility Provider, including reasonable attorneys' fees paid or incurred in connection with such default, and shall have paid

all amounts owed to the Credit Facility Provider, including, but not limited to, any Freddie Mac Reimbursement Amounts and Freddie Mac Credit Enhancement Fees, and if there shall then be no default existing under the Indenture, then and in every such case such Event of Default shall be waived and annulled, but no such waiver or annulment shall affect any subsequent or other Event of Default or impair any right consequent thereon.

Section 7.3. No Remedy Exclusive. No remedy conferred upon or reserved to the Issuer or the Trustee by this Financing Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative, and shall be in addition to every other remedy given under this Financing Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be expressly required by this Financing Agreement.

Section 7.4. Agreement to Pay Attorneys' Fees and Expenses. In the event the Borrower should default under any of the provisions of this Financing Agreement and the Issuer, the Trustee, the Servicer or the Credit Facility Provider should employ attorneys or incur other expenses for the collection of loan payments or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower contained in this Financing Agreement or in the Bond Mortgage Note, the Borrower shall on demand therefor reimburse the reasonable fees of such attorneys and such other expenses so incurred.

Section 7.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Financing Agreement should be breached by any party and thereafter waived by the other parties, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 7.6. Rights of Credit Facility Provider. Notwithstanding anything herein to the contrary, as long as a Wrongful Dishonor has not occurred with respect to the Credit Facility, none of the Issuer, the Trustee or any other person shall, upon the occurrence of an Event of Default hereunder or a default under any other Bond Financing Document, take any action to accelerate or otherwise enforce payment or seek other remedies with respect to the Bond Mortgage Loan, except at the written direction of the Credit Facility Provider; *provided*, that this prohibition shall not be construed to limit the rights of the Issuer or the Trustee to specifically enforce the Tax Regulatory Agreement in order to provide for operation of the Project in accordance with the 1986 Code and the laws of the State, including the Act; and *provided further*, that this prohibition shall not be construed to limit the rights of the Issuer, the Trustee or the Servicer or any other indemnified party under Section 6.1 hereof to enforce its rights against the Borrower under Sections 2.4, 2.5, 4.2, 4.3, 7.4, 8.14 and 8.15 and Article VI hereof by mandamus or other suit, action or proceeding at law or in equity where such suit, action or proceeding does not seek any remedies under or with respect to the Bond Mortgage or cause acceleration of the Bond Mortgage Loan.

ARTICLE VIII

MISCELLANEOUS

Section 8.1. Notices. (a) Whenever in this Financing Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Any notice, request, complaint, demand, communication or other paper required or permitted to be delivered to the Issuer, the Trustee, the Credit Facility Provider, the Borrower or the Servicer shall be sufficiently given and shall be deemed given (unless another form of notice shall be specifically set forth herein) on the Business Day following the date on which such notice or other communication shall have been delivered to a national overnight delivery service (receipt of which to be evidenced by a signed receipt from such overnight delivery service) addressed to the appropriate party at the addresses set forth below. The Issuer, the Trustee, the Credit Facility Provider, the Borrower or the Servicer may, by notice given as provided in this paragraph, designate any further or different address to which subsequent notices or other communication shall be sent.

The Issuer: The County of Lake, Illinois
18 North County Street
Waukegan, Illinois 60085
Attention: County Clerk
Telephone: (847) 377-2400
Telecopier: (847) 360-3608

with a copy to: Lake County Partners
28055 Ashley Circle
Suite 212
Libertyville, Illinois 60048
Attention: President
Telephone: (847) 247-0137
Facsimile: (847) 247-0243

The Trustee: The Bank of New York Mellon Trust Company, N.A.
Two North LaSalle Street
Chicago, Illinois 60602
Attention: Corporate Trust Department
Telephone:
Telecopier:

The Borrower: Whispering Oaks Associates, L.P.
c/o ATWO Development
1755 East Martin Luther King, Jr. Boulevard
Los Angeles, California 90058
Attention: Tim English
Telephone: (323) 231-4174
Facsimile: (323) 234-3072

with a copy to: Resch, Polster & Berger, LLP
9200 Sunset Blvd., 9th Floor
Los Angeles, California 90069
Attention: Jeffrey A. Rabin
Telephone: (310) 277-8300
Facsimile: (310) 552-3209

(which copy shall not constitute notice to the Borrower)

The Credit Facility

Provider: Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive
Mail Stop B4Q
McLean, Virginia 22102
Attention: Director of Multifamily Loan Accounting
Facsimile: (703) 714 3273
Telephone: (703) 903 2000

with a copy to: Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive
McLean, Virginia 22102
Attention: Associate General Counsel – Multifamily
Legal Department
Telephone: (703) 903-2000
Facsimile: (703) 903-2885

with a copy to: Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive
Mail Stop B4F
McLean, Virginia 22102
Attention: Director of Multifamily Loan Servicing
Telephone: (703) 903-2000
Facsimile: (703) 714-3003

The Servicer: Prudential Affordable Mortgage Company
8401 Greensboro Drive, Suite 200
McLean, Virginia 22102
Attention: Loan Servicing (Whispering Oaks Apartments)
Telephone: (
Telecopier: (

The Remarketing Agent: Banc of America Securities, LLC
600 Montgomery Street
San Francisco, California 94111
Attention:
Telephone: (
Telecopier: (

The Tender Agent: The Bank of New York Mellon Trust Company, N.A.
Two North LaSalle Street
Chicago, Illinois 60602
Attention: Corporate Trust Department
Telephone:
Telecopier:

A duplicate copy of each notice or other communication given hereunder by any party to the Servicer shall also be given to the Credit Facility Provider and a duplicate copy of each notice or other communication given hereunder by any party to the Credit Facility Provider shall be given to the Servicer.

The Trustee agrees to accept and act upon facsimile transmission of written instructions and/or directions pursuant to this Financing Agreement; *provided, however*, that subsequent to such facsimile transmission of written instructions, the originally executed instructions and/or directions shall be provided to the Trustee in a timely manner.

(b) The Trustee shall provide to the Credit Facility Provider and the Servicer (i) prompt notice of the occurrence of any Event of Default hereunder, and (ii) any written information or other communication received by the Trustee hereunder within ten (10) Business Days of receiving a written request from the Credit Facility Provider for any such information or other communication.

Section 8.2. Concerning Successors and Assigns. All covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the financing herein contemplated, and shall continue in full force and effect so long as the obligations hereunder are outstanding. Whenever in this Financing Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Borrower which are contained in this Financing Agreement shall bind its successors and assigns, and inure to the

benefit of the successors and assigns of the Issuer, the Trustee, the Servicer and the Credit Facility Provider.

Section 8.3. Governing Law. This Financing Agreement and the Exhibits attached hereto shall be construed in accordance with and governed by the internal laws, but not the conflicts of laws rules, of the State and, where applicable, the laws of the United States of America.

Section 8.4. Modifications in Writing. Modification or the waiver of any provisions of this Financing Agreement or consent to any departure by the parties therefrom, shall in no event be effective unless the same shall be in writing approved by the parties hereto and shall require the prior written consent of the Credit Facility Provider and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given and so long as the interests of any owners of the Bonds are not adversely affected and the Trustee consents in writing thereto. No notice to or demand on the Borrower in any case shall entitle it to any other or further notice or demand in the same circumstances.

Section 8.5. Further Assurances and Corrective Instruments. The Issuer, the Trustee and the Borrower agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required (including such supplements or further instruments requested by the Credit Facility Provider) for correcting any inadequate or incorrect description of the performance of this Financing Agreement.

Section 8.6. Captions. The Section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Financing Agreement.

Section 8.7. Severability. The invalidity or unenforceability of any provision of this Financing Agreement shall not affect the validity of any other provision, and all other provisions shall remain in full force and effect; *provided, however,* that no such invalidity or unenforceability shall require the Issuer to make any payments from revenues other than the proceeds derived from the sale of the Bonds issued under the Indenture and the proceeds derived from the Financing Agreement (except such proceeds as may be derived by the Issuer pursuant to its Unassigned Rights) or impose any personal liability on any past, present or future director, member, elected or appointed officer, official, employee, attorney or agent of the Issuer.

Section 8.8. Counterparts. This Financing Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 8.9. Amounts Remaining in Bond Fund or Other Funds. It is agreed by the parties hereto that any amounts remaining in the Bond Fund or other funds and accounts established under the Indenture upon expiration or sooner termination of the term hereof, shall be paid in accordance with the Indenture.

Section 8.10. Effective Date and Term. This Financing Agreement shall become effective upon its execution and delivery by the parties hereto, shall be effective and remain in full force from the date hereof, and, subject to the provisions hereof, shall expire on such date as the Indenture shall terminate.

Section 8.11. Cross References. Any reference in this Financing Agreement to an “Exhibit,” an “Article,” a “Section,” a “Subsection” or a “Paragraph” shall, unless otherwise explicitly provided, be construed as referring, respectively, to an exhibit attached to this Financing Agreement, an Article of this Financing Agreement, a Section of this Financing Agreement, a subsection of the Section of this Financing Agreement in which the reference appears and a paragraph of the subsection within this Financing Agreement, a subparagraph of the paragraph within this Financing Agreement or a clause within a sentence within this Financing Agreement in which the reference appears. All exhibits attached to or referred to in this Financing Agreement are incorporated by reference into this Financing Agreement.

Section 8.12. Credit Facility Provider and Servicer as Third-Party Beneficiaries. The parties hereto agree and acknowledge that the Credit Facility Provider and the Servicer are third-party beneficiaries of this Financing Agreement.

Section 8.13. Credit Facility Provider. Following the release of the Credit Enhancement Agreement by the Trustee pursuant to the terms of the Indenture and the provision of an Alternate Credit Facility, all notices to be provided Freddie Mac hereunder shall be provided to the Alternate Credit Facility Provider and payments to be made to Freddie Mac by the Servicer or from the Administration Fund shall be paid to the Alternate Credit Facility Provider.

Section 8.14. Non-Liability of Issuer. (a) The Issuer shall not be obligated to pay the principal (or redemption price) of or interest on the Bonds, except from Revenues and other moneys and assets received by the Trustee on behalf of the Issuer pursuant to this Financing Agreement. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof, nor the faith and credit of the Issuer or any member is pledged to the payment of the principal (or redemption price) or interest on the Bonds. The Issuer shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Financing Agreement, the Bonds or the Indenture, except only to the extent amounts are received for the payment thereof from the Borrower under this Financing Agreement.

(b) The Borrower hereby acknowledges that the Issuer’s sole source of moneys to repay the Bonds will be provided by the payments made by the Borrower pursuant to this Financing Agreement, together with investment income on certain funds and accounts held by the Trustee under the Indenture, and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal (or redemption price) and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise), then upon notice from the Trustee, the Borrower shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal (or redemption price) or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Trustee, the Borrower, the Issuer or any third party, subject to any

right of reimbursement from the Trustee, the Issuer or any such third party, as the case may be, therefor, subject to the non-recourse provisions of Section 5.1 of this Financing Agreement.

(c) All obligations of the Issuer under this Financing Agreement, the Tax Regulatory Agreement, the Indenture and the other Bond Financing Documents to which the Issuer is a party shall be special, limited obligations of the Issuer, payable solely and only from the Trust Estate. No owner or owners of any of the Bonds shall ever have the right to compel any exercise of the taxing power of the Issuer, the State or any political subdivision hereof or other public body for the payment of the Bonds, nor to enforce the payment of the Bonds against any property of the Issuer, the State or any such political subdivision or other public body. No past, present or future director, member, elected or appointed officer, agent, employee, official or attorney of the Issuer, including any person executing this Financing Agreement on behalf of the Issuer, shall be liable personally under this Financing Agreement. No recourse shall be had for the payment of the principal of or the interest on the Bonds, for any claim based on or in respect of the Bonds or based on or in respect of this Financing Agreement, against any past, present or future director, member, elected or appointed officer, employee, official, attorney or agent, as such, of the Issuer or any successor whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance of this Financing Agreement and as part of the consideration for the issuance of the Bonds, expressly waived and released. NOTHING CONTAINED HEREUNDER SHALL CREATE ANY INDEBTEDNESS OR BE CONSTRUED TO CREATE A DEBT OR A LOAN OF CREDIT OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF ANY OF THEM.

(d) Neither the issuance of the Bonds nor the delivery of this Financing Agreement shall, directly or indirectly or contingently, obligate the Issuer or the State or any political subdivision thereof to levy any form of taxation thereof or to make any appropriation for their payment. Nothing in the Bonds or in the Indenture or in this Financing Agreement or the proceedings of the Issuer authorizing the Bonds in the Act or in any other related document shall be construed to authorize the Issuer to create a debt of the Issuer or the State or any political subdivision thereof within the meaning of any constitutional or statutory provision. The Bonds, together with the premium, if any, and interest thereon, are not a general obligation of the Issuer, but are a special, limited obligation payable solely from Trust Estate, and shall be a valid claim of the respective owners thereof only against the Revenue Fund and other moneys held by the Trustee and the Trust Estate, which Trust Estate has been pledged, assigned and otherwise secured for the payment of the Bonds. The obligations of the Issuer under the Indenture and the Bonds shall not be deemed to constitute general obligation debt or a pledge of the faith and credit of the State or any political subdivision thereof, including the Issuer. Neither the State nor any political subdivision thereof, including the Issuer, shall be obligated to pay the obligations under the Indenture, the principal or purchase price of, premium, if any, or interest on the Bonds, or the other costs incident thereto, except from the revenues and receipts pledged therefor, and neither the faith and credit nor the taxing power of the State or any political subdivision thereof, including the Issuer, is pledged to the payment of the obligations under the Indenture or the Bonds.

(e) No pledge, agreement, covenant, representation, obligation or undertaking by the Issuer contained in this Financing Agreement and no other pledge, agreement, covenant, representation, obligation or undertaking by the Issuer contained in any other document executed by the Issuer in connection with the Bonds shall give rise to any other pecuniary liability of the Issuer or a charge against its general credit, or shall obligate the Issuer financially in any way except out of payments to be made by the Borrower under this Financing Agreement other than payments to be made by the Borrower pursuant to the Unassigned Rights. No failure of the Issuer to comply with any term, condition, covenant, obligation or agreement herein shall subject the Issuer to liability for any claim for damages, costs or other financial or pecuniary charge, except to the extent the same is paid by the Borrower; and no execution of any claim, demand, cause of action or judgment shall be levied upon or collected from the general credit, general funds or other property of the Issuer. Nothing herein shall preclude a proper party in interest from seeking and obtaining specific performance against the Issuer for any failure to comply with any term, condition, covenant, obligation or agreement herein; *provided*, that no costs, expenses or other monetary relief shall be recoverable from the Issuer, except as may be payable by the Borrower. No owner of the Bonds shall have the right to compel any exercise of the taxing power of the Issuer, the State or any political subdivision thereof to pay the Bonds or the premium, if any, or interest thereon. The Bonds do not and shall never constitute or give rise to any pecuniary liability of the Issuer or a charge against the Issuer's general credit or powers. The Bonds do not and shall never constitute or evidence an indebtedness of the Issuer, the State or any political subdivision thereof within the meaning of any constitutional or statutory provision.

(f) Anything in this Financing Agreement to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that (i) the Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer by the Trustee or the Borrower as to the existence of any fact or state of affairs required hereunder to be noticed by the Issuer; (ii) the Issuer shall not be under any obligation hereunder to perform any recordkeeping or to provide any legal services, it being understood that such services shall be performed either by the Trustee or the Borrower upon the request of the Issuer; and (iii) none of the provisions of this Financing Agreement shall require the Issuer to expend or risk its own funds or to otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless it shall first have been adequately indemnified to its satisfaction against the cost, expenses and liability which may be incurred thereby.

(g) All covenants, stipulations, representations, promises, agreements and obligations of the Issuer contained in this Financing Agreement or in the Bonds or in any other document executed in connection herewith or therewith shall be deemed to be the limited covenants, stipulations, representations, promises, agreements and obligations of the Issuer, and not of any past, present or future director, member, elected or appointed officer, official, employee, attorney or agent of the Issuer in his or her individual capacity. No recourse shall be had against any such individual, either directly or through the Issuer or otherwise, for the payment for or to the Issuer or any sum that may be due and unpaid by the Issuer, upon the Bonds or under any obligation, covenant, stipulation, promise or agreement contained herein, in the Bonds or in any other document executed in connection herewith or therewith, and no recourse shall be had against any

of such persons on account of the issuance and sale of the Bonds or on account of any representations made in connection therewith. Any and all personal liability or obligation, whether in common law or in equity or by reason of statute or constitution or by the enforcement of any assessment or otherwise, of any such person to respond by reason of any act or omission on his or her part or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the owners of the Bonds or otherwise, of any sum that may remain due and unpaid upon the Bonds or under any of the documents executed in connection with the issuance thereof is hereby expressly waived and released as a condition to and in consideration for the issuance of the Bonds and the execution of this Financing Agreement and related documents.

(h) Anything in this Financing Agreement to the contrary notwithstanding, the Issuer shall not be obligated to take any action or execute any instrument pursuant to any provision hereof or of any related document until it shall have been requested to do so in writing by the Borrower or the Trustee, and shall have received from the Borrower, the Trustee or the owners of the Bonds, written assurance satisfactory to the Issuer that the Issuer will be reimbursed for its expenses, including attorneys' fees and expenses, incurred or to be incurred in connection with the taking of such action or execution of such instrument.

Section 8.15. No Liability of Officers. No recourse under or upon any obligation, covenant, or agreement or in any Bonds, or under any judgment obtained against the Issuer, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any incorporator, member, director, commissioner or officer, as such, past, present, or future, of the Issuer, either directly or through the Issuer, or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the owner of any Bonds, of any sum that may be due and unpaid by the Issuer upon any of the Bonds. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director, commissioner or officer, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the owner of any Bonds, of any sum that may remain due and unpaid upon the Bonds or any of them, is hereby expressly waived and released as a condition of and consideration for the execution of this Financing Agreement and the issuance of the Bonds.

IN WITNESS WHEREOF, the parties hereto have executed this Financing Agreement and the Issuer has caused its corporate seal to be affixed hereto and to be attested, all as of the date first set forth above.

THE COUNTY OF LAKE, ILLINOIS

By: _____
Name: Suzi Schmidt
Title: Chairman

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By: _____
Name: _____
Title: _____

WHISPERING OAKS ASSOCIATES, L.P.,
an Illinois limited partnership

By: ATWO, LLC, a California limited liability
company, its sole general partner

By: 1755 EFM 3 , LLC, a California limited
liability company, its Manager

By: _____
Tim English, Managing Member

EXHIBIT A
FORM OF BOND MORTGAGE NOTE

THE COUNTY OF LAKE, ILLINOIS
VARIABLE RATE DEMAND MULTIFAMILY HOUSING REVENUE BONDS
(WHISPERING OAKS APARTMENTS PROJECT),
SERIES 2008

BOND MORTGAGE NOTE

US \$26,000,000 _____, 2008

FOR VALUE RECEIVED, the undersigned, Whispering Oaks Associates, L.P. (the “*Borrower*”), promises to pay to the order of The Bank of New York Mellon Trust Company, N.A., as trustee (the “*Trustee*”), and its assigns, the principal sum of Twenty-Six Million Dollars (US \$26,000,000), plus premium, if any, and interest thereon and to pay the other amounts owing from time to time hereunder, all as set forth below.

This Note is issued pursuant to that certain Financing Agreement dated as of October 1, 2008, by and among The County of Lake, Illinois (the “*Issuer*”), the Trustee and the Borrower (together with any and all amendments, modifications, supplements and restatements, the “*Financing Agreement*”) pursuant to which the Issuer has financed a mortgage loan in the principal amount of this Note from the Trustee to the Borrower (the “*Bond Mortgage Loan*”), and this Note is entitled to the benefits of the Financing Agreement and subject to the terms, conditions and provisions thereof. The Bond Mortgage Loan was funded with proceeds from the Issuer’s \$26,000,000 aggregate principal amount of The County of Lake, Illinois Variable Rate Demand Multifamily Housing Revenue Bonds (Whispering Oaks Apartments Project), Series 2008 (the “*Bonds*”) issued pursuant to the Trust Indenture dated as of November 1, 2008 (the “*Indenture*”), by and between the Issuer and the Trustee.

1. *Defined Terms.* As used in this Note, (i) the term “Lender” means the holder of this Note, and (ii) the term “Indebtedness” means the principal of, premium, if any, and interest on or any other amounts due at any time under this Note. “Event of Default” and other capitalized terms used, but not defined in this Note shall have the meanings given to such terms in the Financing Agreement or the Indenture.

2. *Payments of Principal and Interest.* The Borrower shall pay, not later than 12:00 a.m., Washington, D.C. time, on the first Business Day of each month, commencing on _____, 2008, interest on this Note in an amount equal to the accrued and unpaid interest on the Bonds during the prior month, and shall also pay in the event of an optional or mandatory prepayment of this Note with respect to a corresponding optional or mandatory redemption or purchase or acceleration of all or part of the Bonds, interest on this Note in an amount equal to the accrued and unpaid interest on such Bonds to the date of redemption, purchase or acceleration, as applicable. The Borrower shall pay the principal of this Note in full on November 1, 20__ (the “*Maturity Date*”) or at such earlier times and in such amounts as may be required, in the event of an optional or mandatory prepayment of this Note with respect

to a corresponding optional or mandatory redemption or purchase or acceleration of all or part of the Bonds, to pay the principal that equals the principal due with respect to the Bonds at such times.

The Borrower's repayment obligations under the Financing Agreement and this Note shall be reduced from time to time by and to the extent of any amounts drawn under the Credit Facility (as defined in the Indenture) and applied to the payment of debt service on the Bonds, provided that such reductions shall be credited only at the times and to the extent the Borrower has reimbursed the Credit Facility Provider (as defined in the Indenture) fully for such amounts. The outstanding principal hereof is subject to acceleration at the same time or times and under the same terms and conditions, and with the same notice, if any, as provided under the Indenture for the acceleration of payment of the Bonds. Notwithstanding anything to the contrary contained herein or the Financing Agreement, the payments in respect of the Bond Mortgage Loan evidenced hereby shall be sufficient to pay, when due (whether at stated maturity, upon redemption before maturity, upon acceleration of stated maturity, upon tender and purchase or otherwise), the principal of and premium, if any, and interest on the Bonds at any time outstanding.

3. *Payment of Fees and Expenses; Other Required Payments.* The Borrower shall also pay fees and expenses under Section 4.2 of the Financing Agreement, rebate amounts under Section 4.3 of the Financing Agreement, Principal Reserve Fund amounts under Section 4.6 of the Financing Agreement and indemnification-related amounts under Section 6.1 of the Financing Agreement, as well as any other amounts owed under the Financing Agreement, when due and in accordance with the terms and provisions set forth therein.

4. *Manner of Payment; Deficiencies.* Subject to paragraph 8 below, all payments under this Note shall be made in lawful currency of the United States and in immediately available funds. The Borrower shall make its payments under this Note in Eligible Funds if and to the extent that the Indenture, the Financing Agreement or this Note requires such amount to be available to the Trustee in Eligible Funds. In the event of any deficiency in the funds available under the Indenture for payment of the principal of, premium, if any, or interest on the Bonds when due, the Borrower shall immediately pay the amount of the deficiency to the Trustee upon notice of the deficiency from the Issuer, the Servicer or the Trustee. The Borrower shall be obligated to pay the deficiency regardless of the reason for the deficiency, including any deficiency resulting from any shortfall in payments made or to be made by the Borrower under this Note, any loss due to a default under any investment held by the Trustee, a change in value of any such investment or otherwise.

5. *Application of Payments.* If at any time the Lender receives, from the Borrower or otherwise, any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, the Lender may apply that payment to amounts then due and payable in any manner and in any order determined by the Lender, in the Lender's discretion. The Borrower agrees that neither the Lender's acceptance of a payment from the Borrower in an amount that is less than all amounts then due and payable nor the Lender's application of such payment shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction.

6. *Security.* The Indebtedness is secured, among other things, by a multifamily mortgage, assignment of rents and security agreement dated as of the date of this Note (the “*Bond Mortgage*”). Reference is made to the Bond Mortgage for other rights of the Lender as to collateral for the Indebtedness.

7. *Acceleration.* If an Event of Default has occurred and is continuing, the entire unpaid principal balance, any accrued interest, and all other amounts payable under this Note shall at once become due and payable, at the option of the Lender, as governed by the Indenture, without any prior notice to the Borrower. The Lender may exercise this option to accelerate regardless of any prior forbearance.

8. *Limits on Personal Liability.* Except as otherwise provided in Section 5.1 of the Financing Agreement, payments under this Note are a nonrecourse obligation of the Borrower (as more fully described in the Financing Agreement) and the Lender’s only recourse for the satisfaction of the Indebtedness shall be the Lender’s exercise of its rights and remedies with respect to the Project and any other collateral held by the Lender as security for the Indebtedness. This limitation on the Borrower’s liability shall not limit or impair the Lender’s enforcement of its rights against any guarantor of any obligations of the Borrower.

9. *Prepayment.* This Note is subject to prepayment as specified in the Financing Agreement and the Indenture.

10. *Costs and Expenses.* The Borrower shall pay all expenses and costs, including reasonable fees and out of pocket expenses of attorneys, and fees and out of pocket expenses of expert witnesses and costs of investigation, incurred by the Lender as a result of any default under this Note or in connection with efforts to collect any amount due under this Note, or to enforce the provisions of any of the other Bond Mortgage Loan Documents, including those incurred in post judgment collection efforts and in any bankruptcy proceeding (including any action for relief from the automatic stay of any bankruptcy proceeding) or judicial or nonjudicial foreclosure proceeding.

11. *Forbearance.* Any forbearance by the Lender in exercising any right or remedy under this Note any other document evidencing or securing the Bond Mortgage Loan or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of that or any other right or remedy. The acceptance by the Lender of any payment after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of the Lender’s right to require prompt payment when due of all other payments or to exercise any right or remedy with respect to any failure to make prompt payment. Enforcement by the Lender of any security for the Borrower’s obligations under this Note shall not constitute an election by the Lender of remedies so as to preclude the exercise of any other right or remedy available to the Lender.

12. *Waivers.* Presentment, demand, notice of dishonor, protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for payment, notice of nonpayment, grace and diligence in collecting the Indebtedness are waived by the Borrower and all endorsers and guarantors of this Note and all other third party obligors.

13. *Loan Charges.* If any applicable law limiting the amount of interest or other charges permitted to be collected from the Borrower in connection with the Bond Mortgage Loan is interpreted so that any interest or other charge provided for herein or in any other document evidencing or securing the Bond Mortgage Loan, whether considered separately or together with other charges provided for in any such other document, violates that law, and the Borrower is entitled to the benefit of that law, that interest or charge is hereby reduced to the extent necessary to eliminate that violation.

14. *Commercial Purpose.* The Borrower represents that the Indebtedness is being incurred by the Borrower solely for the purpose of carrying on a business or commercial enterprise, and not for personal, family or household purposes.

15. *Governing Law.* This Note shall be governed by the law of the State of Illinois (the “*Property Jurisdiction*”).

16. *Captions.* The captions of the paragraphs of this Note are for convenience only and shall be disregarded in construing this Note.

17. *Address for Payment.* All payments due under this Note shall be payable at The Bank of New York Mellon Trust Company, National Association, Two North LaSalle Street, Chicago, Illinois 60602, Attention: Corporate Trust Department, or such other place as may be designated by written notice to the Borrower from or on behalf of the Lender.

18. *Consent to Jurisdiction and Venue.* The Borrower agrees that any controversy arising under or in relation to this Note shall be litigated exclusively in the Property Jurisdiction in which the Project is located. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Note. The Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

19. *Waiver of Trial by Jury.* THE BORROWER (A) AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS NOTE OR THE RELATIONSHIP BETWEEN THE PARTIES AS THE LENDER AND THE BORROWER THAT IS TRIABLE OF RIGHT BY A JURY, AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THE BORROWER GIVES THIS WAIVER OF RIGHT TO TRIAL BY JURY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

20. *Assignment.* The Borrower acknowledges that this Note is being funded by the Issuer and made payable to the Trustee for the Bonds, and any rights of the Issuer herein have been assigned to the Trustee pursuant to the Indenture.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Borrower has signed and delivered this Note or has caused this Note to be signed and delivered by its duly authorized representative.

WHISPERING OAKS ASSOCIATES, L.P.,
an Illinois limited partnership

By: ATWO, LLC, a California limited liability
company, its sole general partner

By: 1755 EFM 3 , LLC, a California limited
liability company, its Manager

By: _____
Tim English, Managing Member

Borrower's Employer ID No.