

COUNTER    a    C.E.    ah     
VERIFY    ah    D.E.    ah     
PROOF \_\_\_\_\_  
FEES \$    383.00     
CHECK # \_\_\_\_\_  
CHG    515    CASH \_\_\_\_\_  
REFUND \_\_\_\_\_ CREDIT \_\_\_\_\_  
SHORT \_\_\_\_\_

FILED SARDY CO. NE.  
INSTRUMENT NUMBER  
2008-33549  
2008 DEC 22 A 10:47 <sup>5</sup>

*Sharon J. Sandberg*  
REGISTER OF DEEDS

Prepared by, and after recording  
return to:  
Cynthia A. Stephens, Chief Counsel, Legal Division  
Air Force Housing Privatization Center of Excellence  
c/o AFCEE/HP  
2735 Louis Bauer Drive, Bldg. 728  
Brooks City-Base, Texas 78235-5133

**MULTIFAMILY DEED OF TRUST,**  
**ASSIGNMENT OF RENTS**  
**AND SECURITY AGREEMENT**

**(NEBRASKA – REVISION DATE 05-11-2004)**

Offutt AFB Multifamily Deed of Trust FINAL  
September 15, 2005  
1:00 p.m.

STS

TA-56168

A

**MULTIFAMILY DEED OF TRUST,  
ASSIGNMENT OF RENTS AND  
SECURITY AGREEMENT  
(NEBRASKA – REVISION DATE 05-11-2004)**

THIS MULTIFAMILY DEED OF TRUST, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT (the “**Instrument**”) is made as of this 17<sup>th</sup> day of December 2008, among OFFUTT AFB AMERICA FIRST COMMUNITIES, LLC, a limited liability company organized and existing under the laws of the State of Nebraska, whose address is 1004 Farnam Street, Suite 400, Omaha, Nebraska 68102, as grantor, (“**Borrower**”), to Commonwealth Land Title Insurance Company, a title insurer authorized to do business in Nebraska under the laws of Nebraska, whose address is c/o Spence Title Services, Inc. 1905 Harney Street, Suite 210, Omaha, Nebraska 68102, as trustee (“**Trustee**”), for the benefit of THE UNITED STATES OF AMERICA, acting by and through the SECRETARY OF THE AIR FORCE, whose address is Department of the Air Force, Deputy Assistant Secretary of the Air Force (Installations), 1665 Air Force Pentagon, Washington, D.C. 20330-1665, as beneficiary (“**Lender**”).

Borrower, in consideration of the Indebtedness and the trust created by this Instrument, irrevocably grants, conveys and assigns to Trustee, in trust, with power of sale, the Mortgaged Property, including the Land located in Sarpy County, State of Nebraska and described in Exhibit A attached to this Instrument.

TO SECURE TO LENDER the repayment of the Indebtedness evidenced by Borrower’s Multifamily Note payable to Lender dated as of the date of this Instrument, and maturing on January 1, 2049 (the “**Maturity Date**”), in the principal amount of \$72,605,000.00, and all renewals, extensions and modifications of the Indebtedness, and the performance of the covenants and agreements of Borrower contained in the Loan Documents.

Borrower represents and warrants that Borrower is lawfully seized of the Mortgaged Property and has the right, power and authority to grant, convey and assign the Mortgaged Property, and that the Mortgaged Property is unencumbered except as shown on the schedule of exceptions to coverage in the title policy issued to and accepted by Lender contemporaneously with the execution and recordation of this Instrument and insuring Lender’s interest in the Mortgaged Property (the “**Schedule of Title Exceptions**”). Borrower covenants that Borrower will warrant and defend generally the title to the Mortgaged Property against all claims and demands, subject to any easements and restrictions listed in the Schedule of Title Exceptions.

**Covenants.** In consideration of the mutual promises set forth in this Instrument, Borrower and Lender covenant and agree as follows:

B

1. **DEFINITIONS.** The following terms, when used in this Instrument (including when used in the above recitals), shall have the following meanings:

(a) **"Attorneys" Fees and Costs**" means (i) fees and out-of-pocket costs of Lender's and Loan Servicer's attorneys, as applicable, including costs of Lender's and Loan Servicer's in-house counsel, support staff costs, costs of preparing for litigation, computerized research, telephone and facsimile transmission expenses, mileage, deposition costs, postage, duplicating, process service, videotaping and similar costs and expenses; (ii) costs and fees of expert witnesses, including appraisers; and (iii) investigatory fees.

(b) **"Borrower"** means all persons or entities identified as "Borrower" in the first paragraph of this Instrument, together with their successors and assigns.

(c) **"Business Day"** means any day other than a Saturday, a Sunday or any other day on which Lender is not open for business.

(d) **"Collateral Agreement"** means any separate agreement between Borrower and Lender for the purpose of establishing replacement reserves for the Mortgaged Property, establishing a fund to assure the completion of repairs or improvements specified in that agreement, or assuring reduction of the outstanding principal balance of the Indebtedness if the occupancy of or income from the Mortgaged Property does not increase to a level specified in that agreement, or any other agreement or agreements between Borrower and Lender which provide for the establishment of any other fund, reserve or account.

(e) **"Controlling Entity"** means an entity which owns, directly or indirectly through one or more intermediaries, (i) a general partnership interest or a Controlling Interest of the limited partnership interests in Borrower (if Borrower is a partnership or joint venture), (ii) a manager's interest in Borrower or a Controlling Interest of the ownership or membership interests in Borrower (if Borrower is a limited liability company), (iii) a Controlling Interest of any class of voting stock of Borrower (if Borrower is a corporation), (iv) a trustee's interest or a Controlling Interest of the beneficial interests in Borrower, or (v) a managing partner's interest or a Controlling Interest of the partnership interests in Borrower (if Borrower is a limited liability partnership).

(f) **"Controlling Interest"** means (i) 51 percent or more of the ownership interests in an entity, or (ii) a percentage ownership interest in an entity of less than 51 percent, if the owner(s) of that interest actually direct(s) the business and affairs of the entity without the requirement of consent of any other party. The Controlling Interest shall be deemed to be 51 percent unless otherwise stated in Exhibit B.

C

(g) **“Environmental Permit”** means any permit, license, or other authorization issued under any Hazardous Materials Law with respect to any activities or businesses conducted on or in relation to the Mortgaged Property.

(h) **“Event of Default”** means the occurrence of any event listed in Section 22.

(i) **“Fixtures”** means all property owned by Borrower which is so attached to the Land or the Improvements as to constitute a fixture under applicable law, including: machinery, equipment, engines, boilers, incinerators, installed building materials; systems and equipment for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air, or light; antennas, cable, wiring and conduits used in connection with radio, television, security, fire prevention, or fire detection or otherwise used to carry electronic signals; telephone systems and equipment; elevators and related machinery and equipment; fire detection, prevention and extinguishing systems and apparatus; security and access control systems and apparatus; plumbing systems; water heaters, ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers and other appliances; light fixtures, awnings, storm windows and storm doors; pictures, screens, blinds, shades, curtains and curtain rods; mirrors; cabinets, paneling, rugs and floor and wall coverings; fences, trees and plants; swimming pools; and exercise equipment.

(j) **“Governmental Authority”** means any board, commission, department or body of any municipal, county, state or federal governmental unit, or any subdivision of any of them, that has or acquires jurisdiction over the Mortgaged Property or the use, operation or improvement of the Mortgaged Property.

(k) **“Hazard Insurance”** is defined in Section 19.

(l) **“Hazardous Materials”** means petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives; flammable materials; radioactive materials; polychlorinated biphenyls (“PCBs”) and compounds containing them; lead and lead-based paint; asbestos or asbestos-containing materials in any form that is or could become friable; underground or above-ground storage tanks, whether empty or containing any substance; any substance the presence of which on the Mortgaged Property is prohibited by any federal, state or local authority; any substance that requires special handling and any other material or substance now or in the future that (i) is defined as a “hazardous substance,” “hazardous material,” “hazardous waste,” “toxic substance,” “toxic pollutant,” “contaminant,” or “pollutant” by or within the meaning of any Hazardous Materials Law, or (ii) is regulated in any way by or within the meaning of any Hazardous Materials Law.

(m) **“Hazardous Materials Laws”** means all federal, state, and local laws, ordinances and regulations and standards, rules, policies and other governmental requirements, administrative rulings and court judgments and decrees in effect now or in the future and

including all amendments, that relate to Hazardous Materials or the protection of human health or the environment and apply to Borrower or to the Mortgaged Property. Hazardous Materials Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, *et seq.*, the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901, *et seq.*, the Toxic Substance Control Act, 15 U.S.C. Section 2601, *et seq.*, the Clean Water Act, 33 U.S.C. Section 1251, *et seq.*, and the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101 *et seq.*, and their state analogs.

(n) **“Impositions”** and **“Imposition Deposits”** are defined in Section 7(a).

(o) **“Improvements”** means the buildings, structures, improvements, and alterations now constructed or at any time in the future constructed or placed upon the Land, including any future replacements and additions.

(p) **“Indebtedness”** means the principal of, interest at the fixed or variable rate set forth in the Note on, and all other amounts due at any time under, the Note, this Instrument or any other Loan Document, including prepayment premiums, late charges, default interest, and advances as provided in Section 12 to protect the security of this Instrument.

(q) **“Initial Owners”** means, with respect to Borrower or any other entity, the persons or entities that (i) on the date of the Note, or (ii) on the date of a Transfer to which Lender has consented, own in the aggregate 100 percent of the ownership interests in Borrower or that entity.

(r) **“Land”** means the land described in Exhibit A.

(s) **“Leases”** means all present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Mortgaged Property, or any portion of the Mortgaged Property (including proprietary leases or occupancy agreements if Borrower is a cooperative housing corporation), and all modifications, extensions or renewals.

(t) **“Lender”** means the entity identified as “Lender” in the first paragraph of this Instrument, or any subsequent holder of the Note.

(u) **“Loan Documents”** means the Note, this Instrument, all guaranties, all indemnity agreements, all Collateral Agreements, O&M Programs, the MMP and any other documents now or in the future executed by Borrower, any guarantor or any other person in connection with the loan evidenced by the Note, as such documents may be amended from time to time.

(v) **“Loan Servicer”** means the entity that from time to time is designated by Lender to collect payments and deposits and receive Notices under the Note, this Instrument and any

E

other Loan Document, and otherwise to service the loan evidenced by the Note for the benefit of Lender. Unless Borrower receives Notice to the contrary, the Loan Servicer is the entity identified as "Lender" in the first paragraph of this Instrument.

(w) **"Lockbox Agreement"** means that certain Lockbox Agreement dated as of September 15, 2005, among the Secretary of the Air Force, Borrower, Syncora Guarantee Inc. as the Bondholder Representative and Credit Enhancer and U.S. Bank National Association as the Trustee and the Lockbox Agent.

(x) **"MMP"** means a moisture management plan to control water intrusion and prevent the development of Mold or moisture at the Mortgaged Property throughout the term of this Instrument. At a minimum, the MMP must contain a provision for (i) staff training, (ii) information to be provided to tenants, (iii) documentation of the plan, (iv) the appropriate protocol for incident response and remediation and (v) routine, scheduled inspections of common space and unit interiors.

(y) **"Mold"** means mold, fungus, microbial contamination or pathogenic organisms.

(z) **"Mortgaged Property"** means all of Borrower's present and future right, title and interest in and to all of the following:

- (i) the Land;
- (ii) the Improvements;
- (iii) the Fixtures;
- (iv) the Personalty;
- (v) all current and future rights, including air rights, development rights, zoning rights and other similar rights or interests, easements, tenements, rights-of-way, strips and gores of land, streets, alleys, roads, sewer rights, waters, watercourses, and appurtenances related to or benefiting the Land or the Improvements, or both, and all rights-of-way, streets, alleys and roads which may have been or may in the future be vacated;
- (vi) all proceeds paid or to be paid by any insurer of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property, whether or not Borrower obtained the insurance pursuant to Lender's requirement;

F

- (vii) all awards, payments and other compensation made or to be made by any municipal, state or federal authority with respect to the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property, including any awards or settlements resulting from condemnation proceedings or the total or partial taking of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof;
- (viii) all contracts, options and other agreements for the sale of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property entered into by Borrower now or in the future, including cash or securities deposited to secure performance by parties of their obligations;
- (ix) all proceeds from the conversion, voluntary or involuntary, of any of the above into cash or liquidated claims, and the right to collect such proceeds;
- (x) all Rents and Leases;
- (xi) all earnings, royalties, accounts receivable, issues and profits from the Land, the Improvements or any other part of the Mortgaged Property, and all undisbursed proceeds of the loan secured by this Instrument and, if Borrower is a cooperative housing corporation, maintenance charges or assessments payable by shareholders or residents;
- (xii) all Imposition Deposits;
- (xiii) all refunds or rebates of Impositions by any municipal, state or federal authority or insurance company (other than refunds applicable to periods before the real property tax year in which this Instrument is dated);
- (xiv) all tenant security deposits which have not been forfeited by any tenant under any Lease and any bond or other security in lieu of such deposits; and
- (xv) all names under or by which any of the above Mortgaged Property may be operated or known, and all trademarks, trade names, and goodwill relating to any of the Mortgaged Property.

G

(aa) **“Note”** means the Multifamily Note described on page 1 of this Instrument, including all schedules, riders, allonges and addenda, as such Multifamily Note may be amended from time to time.

(bb) **“O&M Program”** is defined in Section 18(d).

(cc) **“Personalty”** means all

- (i) accounts (including deposit accounts) of Borrower related to the Mortgaged Property;
- (ii) equipment and inventory owned by Borrower, which are used now or in the future in connection with the ownership, management or operation of the Land or Improvements or are located on the Land or Improvements, including furniture, furnishings, machinery, building materials, goods, supplies, tools, books, records (whether in written or electronic form), computer equipment (hardware and software);
- (iii) other tangible personal property owned by Borrower which are used now or in the future in connection with the ownership, management or operation of the land or Improvements or are located on the Land or in the Improvements, including ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers and other appliances (other than Fixtures);
- (iv) any operating agreements relating to the Land or the Improvements;
- (v) any surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Land or the Improvements;
- (vi) all other intangible property, general intangibles and rights relating to the operation of, or used in connection with, the Land or the Improvements, including all governmental permits relating to any activities on the Land and including subsidy or similar payments received from any sources, including a governmental authority; and
- (vii) any rights of Borrower in or under letters of credit.

(dd) **“Property Jurisdiction”** is defined in Section 30(a).



H

(ee) **“Rents”** means all rents (whether from residential or non-residential space), revenues and other income of the Land or the Improvements, parking fees, laundry and vending machine income and fees and charges for food, health care and other services provided at the Mortgaged Property, whether now due, past due, or to become due, and deposits forfeited by tenants.

(ff) **“Taxes”** means all taxes, assessments, vault rentals and other charges, if any, whether general, special or otherwise, including all assessments for schools, public betterments and general or local improvements, which are levied, assessed or imposed by any public authority or quasi-public authority, and which, if not paid, will become a lien on the Land or the Improvements.

(gg) **“Transfer”** is defined in Section 21.

## 2. **UNIFORM COMMERCIAL CODE SECURITY AGREEMENT.**

(a) This Instrument is also a security agreement under the Uniform Commercial Code for any of the Mortgaged Property which, under applicable law, may be subjected to a security interest under the Uniform Commercial Code, whether such Mortgaged Property is owned now or acquired in the future, and all products and cash and non-cash proceeds thereof (collectively, **“UCC Collateral”**), and Borrower hereby grants to Lender a security interest in the UCC Collateral. Borrower hereby authorizes Lender to prepare and file financing statements, continuation statements and financing statement amendments in such form as Lender may require to perfect or continue the perfection of this security interest and Borrower agrees, if Lender so requests, to execute and deliver to Lender such financing statements, continuation statements and amendments. Borrower shall pay all filing costs and all costs and expenses of any record searches for financing statements and/or amendments that Lender may require. Without the prior written consent of Lender, Borrower shall not create or permit to exist any other lien or security interest in any of the UCC Collateral.

(b) Unless Borrower gives Notice to Lender within 30 days after the occurrence of any of the following, and executes and delivers to Lender modifications or supplements of this Instrument (and any financing statement which may be filed in connection with this Instrument) as Lender may require, Borrower shall not (i) change its name, identity, structure or jurisdiction of organization; (ii) change the location of its place of business (or chief executive office if more than one place of business); or (iii) add to or change any location at which any of the Mortgaged Property is stored, held or located.

(c) If an Event of Default has occurred and is continuing, Lender shall have the remedies of a secured party under the Uniform Commercial Code, in addition to all remedies provided by this Instrument or existing under applicable law. In exercising any remedies, Lender

I

may exercise its remedies against the UCC Collateral separately or together, and in any order, without in any way affecting the availability of Lender's other remedies.

(d) This Instrument constitutes a financing statement with respect to any part of the Mortgaged Property that is or may become a Fixture, if permitted by applicable law.

**3. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION.**

(a) As part of the consideration for the Indebtedness, Borrower absolutely and unconditionally assigns and transfers to Lender all Rents. It is the intention of Borrower to establish a present, absolute and irrevocable transfer and assignment to Lender of all Rents and to authorize and empower Lender to collect and receive all Rents without the necessity of further action on the part of Borrower. Promptly upon request by Lender, Borrower agrees to execute and deliver such further assignments as Lender may from time to time require. Borrower and Lender intend this assignment of Rents to be immediately effective and to constitute an absolute present assignment and not an assignment for additional security only. For purposes of giving effect to this absolute assignment of Rents, and for no other purpose, Rents shall not be deemed to be a part of the Mortgaged Property. However, if this present, absolute and unconditional assignment of Rents is not enforceable by its terms under the laws of the Property Jurisdiction, then the Rents shall be included as a part of the Mortgaged Property and it is the intention of the Borrower that in this circumstance this Instrument create and perfect a lien on Rents in favor of Lender, which lien shall be effective as of the date of this Instrument.

(b) After the occurrence of an Event of Default, Borrower authorizes Lender to collect, sue for and compromise Rents and directs each tenant of the Mortgaged Property to pay all Rents to, or as directed by, Lender. However, until the occurrence of an Event of Default, Lender hereby grants to Borrower a revocable license to collect and receive all Rents, to hold all Rents in trust for the benefit of Lender and to apply all Rents to pay the installments of interest and principal then due and payable under the Note and the other amounts then due and payable under the other Loan Documents, including Imposition Deposits, and to pay the current costs and expenses of managing, operating and maintaining the Mortgaged Property, including utilities, Taxes and insurance premiums (to the extent not included in Imposition Deposits), tenant improvements and other capital expenditures. So long as no Event of Default has occurred and is continuing, the Rents remaining after application pursuant to the preceding sentence may be retained by Borrower free and clear of, and released from, Lender's rights with respect to Rents under this Instrument. From and after the occurrence of an Event of Default, and without the necessity of Lender entering upon and taking and maintaining control of the Mortgaged Property directly, or by a receiver, Borrower's license to collect Rents shall automatically terminate and Lender shall without Notice be entitled to all Rents as they become due and payable, including Rents then due and unpaid. Borrower shall pay to Lender upon demand all Rents to which Lender is entitled. At any time on or after the date of Lender's demand for Rents, (i) Lender

may give, and Borrower hereby irrevocably authorizes Lender to give, notice to all tenants of the Mortgaged Property instructing them to pay all Rents to Lender, (ii) no tenant shall be obligated to inquire further as to the occurrence or continuance of an Event of Default, and (iii) no tenant shall be obligated to pay to Borrower any amounts which are actually paid to Lender in response to such a notice. Any such notice by Lender shall be delivered to each tenant personally, by mail or by delivering such demand to each rental unit. Borrower shall not interfere with and shall cooperate with Lender's collection of such Rents.

(c) Borrower represents and warrants to Lender that Borrower has not executed any prior assignment of Rents (other than an assignment of Rents securing any prior indebtedness that is being assigned to Lender, or paid off and discharged with the proceeds of the loan evidenced by the Note), that Borrower has not performed, and Borrower covenants and agrees that it will not perform, any acts and has not executed, and shall not execute, any instrument which would prevent Lender from exercising its rights under this Section 3, and that at the time of execution of this Instrument there has been no anticipation or prepayment of any Rents for more than two months prior to the due dates of such Rents. Borrower shall not collect or accept payment of any Rents more than two months prior to the due dates of such Rents.

(d) If an Event of Default has occurred and is continuing, Lender may, regardless of the adequacy of Lender's security or the solvency of Borrower and even in the absence of waste, enter upon and take and maintain full control of the Mortgaged Property in order to perform all acts that Lender in its discretion determines to be necessary or desirable for the operation and maintenance of the Mortgaged Property, including the execution, cancellation or modification of Leases, the collection of all Rents, the making of repairs to the Mortgaged Property and the execution or termination of contracts providing for the management, operation or maintenance of the Mortgaged Property, for the purposes of enforcing the assignment of Rents pursuant to Section 3(a), protecting the Mortgaged Property or the security of this Instrument, or for such other purposes as Lender in its discretion may deem necessary or desirable. Alternatively, if an Event of Default has occurred and is continuing, regardless of the adequacy of Lender's security, without regard to Borrower's solvency and without the necessity of giving prior notice (oral or written) to Borrower, Lender may apply to any court having jurisdiction for the appointment of a receiver for the Mortgaged Property to take any or all of the actions set forth in the preceding sentence. If Lender elects to seek the appointment of a receiver for the Mortgaged Property at any time after an Event of Default has occurred and is continuing, Borrower, by its execution of this Instrument, expressly consents to the appointment of such receiver, including the appointment of a receiver *ex parte* if permitted by applicable law. Lender or the receiver, as the case may be, shall be entitled to receive a reasonable fee for managing the Mortgaged Property. Immediately upon appointment of a receiver or immediately upon the Lender's entering upon and taking possession and control of the Mortgaged Property, Borrower shall surrender possession of the Mortgaged Property to Lender or the receiver, as the case may be, and shall deliver to Lender or the receiver, as the case may be, all documents, records (including records on electronic or magnetic media), accounts, surveys, plans, and specifications relating to the

K

Mortgaged Property and all security deposits and prepaid Rents. In the event Lender takes possession and control of the Mortgaged Property, Lender may exclude Borrower and its representatives from the Mortgaged Property. Borrower acknowledges and agrees that the exercise by Lender of any of the rights conferred under this Section 3 shall not be construed to make Lender a mortgagee-in-possession of the Mortgaged Property so long as Lender has not itself entered into actual possession of the Land and Improvements.

(e) If Lender enters the Mortgaged Property, Lender shall be liable to account only to Borrower and only for those Rents actually received. Except to the extent of Lender's gross negligence or willful misconduct, Lender shall not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Mortgaged Property, by reason of any act or omission of Lender under Section 3(d), and Borrower hereby releases and discharges Lender from any such liability to the fullest extent permitted by law.

(f) If the Rents are not sufficient to meet the costs of taking control of and managing the Mortgaged Property and collecting the Rents, any funds expended by Lender for such purposes shall become an additional part of the Indebtedness as provided in Section 12.

(g) Any entering upon and taking of control of the Mortgaged Property by Lender or the receiver, as the case may be, and any application of Rents as provided in this Instrument shall not cure or waive any Event of Default or invalidate any other right or remedy of Lender under applicable law or provided for in this Instrument.

**4. ASSIGNMENT OF LEASES; LEASES AFFECTING THE MORTGAGED PROPERTY.**

(a) As part of the consideration for the Indebtedness, Borrower absolutely and unconditionally assigns and transfers to Lender all of Borrower's right, title and interest in, to and under the Leases, including Borrower's right, power and authority to modify the terms of any such Lease, or extend or terminate any such Lease. It is the intention of Borrower to establish a present, absolute and irrevocable transfer and assignment to Lender of all of Borrower's right, title and interest in, to and under the Leases. Borrower and Lender intend this assignment of the Leases to be immediately effective and to constitute an absolute present assignment and not an assignment for additional security only. For purposes of giving effect to this absolute assignment of the Leases, and for no other purpose, the Leases shall not be deemed to be a part of the Mortgaged Property. However, if this present, absolute and unconditional assignment of the Leases is not enforceable by its terms under the laws of the Property Jurisdiction, then the Leases shall be included as a part of the Mortgaged Property and it is the intention of the Borrower that in this circumstance this Instrument create and perfect a lien on the Leases in favor of Lender, which lien shall be effective as of the date of this Instrument.

L

(b) Until Lender gives Notice to Borrower of Lender's exercise of its rights under this Section 4, Borrower shall have all rights, power and authority granted to Borrower under any Lease (except as otherwise limited by this Section or any other provision of this Instrument), including the right, power and authority to modify the terms of any Lease or extend or terminate any Lease. Upon the occurrence of an Event of Default, the permission given to Borrower pursuant to the preceding sentence to exercise all rights, power and authority under Leases shall automatically terminate. Borrower shall comply with and observe Borrower's obligations under all Leases, including Borrower's obligations pertaining to the maintenance and disposition of tenant security deposits.

(c) Borrower acknowledges and agrees that the exercise by Lender, either directly or by a receiver, of any of the rights conferred under this Section 4 shall not be construed to make Lender a mortgagee-in-possession of the Mortgaged Property so long as Lender has not itself entered into actual possession of the Land and the Improvements. The acceptance by Lender of the assignment of the Leases pursuant to Section 4(a) shall not at any time or in any event obligate Lender to take any action under this Instrument or to expend any money or to incur any expenses. Except to the extent of Lender's gross negligence or willful misconduct, Lender shall not be liable in any way for any injury or damage to person or property sustained by any person or persons, firm or corporation in or about the Mortgaged Property. Prior to Lender's actual entry into and taking possession of the Mortgaged Property, Lender shall not (i) be obligated to perform any of the terms, covenants and conditions contained in any Lease (or otherwise have any obligation with respect to any Lease); (ii) be obligated to appear in or defend any action or proceeding relating to the Lease or the Mortgaged Property; or (iii) be responsible for the operation, control, care, management or repair of the Mortgaged Property or any portion of the Mortgaged Property. The execution of this Instrument by Borrower shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Mortgaged Property is and shall be that of Borrower, prior to such actual entry and taking of possession.

(d) Upon delivery of Notice by Lender to Borrower of Lender's exercise of Lender's rights under this Section 4 at any time after the occurrence of an Event of Default, and without the necessity of Lender entering upon and taking and maintaining control of the Mortgaged Property directly, by a receiver, or by any other manner or proceeding permitted by the laws of the Property Jurisdiction, Lender immediately shall have all rights, powers and authority granted to Borrower under any Lease, including the right, power and authority to modify the terms of any such Lease, or extend or terminate any such Lease.

(e) Borrower shall, promptly upon Lender's request, deliver to Lender an executed copy of each residential Lease then in effect. All Leases for residential dwelling units shall be on forms approved by Lender, shall be for initial terms of at least six months and not more than two years, and shall not include options to purchase. If Borrower is a cooperative housing corporation, association or other validly organized entity under municipal, county, state or

M

federal law, notwithstanding anything to the contrary contained in this subsection, so long as Borrower is not in breach of any covenant of this Instrument, Lender hereby consents to the execution of leases of apartments for a term in excess of two years from Borrower to a tenant shareholder of Borrower, to the surrender or termination of such leases of apartments where the surrendered or terminated lease is immediately replaced or where the Borrower makes its best efforts to secure such immediate replacement by a newly executed lease of the same apartment to a tenant shareholder of the Borrower. However, no consent is hereby given by Lender to any execution, surrender, termination or assignment of a lease under terms that would waive or reduce the obligation of the resulting tenant shareholder under such lease to pay cooperative assessments in full when due or the obligation of the former tenant shareholder to pay any unpaid portion of such assessments.

(f) Borrower shall not lease any portion of the Mortgaged Property for non-residential use except with the prior written consent of Lender and Lender's prior written approval of the Lease agreement. Borrower shall not modify the terms of, or extend or terminate, any Lease for non-residential use (including any Lease in existence on the date of this Instrument) without the prior written consent of Lender. However, Lender's consent shall not be required for the modification or extension of a non-residential Lease if such modification or extension is on terms at least as favorable to Borrower as those customary at that time in the applicable market and the income from the extended or modified Lease will not be less than the income received from the Lease as of the date of this Instrument. Borrower shall, without request by Lender, deliver an executed copy of each non-residential Lease to Lender promptly after such Lease is signed. All non-residential Leases, including renewals or extensions of existing Leases, shall specifically provide that (i) such Leases are subordinate to the lien of this Instrument; (ii) the tenant shall attorn to Lender and any purchaser at a foreclosure sale, such attornment to be self-executing and effective upon acquisition of title to the Mortgaged Property by any purchaser at a foreclosure sale or by Lender in any manner; (iii) the tenant agrees to execute such further evidences of attornment as Lender or any purchaser at a foreclosure sale may from time to time request; (iv) the Lease shall not be terminated by foreclosure or any other transfer of the Mortgaged Property; (v) after a foreclosure sale of the Mortgaged Property, Lender or any other purchaser at such foreclosure sale may, at Lender's or such purchaser's option, accept or terminate such Lease; and (vi) the tenant shall, upon receipt after the occurrence of an Event of Default of a written request from Lender, pay all Rents payable under the Lease to Lender.

(g) Borrower shall not receive or accept Rent under any Lease (whether residential or non-residential) for more than two months in advance.

**5. PAYMENT OF INDEBTEDNESS AND PERFORMANCE UNDER LOAN DOCUMENTS.** Borrower shall pay the Indebtedness when due in accordance with the terms of the Note and the other Loan Documents and shall perform, observe and comply with all other provisions of the Note and the other Loan Documents.

N

6. **EXCULPATION.** Borrower's personal liability for payment of the Indebtedness and for performance of the other obligations to be performed by it under this Instrument is limited in the manner, and to the extent, provided in the Note.

7. **DEPOSITS FOR TAXES, INSURANCE AND OTHER CHARGES.**

(a) To the extent the same are not deposited into the appropriate accounts as required under the Lockbox Agreement, unless this requirement is waived in writing by Lender, which waiver may be contained in this Section 7(a), Borrower shall deposit with Lender on the day monthly installments of principal or interest, or both, are due under the Note (or on another day designated in writing by Lender), until the Indebtedness is paid in full, an additional amount sufficient to accumulate with Lender the entire sum required to pay, when due, the items marked "Collect" below. Lender will not require the Borrower to make Imposition Deposits with respect to the items marked "Deferred" below.

- [Collect] Hazard Insurance premiums or other insurance premiums required by Lender under Section 19,
- [Collect] Taxes, if applicable,
- [Collect] water and sewer charges (that could become a lien on the Mortgaged Property),
- [Collect] ground rents,
- [Collect] assessments or other charges (that could become a lien on the Mortgaged Property)

The amounts deposited under the preceding sentence are collectively referred to in this Instrument as the "**Imposition Deposits.**" The obligations of Borrower for which the Imposition Deposits are required are collectively referred to in this Instrument as "**Impositions.**" The amount of the Imposition Deposits shall be sufficient to enable Lender to pay each Imposition before the last date upon which such payment may be made without any penalty or interest charge being added. Lender shall maintain records indicating how much of the monthly Imposition Deposits and how much of the aggregate Imposition Deposits held by Lender are held for the purpose of paying Taxes, insurance premiums and each other Imposition.

(b) Imposition Deposits shall be held in an institution (which may be Lender, if Lender is such an institution) whose deposits or accounts are insured or guaranteed by a federal agency. Lender shall not be obligated to open additional accounts or deposit Imposition Deposits in additional institutions when the amount of the Imposition Deposits exceeds the maximum amount of the federal deposit insurance or guaranty. Lender shall apply the Imposition Deposits to pay Impositions so long as no Event of Default has occurred and is continuing. Unless applicable law requires, Lender shall not be required to pay Borrower any interest, earnings or profits on the Imposition Deposits. As additional security for all of

0

Borrower's obligations under this Instrument and the other Loan Documents, Borrower hereby pledges and grants to Lender a security interest in the Imposition Deposits and all proceeds of, and all interest and dividends on, the Imposition Deposits. Any amounts deposited with Lender under this Section 7 shall not be trust funds, nor shall they operate to reduce the Indebtedness, unless applied by Lender for that purpose under Section 7(e).

(c) If Lender receives a bill or invoice for an Imposition, Lender shall pay the Imposition from the Imposition Deposits held by Lender. Lender shall have no obligation to pay any Imposition to the extent it exceeds Imposition Deposits then held by Lender. Lender may pay an Imposition according to any bill, statement or estimate from the appropriate public office or insurance company without inquiring into the accuracy of the bill, statement or estimate or into the validity of the Imposition.

(d) If at any time the amount of the Imposition Deposits held by Lender for payment of a specific Imposition exceeds the amount reasonably deemed necessary by Lender, the excess shall be credited against future installments of Imposition Deposits. If at any time the amount of the Imposition Deposits held by Lender for payment of a specific Imposition is less than the amount reasonably estimated by Lender to be necessary, Borrower shall pay to Lender the amount of the deficiency within 15 days after Notice from Lender.

(e) If an Event of Default has occurred and is continuing, Lender may apply any Imposition Deposits, in any amounts and in any order as Lender determines, in Lender's discretion, to pay any Impositions or as a credit against the Indebtedness. Upon payment in full of the Indebtedness, Lender shall refund to Borrower any Imposition Deposits held by Lender.

(f) If Lender does not collect an Imposition Deposit with respect to an Imposition either marked "Deferred" in Section 7(a) or pursuant to a separate written waiver by Lender, then on or before the date each such Imposition is due, or on the date this Instrument requires each such Imposition to be paid, Borrower must provide Lender with proof of payment of each such Imposition for which Lender does not require collection of Imposition Deposits. Lender may revoke its deferral or waiver and require Borrower to deposit with Lender any or all of the Imposition Deposits listed in Section 7(a), regardless of whether any such item is marked "Deferred" in such section, upon Notice to Borrower, (i) if Borrower does not timely pay any of the Impositions, (ii) if Borrower fails to provide timely proof to Lender of such payment, or (iii) at any time during the existence of an Event of Default.

(g) In the event of a Transfer prohibited by or requiring Lender's approval under Section 21, Lender's waiver of the collection of any Imposition Deposit in this Section 7 may be modified or rendered void by Lender at Lender's option by Notice to Borrower and the transferee(s) as a condition of Lender's approval of such Transfer.



P

**8. COLLATERAL AGREEMENTS.** Borrower shall deposit with Lender such amounts as may be required by any Collateral Agreement and shall perform all other obligations of Borrower under each Collateral Agreement.

**9. APPLICATION OF PAYMENTS.** If at any time Lender receives, from Borrower or otherwise, any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, then Lender may apply that payment to amounts then due and payable in any manner and in any order determined by Lender, in Lender's discretion. Neither Lender's acceptance of an amount that is less than all amounts then due and payable nor Lender's application of such payment in the manner authorized shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction. Notwithstanding the application of any such amount to the Indebtedness, Borrower's obligations under this Instrument and the Note shall remain unchanged.

**10. COMPLIANCE WITH LAWS.** Borrower shall comply with all laws, ordinances, regulations and requirements of any Governmental Authority and all recorded lawful covenants and agreements relating to or affecting the Mortgaged Property, including all laws, ordinances, regulations, requirements and covenants pertaining to health and safety, construction of improvements on the Mortgaged Property, fair housing, disability accommodation, zoning and land use, and Leases. Borrower also shall comply with all applicable laws that pertain to the maintenance and disposition of tenant security deposits. Borrower shall at all times maintain records sufficient to demonstrate compliance with the provisions of this Section 10. Borrower shall take appropriate measures to prevent, and shall not engage in or knowingly permit, any illegal activities at the Mortgaged Property that could endanger tenants or visitors, result in damage to the Mortgaged Property, result in forfeiture of the Mortgaged Property, or otherwise materially impair the lien created by this Instrument or Lender's interest in the Mortgaged Property. Borrower represents and warrants to Lender that no portion of the Mortgaged Property has been or will be purchased with the proceeds of any illegal activity.

**11. USE OF PROPERTY.** Unless required by applicable law, Borrower shall not (a) allow changes in the use for which all or any part of the Mortgaged Property is being used at the time this Instrument was executed, except for any change in use approved by Lender, (b) convert any individual dwelling units or common areas to commercial use, (c) initiate a change in the zoning classification of the Mortgaged Property or acquiesce without Notice to and consent of Lender in a change in the zoning classification of the Mortgaged Property, (d) establish any condominium or cooperative regime with respect to the Mortgaged Property, (e) combine all or any part of the Mortgaged Property with all or any part of a tax parcel which is not part of the Mortgaged Property, or (f) subdivide or otherwise split any tax parcel constituting all or any part of the Mortgaged Property without the prior consent of Lender.

**12. PROTECTION OF LENDER'S SECURITY; INSTRUMENT SECURES FUTURE ADVANCES.**

Q

(a) If Borrower fails to perform any of its obligations under this Instrument or any other Loan Document, or if any action or proceeding is commenced which purports to affect the Mortgaged Property, Lender's security or Lender's rights under this Instrument, including eminent domain, insolvency, code enforcement, civil or criminal forfeiture, enforcement of Hazardous Materials Laws, fraudulent conveyance or reorganizations or proceedings involving a bankrupt or decedent, then Lender at Lender's option may make such appearances, file such documents, disburse such sums and take such actions as Lender reasonably deems necessary to perform such obligations of Borrower and to protect Lender's interest, including (i) payment of Attorneys' Fees and Costs, (ii) payment of fees and out-of-pocket expenses of accountants, inspectors and consultants, (iii) entry upon the Mortgaged Property to make repairs or secure the Mortgaged Property, (iv) procurement of the insurance required by Section 19, and (v) payment of amounts which Borrower has failed to pay under Sections 15 and 17.

(b) Any amounts disbursed by Lender under this Section 12, or under any other provision of this Instrument that treats such disbursement as being made under this Section 12, shall be secured by this Instrument, shall be added to, and become part of, the principal component of the Indebtedness, shall be immediately due and payable and shall bear interest from the date of disbursement until paid at the "Default Rate," as defined in the Note.

(c) Nothing in this Section 12 shall require Lender to incur any expense or take any action.

### 13. INSPECTION.

(a) Lender, its agents, representatives, and designees may make or cause to be made entries upon and inspections of the Mortgaged Property (including environmental inspections and tests) during normal business hours, or at any other reasonable time, upon reasonable notice to Borrower if the inspection is to include occupied residential units (which notice need not be in writing). Notice to Borrower shall not be required in the case of an emergency, as determined in Lender's discretion, or when an Event of Default has occurred and is continuing.

(b) At any time, Lender, in its discretion, may require that a professional inspector inspect the Mortgaged Property for Mold and Borrower shall be responsible for the cost of any such inspection. However, Lender shall not require such professional inspection any more frequently than once every three years unless Borrower has notified Lender or Lender otherwise is aware of a significant water intrusion event or Mold resulting from a significant water intrusion event at the Mortgaged Property. If Lender determines that the Mortgaged Property has experienced a significant water intrusion event or that Mold has developed as a result of a significant water intrusion event, Lender, at Lender's discretion, may require that a professional inspector inspect the Mortgaged Property as frequently as Lender determines is necessary until any issue with Mold or water intrusion is resolved to Lender's satisfaction. Borrower shall be

R

responsible for the cost of any remediation deemed to be necessary as a result of the professional inspection.

(c) If Lender or Loan Servicer determines not to conduct an annual inspection of the Mortgaged Property, Borrower must be prepared to provide and must actually provide to Lender a factually correct certification each year that the annual inspection is waived to the following effect:

Borrower has not received any written complaint, notice, letter or other written communication from tenants, management agent or governmental authorities regarding odors, indoor air quality, mold, fungus, microbial contamination or pathogenic organisms ("Mold") or any activity, condition, event or omission that causes or facilitates the growth of Mold on or in any part of the Mortgaged Property or if Borrower has received any such written complaint, notice, letter or other written communication that Borrower has investigated and fully and properly remediated such activity, condition, event or omission in compliance with the Moisture Management Plan for the Mortgaged Property.

If Borrower is unwilling or unable to provide such certification, Lender may require a professional inspection of the Mortgaged Property at Borrower's expense.

#### **14. BOOKS AND RECORDS; FINANCIAL REPORTING.**

(a) Borrower shall keep and maintain at all times at the Mortgaged Property or the management agent's office, and upon Lender's request shall make available at the Mortgaged Property (or, at Borrower's option, at the management agent's office), complete and accurate books of account and records (including copies of supporting bills and invoices) adequate to reflect correctly the operation of the Mortgaged Property, and copies of all written contracts, Leases, and other instruments which affect the Mortgaged Property. The books, records, contracts, Leases and other instruments shall be subject to examination and inspection by Lender at any reasonable time.

(b) Within 120 days after the end of each fiscal year of Borrower, Borrower shall furnish to Lender a statement of income and expenses for Borrower's operation of the Mortgaged Property for that fiscal year, a statement of changes in financial position of Borrower relating to the Mortgaged Property for that fiscal year and, when requested by Lender, a balance sheet showing all assets and liabilities of Borrower relating to the Mortgaged Property as of the end of that fiscal year. If Borrower's fiscal year is other than the calendar year, Borrower must also submit to Lender a year-end statement of income and expenses within 120 days after the end of the calendar year.

5

(c) Within 120 days after the end of each calendar year, and at any other time, upon Lender's request, Borrower shall furnish to Lender each of the following. However, Lender shall not require any of the following more frequently than quarterly except when there has been an Event of Default and such Event of Default is continuing, in which case Lender may, upon written request to Borrower, require Borrower to furnish any of the following more frequently:

- (i) a rent schedule for the Mortgaged Property showing the name of each tenant, and for each tenant, the space occupied, the lease expiration date, the rent payable for the current month, the date through which rent has been paid, and any related information requested by Lender;
- (ii) an accounting of all security deposits held pursuant to all Leases, including the name of the institution (if any) and the names and identification numbers of the accounts (if any) in which such security deposits are held and the name of the person to contact at such financial institution, along with any authority or release necessary for Lender to access information regarding such accounts; and
- (iii) a statement that identifies all owners of any interest in Borrower and any Controlling Entity and the interest held by each (unless Borrower or any Controlling Entity is a publicly-traded entity in which case such statement of ownership shall not be required), if Borrower or a Controlling Entity is a corporation, all officers and directors of Borrower and the Controlling Entity, and if Borrower or a Controlling Entity is a limited liability company, all managers who are not members.

(d) At any time upon Lender's request, Borrower shall furnish to Lender each of the following. However, Lender shall not require any of the following more frequently than quarterly except when there has been an Event of Default and such Event of Default is continuing, in which case Lender may require Borrower to furnish any of the following more frequently:

- (i) a balance sheet, a statement of income and expenses for Borrower and a statement of changes in financial position of Borrower for Borrower's most recent fiscal year;
- (ii) a quarterly or year-to-date income and expense statement for the Mortgaged Property; and
- (iii) a monthly property management report for the Mortgaged Property, showing the number of inquiries made and rental applications received

T

from tenants or prospective tenants and deposits received from tenants and any other information requested by Lender.

(e) Upon Lender's request at any time when an Event of Default has occurred and is continuing, Borrower shall furnish to Lender monthly income and expense statements and rent schedules for the Mortgaged Property.

(f) An individual having authority to bind Borrower shall certify each of the statements, schedules and reports required by Sections 14(b) through 14(e) to be complete and accurate. Each of the statements, schedules and reports required by Sections 14(b) through 14(e) shall be in such form and contain such detail as Lender may reasonably require. Lender also may require that any of the statements, schedules or reports listed in Section 14(b) and 14(c)(i) and (ii) be audited at Borrower's expense by independent certified public accountants acceptable to Lender, at any time when an Event of Default has occurred and is continuing or at any time that Lender, in its reasonable judgment, determines that audited financial statements are required for an accurate assessment of the financial condition of Borrower or of the Mortgaged Property.

(g) If Borrower fails to provide in a timely manner the statements, schedules and reports required by Sections 14(b) through (e), Lender shall give Borrower Notice specifying the statements, schedules and reports required by Section 14(b) through (e) that Borrower has failed to provide. If Borrower has not provided the required statements, schedules and reports within 10 Business Days following such Notice, then Lender shall have the right to have Borrower's books and records audited, at Borrower's expense, by independent certified public accountants selected by Lender in order to obtain such statements, schedules and reports, and all related costs and expenses of Lender shall become immediately due and payable and shall become an additional part of the Indebtedness as provided in Section 12. Notice to Borrower shall not be required in the case of an emergency, as determined in Lender's discretion, or when an Event of Default has occurred and is continuing.

(h) If an Event of Default has occurred and is continuing, Borrower shall deliver to Lender upon written demand all books and records relating to the Mortgaged Property or its operation.

(i) Borrower authorizes Lender to obtain a credit report on Borrower at any time.

**15. TAXES; OPERATING EXPENSES.**

(a) Subject to the provisions of Section 15(c) and Section 15(d), Borrower shall pay, or cause to be paid, all Taxes when due and before the addition of any interest, fine, penalty or cost for nonpayment.

U

(b) Subject to the provisions of Section 15(c), Borrower shall (i) pay the expenses of operating, managing, maintaining and repairing the Mortgaged Property (including utilities, repairs and replacements) before the last date upon which each such payment may be made without any penalty or interest charge being added, and (ii) pay insurance premiums at least 30 days prior to the expiration date of each policy of insurance, unless applicable law specifies some lesser period.

(c) If Lender is collecting Imposition Deposits, to the extent that Lender holds sufficient Imposition Deposits for the purpose of paying a specific Imposition, then Borrower shall not be obligated to pay such Imposition, so long as no Event of Default exists and Borrower has timely delivered to Lender any bills or premium notices that it has received. If an Event of Default exists, Lender may exercise any rights Lender may have with respect to Imposition Deposits without regard to whether Impositions are then due and payable. Lender shall have no liability to Borrower for failing to pay any Impositions to the extent that (i) any Event of Default has occurred and is continuing, (ii) insufficient Imposition Deposits are held by Lender at the time an Imposition becomes due and payable or (iii) Borrower has failed to provide Lender with bills and premium notices as provided above.

(d) Borrower, at its own expense, may contest by appropriate legal proceedings, conducted diligently and in good faith, the amount or validity of any Imposition other than insurance premiums, if (i) Borrower notifies Lender of the commencement or expected commencement of such proceedings, (ii) the Mortgaged Property is not in danger of being sold or forfeited, (iii) if Borrower has not already paid the Imposition, Borrower deposits with Lender reserves sufficient to pay the contested Imposition, if requested by Lender, and (iv) Borrower furnishes whatever additional security is required in the proceedings or is reasonably requested by Lender.

(e) Borrower shall promptly deliver to Lender a copy of all notices of, and invoices for, Impositions, and if Borrower pays any Imposition directly, Borrower shall furnish to Lender on or before the date this Instrument requires such Impositions to be paid, receipts evidencing that such payments were made.

**16. LIENS; ENCUMBRANCES.** Borrower acknowledges that, to the extent provided in Section 21, the grant, creation or existence of any mortgage, deed of trust, deed to secure debt, security interest or other lien or encumbrance (a "Lien") on the Mortgaged Property (other than the lien of this Instrument) or on certain ownership interests in Borrower, whether voluntary, involuntary or by operation of law, and whether or not such Lien has priority over the lien of this Instrument, is a "Transfer" which constitutes an Event of Default and subjects Borrower to personal liability under the Note.

**17. PRESERVATION, MANAGEMENT AND MAINTENANCE OF MORTGAGED PROPERTY.**

V

(a) Borrower shall not commit waste or permit impairment or deterioration of the Mortgaged Property.

(b) Borrower shall not abandon the Mortgaged Property.

(c) Borrower shall restore or repair promptly, in a good and workmanlike manner, any damaged part of the Mortgaged Property to the equivalent of its original condition, or such other condition as Lender may approve in writing, whether or not insurance proceeds or condemnation awards are available to cover any costs of such restoration or repair; however, Borrower shall not be obligated to perform such restoration or repair if (i) no Event of Default has occurred and is continuing, and (ii) Lender has elected to apply any available insurance proceeds and/or condemnation awards to the payment of Indebtedness pursuant to Section 19(h)(ii), (iii), (iv) or (v), or pursuant to Section 20.

(d) Borrower shall keep the Mortgaged Property in good repair, including the replacement of Personalty and Fixtures with items of equal or better function and quality.

(e) Borrower shall provide for professional management of the Mortgaged Property by a residential rental property manager satisfactory to Lender at all times under a contract approved by Lender in writing, which contract must be terminable upon not more than 30 days notice without the necessity of establishing cause and without payment of a penalty or termination fee by Borrower or its successors.

(f) Borrower shall give Notice to Lender of and, unless otherwise directed in writing by Lender, shall appear in and defend any action or proceeding purporting to affect the Mortgaged Property, Lender's security or Lender's rights under this Instrument. Borrower shall not (and shall not permit any tenant or other person to) remove, demolish or alter the Mortgaged Property or any part of the Mortgaged Property, including any removal, demolition or alteration occurring in connection with a rehabilitation of all or part of the Mortgaged Property, except (i) in connection with the replacement of tangible Personalty, (ii) if Borrower is a cooperative housing corporation, to the extent permitted with respect to individual dwelling units under the form of proprietary lease or occupancy agreement and (iii) repairs and replacements in connection with making an individual unit ready for a new occupant.

(g) Borrower must promptly give Notice to Lender if there is a significant water intrusion event (the term "event" includes a one-time occurrence as well as a circumstance that results over time) at the Mortgaged Property including such events as a bursting or leaking pipe, leaking roof or windows or other exterior portions of buildings, flooding, or failure of or defects in an HVAC or other building system. Borrower also must promptly give Notice to Lender if as a result of a significant water intrusion event Mold is detected at the Mortgaged Property at any time that any of the Indebtedness remains unpaid.

W

(h) Unless otherwise waived by Lender in writing, Borrower must have or must establish and must adhere to an MMP. If the Borrower is required to have an MMP, the Borrower must keep all MMP documentation at the Mortgaged Property or at the management agent's office and available for the Lender or the Loan Servicer to review during any annual assessment or other inspection of the Mortgaged Property that is required by Lender.

**18. ENVIRONMENTAL HAZARDS.**

(a) Except for matters described in Section 18(b), Borrower shall not cause or permit any of the following:

- (i) the presence, use, generation, release, treatment, processing, storage (including storage in above ground and underground storage tanks), handling, or disposal of any Hazardous Materials on or under the Mortgaged Property or any other property of Borrower that is adjacent to the Mortgaged Property;
- (ii) except in compliance with Hazardous Materials Laws, the transportation of any Hazardous Materials to, from, or across the Mortgaged Property;
- (iii) any occurrence or condition on the Mortgaged Property or any other property of Borrower that is adjacent to the Mortgaged Property, which occurrence or condition is or may be in violation of Hazardous Materials Laws;
- (iv) any violation of or noncompliance with the terms of any Environmental Permit with respect to the Mortgaged Property or any property of Borrower that is adjacent to the Mortgaged Property;
- (v) any violation or noncompliance with the terms of any O&M Program as defined in subsection (d).

The matters described in clauses (i) through (v) above, except as otherwise provided in Section 18(b), are referred to collectively in this Section 18 as "**Prohibited Activities or Conditions.**"

(b) Prohibited Activities or Conditions shall not include lawful conditions permitted by an O&M Program or the safe and lawful use and storage of quantities of (i) pre-packaged supplies, cleaning materials and petroleum products customarily used in the operation and maintenance of comparable multifamily properties, (ii) cleaning materials, personal grooming items and other items sold in pre-packaged containers for consumer use and used by tenants and



X

occupants of residential dwelling units in the Mortgaged Property; and (iii) petroleum products used in the operation and maintenance of motor vehicles from time to time located on the Mortgaged Property's parking areas, so long as all of the foregoing are used, stored, handled, transported and disposed of in compliance with Hazardous Materials Laws.

(c) Borrower shall take all commercially reasonable actions (including the inclusion of appropriate provisions in any Leases executed after the date of this Instrument) to prevent its employees, agents, and contractors, and all tenants and other occupants from causing or permitting any Prohibited Activities or Conditions. Borrower shall not lease or allow the sublease or use of all or any portion of the Mortgaged Property to any tenant or subtenant for nonresidential use by any user that, in the ordinary course of its business, would cause or permit any Prohibited Activity or Condition.

(d) As required by Lender, Borrower shall also have established a written operations and maintenance program with respect to certain Hazardous Materials. Each such operations and maintenance program and any additional or revised operations and maintenance programs established for the Mortgaged Property pursuant to this Section 18 must be approved by Lender and shall be referred to herein as an "**O&M Program.**" Borrower shall comply in a timely manner with, and cause all employees, agents, and contractors of Borrower and any other persons present on the Mortgaged Property to comply with each O&M Program. Borrower shall pay all costs of performance of Borrower's obligations under any O&M Program, and Lender's out-of-pocket costs incurred in connection with the monitoring and review of each O&M Program and Borrower's performance shall be paid by Borrower upon demand by Lender. Any such out-of-pocket costs of Lender that Borrower fails to pay promptly shall become an additional part of the Indebtedness as provided in Section 12.

(e) Borrower represents and warrants to Lender that, except as previously disclosed by Borrower to Lender in writing (which written disclosure may be in certain environmental assessments and other written reports accepted by Lender in connection with the funding of the Indebtedness and dated prior to the date of this Instrument) or except with respect to any matters for which the Government, as Lessor under the Lease of Property or Grantor under the Quitclaim Deed, retains responsibility:

- (i) Borrower has not at any time engaged in, caused or permitted any Prohibited Activities or Conditions on the Mortgaged Property;
- (ii) to the best of Borrower's knowledge after reasonable and diligent inquiry, no Prohibited Activities or Conditions exist or have existed on the Mortgaged Property;
- (iii) the Mortgaged Property does not now contain any underground storage tanks, and, to the best of Borrower's knowledge after reasonable and

y

diligent inquiry, the Mortgaged Property has not contained any underground storage tanks in the past. If there is an underground storage tank located on the Mortgaged Property that has been previously disclosed by Borrower to Lender in writing, that tank complies with all requirements of Hazardous Materials Laws;

- (iv) to the best of Borrower's knowledge after reasonable and diligent inquiry, Borrower has complied with all Hazardous Materials Laws, including all requirements for notification regarding releases of Hazardous Materials. Without limiting the generality of the foregoing, Borrower has obtained all Environmental Permits required for the operation of the Mortgaged Property in accordance with Hazardous Materials Laws now in effect and all such Environmental Permits are in full force and effect;
- (v) to the best of Borrower's knowledge after reasonable and diligent inquiry, no event has occurred with respect to the Mortgaged Property that constitutes, or with the passing of time or the giving of notice would constitute, noncompliance with the terms of any Environmental Permit;
- (vi) there are no actions, suits, claims or proceedings pending or, to the best of Borrower's knowledge after reasonable and diligent inquiry, threatened that involve the Mortgaged Property and allege, arise out of, or relate to any Prohibited Activity or Condition; and
- (vii) Borrower has not received any written complaint, order, notice of violation or other communication from any Governmental Authority with regard to air emissions, water discharges, noise emissions or Hazardous Materials, or any other environmental, health or safety matters affecting the Mortgaged Property or any other property of Borrower that is adjacent to the Mortgaged Property.

(f) Borrower shall promptly notify Lender in writing upon the occurrence of any of the following events:

- (i) Borrower's discovery of any Prohibited Activity or Condition;
- (ii) Borrower's receipt of or knowledge of any written complaint, order, notice of violation or other communication from any tenant, management agent, Governmental Authority or other person with regard to present or future alleged Prohibited Activities or Conditions, or any other environmental, health or safety matters affecting the Mortgaged Property or any other property of Borrower that is adjacent to the Mortgaged Property;

2

(iii) Borrower's breach of any of its obligations under this Section 18.

Any such notice given by Borrower shall not relieve Borrower of, or result in a waiver of, any obligation under this Instrument, the Note, or any other Loan Document.

(g) Borrower shall pay promptly the costs of any environmental inspections, tests or audits, a purpose of which is to identify the extent or cause of or potential for a Prohibited Activity or Condition ("**Environmental Inspections**"), required by Lender in connection with any foreclosure or deed in lieu of foreclosure, or as a condition of Lender's consent to any Transfer under Section 21, or required by Lender following a reasonable determination by Lender that Prohibited Activities or Conditions may exist. Any such costs incurred by Lender (including Attorneys' Fees and Costs and the costs of technical consultants whether incurred in connection with any judicial or administrative process or otherwise) that Borrower fails to pay promptly shall become an additional part of the Indebtedness as provided in Section 12. As long as (i) no Event of Default has occurred and is continuing, (ii) Borrower has actually paid for or reimbursed Lender for all costs of any such Environmental Inspections performed or required by Lender, and (iii) Lender is not prohibited by law, contract or otherwise from doing so, Lender shall make available to Borrower, without representation of any kind, copies of Environmental Inspections prepared by third parties and delivered to Lender. Lender hereby reserves the right, and Borrower hereby expressly authorizes Lender, to make available to any party, including any prospective bidder at a foreclosure sale of the Mortgaged Property, the results of any Environmental Inspections made by or for Lender with respect to the Mortgaged Property. Borrower consents to Lender notifying any party (either as part of a notice of sale or otherwise) of the results of any Environmental Inspections made by or for Lender. Borrower acknowledges that Lender cannot control or otherwise assure the truthfulness or accuracy of the results of any Environmental Inspections and that the release of such results to prospective bidders at a foreclosure sale of the Mortgaged Property may have a material and adverse effect upon the amount that a party may bid at such sale. Borrower agrees that Lender shall have no liability whatsoever as a result of delivering the results to any third party of any Environmental Inspections made by or for Lender, and Borrower hereby releases and forever discharges Lender from any and all claims, damages, or causes of action, arising out of, connected with or incidental to the results of, the delivery of any of Environmental Inspections made by or for Lender.

(h) If any investigation, site monitoring, containment, clean-up, restoration or other remedial work ("**Remedial Work**") is necessary to comply with any Hazardous Materials Law or order of any Governmental Authority that has or acquires jurisdiction over the Mortgaged Property or the use, operation or improvement of the Mortgaged Property, or is otherwise required by Lender as a consequence of any Prohibited Activity or Condition or to prevent the occurrence of a Prohibited Activity or Condition, Borrower shall, by the earlier of (i) the applicable deadline required by Hazardous Materials Law or (ii) 30 days after Notice from

Aa

Lender demanding such action, begin performing the Remedial Work, and thereafter diligently prosecute it to completion, and shall in any event complete the work by the time required by applicable Hazardous Materials Law. If Borrower fails to begin on a timely basis or diligently prosecute any required Remedial Work, Lender may, at its option, cause the Remedial Work to be completed, in which case Borrower shall reimburse Lender on demand for the cost of doing so. Any reimbursement due from Borrower to Lender shall become part of the Indebtedness as provided in Section 12.

(i) Borrower shall comply with all Hazardous Materials Laws applicable to the Mortgaged Property. Without limiting the generality of the previous sentence, Borrower shall (i) obtain and maintain all Environmental Permits required by Hazardous Materials Laws and comply with all conditions of such Environmental Permits; (ii) cooperate with any inquiry by any Governmental Authority; and (iii) comply with any governmental or judicial order that arises from any alleged Prohibited Activity or Condition.

(j) Borrower shall indemnify, hold harmless and defend (i) Lender, (ii) any prior owner or holder of the Note, (iii) the Loan Servicer, (iv) any prior Loan Servicer, (v) the officers, directors, shareholders, partners, employees and trustees of any of the foregoing, and (vi) the heirs, legal representatives, successors and assigns of each of the foregoing (collectively, the "Indemnitees") from and against all proceedings, claims, damages, penalties and costs (whether initiated or sought by Governmental Authorities or private parties), including Attorneys' Fees and Costs and remediation costs, whether incurred in connection with any judicial or administrative process or otherwise, arising directly or indirectly from any of the following:

- (i) any breach of any representation or warranty of Borrower in this Section 18;
- (ii) any failure by Borrower to perform any of its obligations under this Section 18;
- (iii) the existence or alleged existence of any Prohibited Activity or Condition, other than with respect to matters for which the Government, as Lessor under the Lease of Property or as Grantor under the Quitclaim Deed, has retained responsibility;
- (iv) the presence or alleged presence of Hazardous Materials on or under the Mortgaged Property or in any of the Improvements or on or under any property of Borrower that is adjacent to the Mortgaged Property, other than with respect to matters for which the Government, as Lessor under the Lease of Property or as grantor under the Quitclaim Deed, has retained responsibility; and

(v) the actual or alleged violation of any Hazardous Materials Law.

(k) Counsel selected by Borrower to defend Indemnitees shall be subject to the approval of those Indemnitees. In any circumstances in which the indemnity under this Section 18 applies, Lender may employ its own legal counsel and consultants to prosecute, defend or negotiate any claim or legal or administrative proceeding and Lender, with the prior written consent of Borrower (which shall not be unreasonably withheld, delayed or conditioned) may settle or compromise any action or legal or administrative proceeding. However, unless an Event of Default has occurred and is continuing, or the interests of Borrower and Lender are in conflict, as determined by Lender in its discretion, Lender shall permit Borrower to undertake the actions referenced in this Section in accordance with this Section and Section 18(1) so long as Lender approves such action, which approval shall not be unreasonably withheld or delayed. Borrower shall reimburse Lender upon demand for all costs and expenses incurred by Lender, including all costs of settlements entered into in good faith, consultants' fees and Attorneys' Fees and Costs.

(l) Borrower shall not, without the prior written consent of those Indemnitees who are named as parties to a claim or legal or administrative proceeding (a "Claim"), settle or compromise the Claim if the settlement (i) results in the entry of any judgment that does not include as an unconditional term the delivery by the claimant or plaintiff to Lender of a written release of those Indemnitees, satisfactory in form and substance to Lender; or (ii) may materially and adversely affect Lender, as determined by Lender in its discretion.

(m) Borrower's obligation to indemnify the Indemnitees shall not be limited or impaired by any of the following, or by any failure of Borrower or any guarantor to receive notice of or consideration for any of the following:

- (i) any amendment or modification of any Loan Document;
- (ii) any extensions of time for performance required by any Loan Document;
- (iii) any provision in any of the Loan Documents limiting Lender's recourse to property securing the Indebtedness, or limiting the personal liability of Borrower or any other party for payment of all or any part of the Indebtedness;
- (iv) the accuracy or inaccuracy of any representations and warranties made by Borrower under this Instrument or any other Loan Document;
- (v) the release of Borrower or any other person, by Lender or by operation of law, from performance of any obligation under any Loan Document;

Ac

- (vi) the release or substitution in whole or in part of any security for the Indebtedness; and
  - (vii) Lender's failure to properly perfect any lien or security interest given as security for the Indebtedness.
- (n) Borrower shall, at its own cost and expense, do all of the following:
- (i) pay or satisfy any judgment or decree that may be entered against any Indemnitee or Indemnitees in any legal or administrative proceeding incident to any matters against which Indemnitees are entitled to be indemnified under this Section 18;
  - (ii) reimburse Indemnitees for any expenses paid or incurred in connection with any matters against which Indemnitees are entitled to be indemnified under this Section 18; and
  - (iii) reimburse Indemnitees for any and all expenses, including Attorneys' Fees and Costs, paid or incurred in connection with the enforcement by Indemnitees of their rights under this Section 18, or in monitoring and participating in any legal or administrative proceeding.
- (o) The provisions of this Section 18 shall be in addition to any and all other obligations and liabilities that Borrower may have under applicable law or under other Loan Documents, and each Indemnitee shall be entitled to indemnification under this Section 18 without regard to whether Lender or that Indemnitee has exercised any rights against the Mortgaged Property or any other security, pursued any rights against any guarantor, or pursued any other rights available under the Loan Documents or applicable law. If Borrower consists of more than one person or entity, the obligation of those persons or entities to indemnify the Indemnitees under this Section 18 shall be joint and several. The obligation of Borrower to indemnify the Indemnitees under this Section 18 shall survive any repayment or discharge of the Indebtedness, any foreclosure proceeding, any foreclosure sale, any delivery of any deed in lieu of foreclosure, and any release of record of the lien of this Instrument. Notwithstanding the foregoing, if Lender has never been a mortgagee-in-possession of, or held title to, the Mortgaged Property, Borrower shall have no obligation to indemnify the Indemnitees under this Section 18 after the date of the release of record of the lien of this Instrument by payment in full at the Maturity Date or by voluntary prepayment in full.

#### **19. PROPERTY AND LIABILITY INSURANCE.**

- (a) Borrower shall keep the Improvements insured at all times against such hazards as Lender may from time to time require, which insurance shall include but not be limited to

Ad

coverage against loss by fire and allied perils, general boiler and machinery coverage, rent loss insurance and business income coverage. If Lender so requires, such insurance shall also include sinkhole insurance, mine subsidence insurance, earthquake insurance, and, if the Mortgaged Property does not conform to applicable zoning or land use laws, building ordinance or law coverage. Borrower acknowledges and agrees that Lender's insurance requirements may change from time to time throughout the term of the Indebtedness. If any of the Improvements is located in an area identified by the Federal Emergency Management Agency (or any successor to that agency) as an area having special flood hazards, and if flood insurance is available in that area, Borrower shall insure such Improvements against loss by flood. All insurance required pursuant to this Section 19(a) shall be referred to as "**Hazard Insurance.**"

(b) All premiums on Hazard Insurance policies required under Section 19(a) shall be paid in the manner provided in Section 7, unless Lender has designated in writing another method of payment. All such policies shall also be in a form approved by Lender. All policies of property damage insurance shall include a non-contributing, non-reporting mortgage clause in favor of, and in a form approved by, Lender. Lender shall have the right to hold the original policies or duplicate original policies of all Hazard Insurance required by Section 19(a). Borrower shall promptly deliver to Lender a copy of all renewal and other notices received by Borrower with respect to the policies and all receipts for paid premiums. Borrower shall deliver to Lender the original (or a duplicate original) of a renewal policy in form satisfactory to Lender at least 30 days prior to the expiration date of a policy, unless applicable law specifies some lesser period.

(c) Borrower shall maintain at all times commercial general liability insurance, workers' compensation insurance and such other liability, errors and omissions and fidelity insurance coverages as Lender may from time to time require.

(d) All insurance policies and renewals of insurance policies required by this Section 19 shall be in such amounts and for such periods as Lender may from time to time require, and shall be issued by insurance companies satisfactory to Lender.

(e) Borrower shall comply with all insurance requirements and shall not permit any condition to exist on the Mortgaged Property that would invalidate any part of any insurance coverage that this Instrument requires Borrower to maintain.

(f) In the event of loss, Borrower shall give immediate written notice to the insurance carrier and to Lender. Borrower hereby authorizes and appoints Lender as attorney-in-fact for Borrower to make proof of loss, to adjust and compromise any claims under policies of Hazard Insurance, to appear in and prosecute any action arising from such Hazard Insurance policies, to collect and receive the proceeds of Hazard Insurance, and to deduct from such proceeds Lender's expenses incurred in the collection of such proceeds. This power of attorney is coupled with an interest and therefore is irrevocable. However, nothing contained in this Section 19 shall require

Ae

Lender to incur any expense or take any action. Lender may, at Lender's option, (i) hold the balance of such proceeds to be used to reimburse Borrower for the cost of restoring and repairing the Mortgaged Property to the equivalent of its original condition or to a condition approved by Lender (the "**Restoration**"), or (ii) apply the balance of such proceeds to the payment of the Indebtedness, whether or not then due. To the extent Lender determines to apply insurance proceeds to Restoration, Lender shall apply the proceeds in accordance with Lender's then-current policies relating to the restoration of casualty damage on similar multifamily properties.

(g) Notwithstanding any provision to the contrary in this Section 19, as long as no Event of Default, or any event which, with the giving of Notice or the passage of time, or both, would constitute an Event of Default, has occurred and is continuing,

- (i) in the event of a casualty resulting in damage to the Mortgaged Property which will cost \$50,000 or less to repair, the Borrower shall have the sole right to make proof of loss, adjust and compromise the claim and collect and receive any proceeds directly without the approval or prior consent of the Lender so long as the insurance proceeds are used solely for the Restoration of the Mortgaged Property; and
- (ii) in the event of a casualty resulting in damage to the Mortgaged Property which will cost more than \$5,000 but less than \$250,000 to repair, the Borrower is authorized to make proof of loss and adjust and compromise the claim without the prior consent of Lender, and Lender shall hold the applicable insurance proceeds to be used to reimburse Borrower for the cost of Restoration of the Mortgaged Property and shall not apply such proceeds to the payment of sums due under this Instrument.

(h) Lender will have the right to exercise its option to apply insurance proceeds to the payment of the Indebtedness only if Lender determines that at least one of the following conditions is met:

- (i) an Event of Default (or any event, which, with the giving of Notice or the passage of time, or both, would constitute an Event of Default) has occurred and is continuing;
- (ii) Lender determines, in its discretion, that there will not be sufficient funds from insurance proceeds, anticipated contributions of Borrower of its own funds or other sources acceptable to Lender to complete the Restoration;
- (iii) Lender determines, in its discretion, that the rental income from the Mortgaged Property after completion of the Restoration will not be sufficient to meet all operating costs and other expenses, Imposition



AF

Deposits, deposits to reserves and loan repayment obligations relating to the Mortgaged Property; or

- (iv) Lender determines, in its discretion, that the Restoration will not be completed at least one year before the Maturity Date (or six months before the Maturity Date if Lender determines in its discretion that re-leasing of the Mortgaged Property will be completed within such six-month period); or
- (v) Lender determines that the Restoration will not be completed within one year after the date of the loss or casualty.

(i) If the Mortgaged Property is sold at a foreclosure sale or Lender acquires title to the Mortgaged Property, Lender shall automatically succeed to all rights of Borrower in and to any insurance policies and unearned insurance premiums and in and to the proceeds resulting from any damage to the Mortgaged Property prior to such sale or acquisition.

(j) Unless Lender otherwise agrees in writing, any application of any insurance proceeds to the Indebtedness shall not extend or postpone the due date of any monthly installments referred to in the Note, Section 7 of this Instrument or any Collateral Agreement, or change the amount of such installments.

(k) Borrower agrees to execute such further evidence of assignment of any insurance proceeds as Lender may require.

## 20. CONDEMNATION.

(a) Borrower shall promptly notify Lender in writing of any action or proceeding or notice relating to any proposed or actual condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Mortgaged Property, whether direct or indirect (a "Condemnation"). Borrower shall appear in and prosecute or defend any action or proceeding relating to any Condemnation unless otherwise directed by Lender in writing. Borrower authorizes and appoints Lender as attorney-in-fact for Borrower to commence, appear in and prosecute, in Lender's or Borrower's name, any action or proceeding relating to any Condemnation and to settle or compromise any claim in connection with any Condemnation, after consultation with Borrower and consistent with commercially reasonable standards of a prudent lender. This power of attorney is coupled with an interest and therefore is irrevocable. However, nothing contained in this Section 20 shall require Lender to incur any expense or take any action. Borrower hereby transfers and assigns to Lender all right, title and interest of Borrower in and to any award or payment with respect to (i) any Condemnation, or any conveyance in lieu of Condemnation, and (ii) any damage to the Mortgaged Property caused by governmental action that does not result in a Condemnation.

Ag

(b) Lender may apply such awards or proceeds, after the deduction of Lender's expenses incurred in the collection of such amounts (including Attorneys' Fees and Costs) at Lender's option, to the restoration or repair of the Mortgaged Property or to the payment of the Indebtedness, with the balance, if any, to Borrower. Unless Lender otherwise agrees in writing, any application of any awards or proceeds to the Indebtedness shall not extend or postpone the due date of any monthly installments referred to in the Note, Section 7 of this Instrument or any Collateral Agreement, or change the amount of such installments. Borrower agrees to execute such further evidence of assignment of any awards or proceeds as Lender may require.

**21. TRANSFERS OF THE MORTGAGED PROPERTY OR INTERESTS IN BORROWER.**

- (a) **"Transfer"** means
- (i) a sale, assignment, transfer or other disposition (whether voluntary, involuntary or by operation of law);
  - (ii) the granting, creating or attachment of a lien, encumbrance or security interest (whether voluntary, involuntary or by operation of law);
  - (iii) the issuance or other creation of an ownership interest in a legal entity, including a partnership interest, interest in a limited liability company or corporate stock;
  - (iv) the withdrawal, retirement, removal or involuntary resignation of a partner in a partnership or a member or manager in a limited liability company; or
  - (v) the merger, dissolution, liquidation, or consolidation of a legal entity or the reconstitution of one type of legal entity into another type of legal entity.

For purposes of defining the term "Transfer," the term "partnership" shall mean a general partnership, a limited partnership, a joint venture and a limited liability partnership, and the term "partner" shall mean a general partner, a limited partner and a joint venturer.

- (b) **"Transfer"** does not include
- (i) a conveyance of the Mortgaged Property at a judicial or non-judicial foreclosure sale under this Instrument,

Ah

- (ii) the Mortgaged Property becoming part of a bankruptcy estate by operation of law under the United States Bankruptcy Code, or
- (iii) a lien against the Mortgaged Property for local taxes and/or assessments not then due and payable.

(c) The occurrence of any of the following Transfers shall not constitute an Event of Default under this Instrument, notwithstanding any provision of Section 21(e) to the contrary:

- (i) a Transfer to which Lender has consented;
- (ii) a Transfer that occurs in accordance with Section 21(d);
- (iii) the grant of a leasehold interest in an individual dwelling unit for a term of two years or less not containing an option to purchase;
- (iv) a Transfer of obsolete or worn out Personalty or Fixtures that are contemporaneously replaced by items of equal or better function and quality, which are free of liens, encumbrances and security interests other than those created by the Loan Documents or consented to by Lender;
- (v) the creation of a mechanic's, materialman's, or judgment lien against the Mortgaged Property, which is released of record or otherwise remedied to Lender's satisfaction within 60 days of the date of creation;
- (vi) if Borrower is a housing cooperative, any Transfer of the shares in the housing cooperative or any assignment of the occupancy agreements or leases relating thereto by tenant shareholders of the housing cooperative; and
- (vii) any Transfer of an interest in Borrower or any interest in a Controlling Entity (which, if such Controlling Entity were Borrower, would result in an Event of Default) listed in (A) through (F) below (a "**Preapproved Transfer**"), under the terms and conditions listed as items (1) through (7) below:
  - (A) a sale or transfer to one or more of the transferor's immediate family members; or
  - (B) a sale or transfer to any trust having as its sole beneficiaries the transferor and/or one or more of the transferor's immediate family members; or

AI

- (C) a sale or transfer from a trust to any one or more of its beneficiaries who are immediate family members of the transferor ; or
- (D) the substitution or replacement of the trustee of any trust with a trustee who is an immediate family member of the transferor; or
- (E) a sale or transfer to an entity owned and controlled by the transferor or the transferor's immediate family members; or
- (F) a sale or transfer to an individual or entity that has an existing interest in the Borrower or in a Controlling Entity.

- (1) Borrower shall provide Lender with prior written Notice of the proposed Preapproved Transfer, which Notice must be accompanied by a non-refundable review fee in the amount of \$-0-.
- (2) For the purposes of these Preapproved Transfers, a transferor's immediate family members will be deemed to include a spouse, parent, child or grandchild of such transferor.
- (3) Either directly or indirectly, America First Communities Offutt Developer, LLC, a Nebraska limited liability company, shall retain at all times a managing interest in the Borrower.
- (4) At the time of the proposed Preapproved Transfer, no Event of Default shall have occurred and be continuing and no event or condition shall have occurred and be continuing that, with the giving of Notice or the passage of time, or both, would become an Event of Default.
- (5) Lender shall be entitled to collect all costs, including the cost of all title searches, title insurance and recording costs, and all Attorneys' Fees and Costs.
- (6) Lender shall not be entitled to collect a transfer fee as a result of these Preapproved Transfers.
- (7) In the event of a Transfer prohibited by or requiring Lender's approval under this Section 21, this Section (c)(vii) may be modified or rendered void by

Aj

Lender at Lender's option by Notice to Borrower and the transferee(s), as a condition of Lender's consent.

(d) The occurrence of any of the following Transfers shall not constitute an Event of Default under this Instrument, provided that Borrower has notified Lender in writing within 30 days following the occurrence of any of the following, and such Transfer does not constitute an Event of Default under any other Section of this Instrument:

- (i) a change of the Borrower's name, provided that UCC financing statements and/or amendments sufficient to continue the perfection of Lender's security interest have been properly filed and copies have been delivered to Lender;
- (ii) a change of the form of the Borrower not involving a transfer of the Borrower's assets and not resulting in any change in liability of any Initial Owner, provided that UCC financing statements and/or amendments sufficient to continue the perfection of Lender's security interest have been properly filed and copies have been delivered to Lender;
- (iii) the merger of the Borrower with another entity when the Borrower is the surviving entity
- (iv) a Transfer that occurs by devise, descent, or by operation of law upon the death of a natural person; and
- (v) the grant of an easement, if before the grant Lender determines that the easement will not materially affect the operation or value of the Mortgaged Property or Lender's interest in the Mortgaged Property, and Borrower pays to Lender, upon demand, all costs and expenses, including Attorneys' Fees and Costs, incurred by Lender in connection with reviewing Borrower's request.

(e) The occurrence of any of the following Transfers shall constitute an Event of Default under this Instrument:

- (i) a Transfer of all or any part of the Mortgaged Property or any interest in the Mortgaged Property;
- (ii) if Borrower is a limited partnership, a Transfer of (A) any general partnership interest, or (B) limited partnership interests in Borrower that would cause the Initial Owners of Borrower to own less than a Controlling Interest of all limited partnership interests in Borrower;

AK

- (iii) if Borrower is a general partnership or a joint venture, a Transfer of any general partnership or joint venture interest in Borrower;
- (iv) if Borrower is a limited liability company, (A) a Transfer of any membership interest in Borrower which would cause the Initial Owners to own less than a Controlling Interest of all the membership interests in Borrower, (B) a Transfer of any membership or other interest of a manager in Borrower that results in a change of manager or (C) a change in a nonmember manager;
- (v) if Borrower is a corporation (A) the Transfer of any voting stock in Borrower which would cause the Initial Owners to own less than a Controlling Interest of any class of voting stock in Borrower or (B) if the outstanding voting stock in Borrower is held by 100 or more shareholders, one or more Transfers by a single transferor within a 12-month period affecting an aggregate of 5 percent or more of that stock;
- (vi) if Borrower is a trust, (A) a Transfer of any beneficial interest in Borrower which would cause the Initial Owners to own less than a Controlling Interest of all the beneficial interests in Borrower, (B) the termination or revocation of the trust, or (C) the removal, appointment or substitution of a trustee of Borrower;
- (vii) if Borrower is a limited liability partnership, (A) a Transfer of any partnership interest in Borrower which would cause the Initial Owners to own less than a Controlling Interest of all partnership interests in Borrower, or (B) a transfer of any partnership or other interest of a managing partner in Borrower that results in a change of manager; and
- (viii) a Transfer of any interest in a Controlling Entity which, if such Controlling Entity were Borrower, would result in an Event of Default under any of Sections 21(e)(i) through (vi) above.

Lender shall not be required to demonstrate any actual impairment of its security or any increased risk of default in order to exercise any of its remedies with respect to an Event of Default under this Section 21.

(f) Lender shall consent, without any adjustment to the rate at which the Indebtedness secured by this Instrument bears interest or to any other economic terms of the Indebtedness set forth in the Note, to a Transfer that would otherwise violate this Section 21 if, prior to the Transfer, Borrower has satisfied each of the following requirements:

A1

- (i) the submission to Lender of all information required by Lender to make the determination required by this Section 21(f);
- (ii) the absence of any Event of Default;
- (iii) the transferee meets all of the eligibility, credit, management and other standards (including but not limited to any standards with respect to previous relationships between Lender and the transferee) customarily applied by Lender at the time of the proposed Transfer to the approval of borrowers in connection with the origination or purchase of similar mortgages on multifamily properties;
- (iv) the transferee's organization, credit and experience in the management of similar properties are deemed by the Lender, in its discretion, to be appropriate to the overall structure and documentation of the existing financing;
- (v) the Mortgaged Property, at the time of the proposed Transfer, meets all standards as to its physical condition, occupancy, net operating income and the collection of reserves that are customarily applied by Lender at the time of the proposed Transfer to the approval of properties in connection with the origination or purchase of similar mortgages on multifamily properties;
- (vi) in the case of a Transfer of all or any part of the Mortgaged Property, (A) the execution by the transferee of Lender's then-standard assumption agreement that, among other things, requires the transferee to perform all obligations of Borrower set forth in the Note, this Instrument and any other Loan Documents, and may require that the transferee comply with any provisions of this Instrument or any other Loan Document which previously may have been waived or modified by Lender, (B) if Lender requires, the transferee causes one or more individuals or entities acceptable to Lender to execute and deliver to Lender a guaranty in a form acceptable to Lender, and (C) the transferee executes such additional Collateral Agreements as Lender may require;
- (vii) in the case of a Transfer of any interest in a Controlling Entity, if a guaranty has been executed and delivered in connection with the Note, this Instrument or any of the other Loan Documents, the Borrower causes one or more individuals or entities acceptable to Lender to execute and deliver to Lender a guaranty in a form acceptable to Lender; and

Am

(viii) Lender's receipt of all of the following:

- (A) a review fee in the amount of \$ -0-;
- (B) a transfer fee in an amount equal to 0% percent of the unpaid principal balance of the Indebtedness immediately before the applicable Transfer; and
- (C) the amount of Lender's out-of-pocket costs (including reasonable Attorneys' Fees and Costs) incurred in reviewing the Transfer request.

**22. EVENTS OF DEFAULT.** The occurrence of any one or more of the following shall constitute an Event of Default under this Instrument:

- (a) any failure by Borrower to pay or deposit when due any amount required by the Note, this Instrument or any other Loan Document;
- (b) any failure by Borrower to maintain the insurance coverage required by Section 19;
- (c) any failure by Borrower to comply with the provisions of Section 33;
- (d) fraud or material misrepresentation or material omission by Borrower, any of its officers, directors, trustees, general partners or managers or any guarantor in connection with (i) the application for or creation of the Indebtedness, (ii) any financial statement, rent schedule, or other report or information provided to Lender during the term of the Indebtedness, or (iii) any request for Lender's consent to any proposed action, including a request for disbursement of funds under any Collateral Agreement;
- (e) any failure to comply with the provisions of Section 20;
- (f) any Event of Default under Section 21;
- (g) the commencement of a forfeiture action or proceeding, whether civil or criminal, which, in Lender's reasonable judgment, could result in a forfeiture of the Mortgaged Property or otherwise materially impair the lien created by this Instrument or Lender's interest in the Mortgaged Property;
- (h) any failure by Borrower to perform any of its obligations under this Instrument (other than those specified in Sections 22(a) through (g)), as and when required, which continues



for a period of 30 days after Notice of such failure by Lender to Borrower. However, if Borrower's failure to perform its obligations as described in this Section 22(h) is of the nature that it cannot be cured within the 30 day grace period but reasonably could be cured within 90 days, then Borrower shall have additional time as determined by Lender in its discretion, not to exceed an additional 60 days, in which to cure such default, provided that Borrower has diligently commenced to cure such default during the 30-day grace period and diligently pursues the cure of such default. However, no such Notice or grace periods shall apply in the case of any such failure which could, in Lender's judgment, absent immediate exercise by Lender of a right or remedy under this Instrument, result in harm to Lender, impairment of the Note or this Instrument or any other security given under any other Loan Document;

(i) any failure by Borrower to perform any of its obligations as and when required under any Loan Document other than this Instrument which continues beyond the applicable cure period, if any, specified in that Loan Document;

(j) any exercise by the holder of any other debt instrument secured by a mortgage, deed of trust or deed to secure debt on the Mortgaged Property of a right to declare all amounts due under that debt instrument immediately due and payable;

(k) Borrower voluntarily files for bankruptcy protection under the United States Bankruptcy Code or voluntarily becomes subject to any reorganization, receivership, insolvency proceeding or other similar proceeding pursuant to any other federal or state law affecting debtor and creditor rights, or an involuntary case is commenced against Borrower by any creditor (other than Lender) of Borrower pursuant to the United States Bankruptcy Code or other federal or state law affecting debtor and creditor rights and is not dismissed or discharged within 90 days after filing; and

(l) any of Borrower's representations and warranties in this Instrument is false or misleading in any material respect.

**23. REMEDIES CUMULATIVE.** Each right and remedy provided in this Instrument is distinct from all other rights or remedies under this Instrument or any other Loan Document or afforded by applicable law, and each shall be cumulative and may be exercised concurrently, independently, or successively, in any order.

**24. FORBEARANCE.**

(a) Lender may (but shall not be obligated to) agree with Borrower, from time to time, and without giving notice to, or obtaining the consent of, or having any effect upon the obligations of, any guarantor or other third party obligor, to take any of the following actions: extend the time for payment of all or any part of the Indebtedness; reduce the payments due under this Instrument, the Note, or any other Loan Document; release anyone liable for the

payment of any amounts under this Instrument, the Note, or any other Loan Document; accept a renewal of the Note; modify the terms and time of payment of the Indebtedness; join in any extension or subordination agreement; release any Mortgaged Property; take or release other or additional security; modify the rate of interest or period of amortization of the Note or change the amount of the monthly installments payable under the Note; and otherwise modify this Instrument, the Note, or any other Loan Document.

(b) Any forbearance by Lender in exercising any right or remedy under the Note, this Instrument, or any other Loan Document or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any other right or remedy, or the subsequent exercise of any right or remedy. The acceptance by Lender of payment of all or any part of the Indebtedness after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of Lender's right to require prompt payment when due of all other payments on account of the Indebtedness or to exercise any remedies for any failure to make prompt payment. Enforcement by Lender of any security for the Indebtedness shall not constitute an election by Lender of remedies so as to preclude the exercise of any other right available to Lender. Lender's receipt of any awards or proceeds under Sections 19 and 20 shall not operate to cure or waive any Event of Default.

**25. LOAN CHARGES.** If any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower is interpreted so that any charge provided for in any Loan Document, whether considered separately or together with other charges levied in connection with any other Loan Document, violates that law, and Borrower is entitled to the benefit of that law, that charge is hereby reduced to the extent necessary to eliminate that violation. The amounts, if any, previously paid to Lender in excess of the permitted amounts shall be applied by Lender to reduce the principal of the Indebtedness. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all Indebtedness which constitutes interest, as well as all other charges levied in connection with the Indebtedness which constitute interest, shall be deemed to be allocated and spread over the stated term of the Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest so computed is uniform throughout the stated term of the Note.

**26. WAIVER OF STATUTE OF LIMITATIONS.** Borrower hereby waives the right to assert any statute of limitations as a bar to the enforcement of the lien of this Instrument or to any action brought to enforce any Loan Document.

**27. WAIVER OF MARSHALLING.** Notwithstanding the existence of any other security interests in the Mortgaged Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Mortgaged Property shall be subjected to the remedies provided in this Instrument, the Note, any other Loan Document or applicable law. Lender shall have the right to determine the order in which any or all portions of

Ap

the Indebtedness are satisfied from the proceeds realized upon the exercise of such remedies. Borrower and any party who now or in the future acquires a security interest in the Mortgaged Property and who has actual or constructive notice of this Instrument waives any and all right to require the marshalling of assets or to require that any of the Mortgaged Property be sold in the inverse order of alienation or that any of the Mortgaged Property be sold in parcels or as an entirety in connection with the exercise of any of the remedies permitted by applicable law or provided in this Instrument.

**28. FURTHER ASSURANCES.** Borrower shall execute, acknowledge, and deliver, at its sole cost and expense, all further acts, deeds, conveyances, assignments, estoppel certificates, financing statements or amendments, transfers and assurances as Lender may require from time to time in order to better assure, grant, and convey to Lender the rights intended to be granted, now or in the future, to Lender under this Instrument and the Loan Documents.

**29. ESTOPPEL CERTIFICATE.** Within 10 days after a request from Lender, Borrower shall deliver to Lender a written statement, signed and acknowledged by Borrower, certifying to Lender or any person designated by Lender, as of the date of such statement, (i) that the Loan Documents are unmodified and in full force and effect (or, if there have been modifications, that the Loan Documents are in full force and effect as modified and setting forth such modifications); (ii) the unpaid principal balance of the Note; (iii) the date to which interest under the Note has been paid; (iv) that Borrower is not in default in paying the Indebtedness or in performing or observing any of the covenants or agreements contained in this Instrument or any of the other Loan Documents (or, if the Borrower is in default, describing such default in reasonable detail); (v) whether or not there are then existing any setoffs or defenses known to Borrower against the enforcement of any right or remedy of Lender under the Loan Documents; and (vi) any additional facts requested by Lender.

**30. GOVERNING LAW; CONSENT TO JURISDICTION AND VENUE.**

(a) This Instrument, and any Loan Document which does not itself expressly identify the law that is to apply to it, shall be governed by the laws of the jurisdiction in which the Land is located (the "**Property Jurisdiction**").

(b) Borrower agrees that any controversy arising under or in relation to the Note, this Instrument, or any other Loan Document may be litigated in the Property Jurisdiction. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have jurisdiction over all controversies that shall arise under or in relation to the Note, any security for the Indebtedness, or any other Loan Document. 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. However, nothing in this Section 30 is intended to limit Lender's right to bring any suit, action or proceeding relating to matters under this Instrument in any court of any other jurisdiction.

Ag

**31. NOTICE.**

(a) All Notices, demands and other communications (“**Notice**”) under or concerning this Instrument shall be in writing. Each Notice shall be addressed to the intended recipient at its address set forth in this Instrument, and shall be deemed given on the earliest to occur of (i) the date when the Notice is received by the addressee; (ii) the first Business Day after the Notice is delivered to a recognized overnight courier service, with arrangements made for payment of charges for next Business Day delivery; or (iii) the third Business Day after the Notice is deposited in the United States mail with postage prepaid, certified mail, return receipt requested.

(b) Any party to this Instrument may change the address to which Notices intended for it are to be directed by means of Notice given to the other party in accordance with this Section 31. Each party agrees that it will not refuse or reject delivery of any Notice given in accordance with this Section 31, that it will acknowledge, in writing, the receipt of any Notice upon request by the other party and that any Notice rejected or refused by it shall be deemed for purposes of this Section 31 to have been received by the rejecting party on the date so refused or rejected, as conclusively established by the records of the U.S. Postal Service or the courier service.

(c) Any Notice under the Note and any other Loan Document that does not specify how Notices are to be given shall be given in accordance with this Section 31.

**32. SALE OF NOTE; CHANGE IN SERVICER; LOAN SERVICING.** The Note or a partial interest in the Note (together with this Instrument and the other Loan Documents) may be sold one or more times without prior Notice to Borrower. A sale may result in a change of the Loan Servicer. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given Notice of the change. All actions regarding the servicing of the loan evidenced by the Note, including the collection of payments, the giving and receipt of Notice, inspections of the Mortgaged Property, inspections of books and records, and the granting of consents and approvals, may be taken by the Loan Servicer unless Borrower receives Notice to the contrary. If Borrower receives conflicting Notices regarding the identity of the Loan Servicer or any other subject, any such Notice from Lender shall govern.

**33. SINGLE ASSET BORROWER.** Until the Indebtedness is paid in full, Borrower (a) shall not own any real or personal property other than the Mortgaged Property and personal property related to the operation and maintenance of the Mortgaged Property; (b) shall not operate any business other than the management and operation of the Mortgaged Property; and (c) shall not maintain its assets in a way difficult to segregate and identify.

Ar

**34. SUCCESSORS AND ASSIGNS BOUND.** This Instrument shall bind, and the rights granted by this Instrument shall inure to, the respective successors and assigns of Lender and Borrower. However, a Transfer not permitted by Section 21 shall be an Event of Default.

**35. JOINT AND SEVERAL LIABILITY.** If more than one person or entity signs this Instrument as Borrower, the obligations of such persons and entities shall be joint and several.

**36. RELATIONSHIP OF PARTIES; NO THIRD PARTY BENEFICIARY.**

(a) The relationship between Lender and Borrower shall be solely that of creditor and debtor, respectively, and nothing contained in this Instrument shall create any other relationship between Lender and Borrower.

(b) No creditor of any party to this Instrument and no other person shall be a third party beneficiary of this Instrument or any other Loan Document. Without limiting the generality of the preceding sentence, (i) any arrangement (a “**Servicing Arrangement**”) between the Lender and any Loan Servicer for loss sharing or interim advancement of funds shall constitute a contractual obligation of such Loan Servicer that is independent of the obligation of Borrower for the payment of the Indebtedness, (ii) Borrower shall not be a third party beneficiary of any Servicing Arrangement, and (iii) no payment by the Loan Servicer under any Servicing Arrangement will reduce the amount of the Indebtedness.

**37. SEVERABILITY; AMENDMENTS.** The invalidity or unenforceability of any provision of this Instrument shall not affect the validity or enforceability of any other provision, and all other provisions shall remain in full force and effect. This Instrument contains the entire agreement among the parties as to the rights granted and the obligations assumed in this Instrument. This Instrument may not be amended or modified except by a writing signed by the party against whom enforcement is sought; provided, however, that in the event of a Transfer prohibited by or requiring Lender’s approval under Section 21, any or some or all of the Modifications to Instrument set forth in Exhibit B (if any) may be modified or rendered void by Lender at Lender’s option by Notice to Borrower and the transferee(s).

**38. CONSTRUCTION.** The captions and headings of the Sections of this Instrument are for convenience only and shall be disregarded in construing this Instrument. Any reference in this Instrument to an “Exhibit” or a “Section” shall, unless otherwise explicitly provided, be construed as referring, respectively, to an Exhibit attached to this Instrument or to a Section of this Instrument. All Exhibits attached to or referred to in this Instrument are incorporated by reference into this Instrument. Any reference in this Instrument to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time. Use of the singular in this Agreement includes the plural and use of the plural includes the singular. As used in this Instrument, the term “including” means “including, but not limited to.”

As

**39. DISCLOSURE OF INFORMATION.** Lender may furnish information regarding Borrower or the Mortgaged Property to third parties with an existing or prospective interest in the servicing, enforcement, evaluation, performance, purchase or securitization of the Indebtedness, including but not limited to trustees, master servicers, special servicers, rating agencies, and organizations maintaining databases on the underwriting and performance of multifamily mortgage loans. Borrower irrevocably waives any and all rights it may have under applicable law to prohibit such disclosure, including but not limited to any right of privacy.

**40. NO CHANGE IN FACTS OR CIRCUMSTANCES.** Borrower warrants that (a) all information in the application for the loan submitted to Lender (the "**Loan Application**") and in all financial statements, rent schedules, reports, certificates and other documents submitted in connection with the Loan Application are complete and accurate in all material respects; and (b) there has been no material adverse change in any fact or circumstance that would make any such information incomplete or inaccurate.

**41. SUBROGATION.** If, and to the extent that, the proceeds of the loan evidenced by the Note are used to pay, satisfy or discharge any obligation of Borrower for the payment of money that is secured by a pre-existing mortgage, deed of trust or other lien encumbering the Mortgaged Property (a "**Prior Lien**"), such loan proceeds shall be deemed to have been advanced by Lender at Borrower's request, and Lender shall automatically, and without further action on its part, be subrogated to the rights, including lien priority, of the owner or holder of the obligation secured by the Prior Lien, whether or not the Prior Lien is released.

**42. INTENTIONALLY OMITTED**

**43. ACCELERATION; REMEDIES.** At any time during the existence of an Event of Default, Lender, at Lender's option, may declare the Indebtedness to be immediately due and payable without further demand, and may invoke the power of sale and any other remedies permitted by applicable law or provided in this Instrument or in any other Loan Document. Borrower acknowledges that the power of sale granted in this Instrument may be exercised by Lender without prior judicial hearing. Borrower has the right to bring an action to assert the non-existence of an Event of Default or any other defense of Borrower to acceleration and sale. Lender shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including attorneys' fees, costs of documentary evidence, abstracts and title reports.

If the power of sale is invoked, Trustee shall record a notice of default in each county in which the Mortgaged Property is located and shall mail copies of such notice in the manner prescribed by applicable law to Borrower and to the other persons prescribed by applicable law. Trustee shall give notice of sale and Trustee shall sell the Mortgaged Property according to the laws of Nebraska. Trustee may sell the Mortgaged Property at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as Trustee may

At

determine. Trustee may postpone sale of all or any part of the Mortgaged Property by public announcement at the time and place of any previously scheduled sale. Lender or Lender's designee may purchase the Mortgaged Property at any sale.

Trustee shall deliver to the purchaser at the sale, within a reasonable time after the sale, a Trustee's deed conveying the Mortgaged Property so sold without any covenant or warranty, express or implied. The recitals in Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all costs and expenses of the sale, including Trustee's fees of not more than 5% of the gross sale price, attorneys' fees and costs of title evidence; (b) to the Indebtedness in such order as Lender, in Lender's discretion, directs; and (c) the excess, if any, to the person or persons legally entitled thereto.

**44. RECONVEYANCE.** Upon payment of the Indebtedness, Lender shall request Trustee to reconvey the Mortgaged Property and shall surrender this Instrument and the Note to Trustee. Trustee shall reconvey the Mortgaged Property without warranty to the person or persons legally entitled thereto. Such person or persons shall pay Trustee's reasonable costs incurred in so reconveying the Mortgaged Property.

**45. SUBSTITUTE TRUSTEE.** Lender, at Lender's option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed under this Instrument by an instrument recorded in the county in which this Instrument is recorded. Without conveyance of the Mortgaged Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.

**46. REQUEST FOR NOTICES.** Borrower, for itself and for each party hereto, hereby requests that copies of the notice of default and notice of sale be sent to Borrower and each party hereto at the addresses stated in the first paragraph on page 1 of this Instrument.

**47. WAIVER OF TRIAL BY JURY. BORROWER AND LENDER EACH (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS INSTRUMENT OR THE RELATIONSHIP BETWEEN THE PARTIES AS BORROWER AND LENDER 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. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.**

**ATTACHED EXHIBITS.** The following Exhibits are attached to this Instrument:

Exhibit A Description of the Land (required).

Au

Exhibit B Modifications to Instrument


[Signatures on the following pages]



AV

IN WITNESS WHEREOF, Borrower has signed and delivered this Instrument or has caused this Instrument to be signed and delivered by its duly authorized representatives.

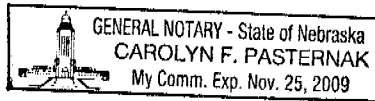
OFFUTT AFB AMERICA FIRST COMMUNITIES, LLC,  
a Nebraska limited liability company

By:   
Dominic Vaccaro  
Vice President

STATE OF NEBRASKA ) SS:  
COUNTY OF DOUGLAS )

On the 17<sup>th</sup> day of December, 2008, before me, the undersigned Notary Public, personally appeared Dominic Vaccaro, personally known to me to be the person whose name is subscribed to the foregoing, and personally known to me to be the Vice President of Offutt AFB America First Communities, LLC, and acknowledged the same as his free act and deed in his capacity as Vice President of Offutt AFB America First Communities, LLC and the free act and deed of such limited liability company for the purposes and consideration cited therein.

  
\_\_\_\_\_  
Notary Public  
My commission expires: 11-25-2009



AW

AX

**EXHIBIT A**

[DESCRIPTION OF THE LAND]

Ay

**LEGAL DESCRIPTION**

**WHERRY/COFFMAN HEIGHTS HOUSING - PARCEL "A"**

A tract of land located in part of the SE 1/4 of Section 35, Township 14 North, Range 13 East, of the 6th P.M., and also together with part of the SW1/4 of section 36, Township 14 North, Range 13 East of the 6th P.M., and also together with part of the NW1/4 of Section 1, Township 13 North, Range 13 East of the 6th P.M., and also together with part of the NE1/4 of Section 2, Township 13 North, Range 13 East of the 6th P.M., all located in Sarpy County, Nebraska, more particularly described as follows:

Commencing at the Southwest corner of Lot 18, Bellaire Addition "B", a subdivision in the SE1/4 of Section 35, Township 14 North, Range 13 East of the 6th P.M., Sarpy County, Nebraska, said point also being the Northwest corner of Tax Lot 12C of Section 35, Township 14 North, Range 13 East, now owned by Offutt Air Force Base; thence N87°00'53"E (assumed bearing) along the South line of Lots 18 through 24, inclusive, Bellaire Addition 'B', a distance of 658.88 feet to a point on the South line of Lot 24, Bellaire Addition 'B' said point also being the Point of Beginning; thence continuing N87°00'53"E along the South line of Lots 24 through 28, inclusive, Bellaire Addition 'B' and Lots 29 through 36, inclusive, Bellaire Addition 'A', a subdivision in the SE1/4 of Section 35, Township 14 North, Range 13 East of the 6th P.M., Sarpy County, Nebraska, and the Easterly extension thereof, a distance of 951.84 feet to a point on the South line of property owned by the City of Bellevue for Bellaire School, said point also being the Northwest corner of a tract of land reserved by Offutt Air Force Base for the RAPCON facility; thence S03°33'43"E along the Westerly line of said RAPCON facility, a distance of 142.74 feet; thence S32°27'03"E along the Westerly line of said RAPCON facility, a distance of 212.79 feet; thence S02°52'21"E along the Westerly line of said RAPCON facility, a distance of 309.32 feet; thence N87°03'41"E along the Southerly line of said RAPCON facility, a distance of 271.57 feet; thence N02°40'38"W along the Easterly line of said RAPCON facility, a distance of 429.45 feet; thence S86°47'28"W along the Easterly line of said RAPCON facility, a distance of 134.36 feet; thence N03°51'22"W along the Easterly line of said RAPCON facility, a distance of 208.64 feet to a point on said South line of property owned by the City of Bellevue for Bellaire School, said point also being the Northeast corner of said RAPCON facility; thence N87°00'53"E along said South line of property owned by the City of Bellevue for Bellaire School a distance of 346.35 feet to a point on the East line of said Section 35, Township 14 North, Range 13 East, said point also being the Northwest corner of Tax Lot 6A1 of Section 36, Township 14 North, Range 13 East, now owned by Offutt Air Force Base; thence N87°00'15"E along said South line of property owned by the City of Bellevue for Bellaire School and along the South line of Lot 34, Svoboda Addition, a distance of 160.33 feet to the Northwest corner of Tax Lot 6A2 of Section 36, Township 14 North, Range 13 East; thence S02°23'16"E along the west line of said Tax Lot 6A2 and Tax Lot 6B of Section 36, Township 14 North, Range 13 East, a distance of 424.19 feet to the Southwest corner of said Tax Lot 6B; thence N87°46'09"E along the South line of said Tax Lot 6b, said line also being the North line of Tax Lot 6C of Section 36, Township 14 North, Range 13 East, a distance of 258.03 feet to a point on the West

Az

right-of-way line of Fort Crook Boulevard; thence  $S03^{\circ}14'03''W$  along said West right-of-way line of Fort Crook Boulevard, a distance of 77.77 feet; thence  $S02^{\circ}28'34''E$  along said West right-of-way line of Fort Crook Boulevard, a distance of 490.81 feet to a point on said West right-of-way line of Fort Crook Boulevard at the intersection of the extended centerline of vacated 25th Avenue; thence continuing  $S02^{\circ}28'34''E$  a distance of 77.09 feet to a point on a line running approximately 5 feet behind the Westerly back of curb of Nelson Drive; thence  $S45^{\circ}49'16''W$  along a line running approximately 5 feet behind said Westerly back of curb of Nelson Drive, a distance of 62.54 feet; thence continuing approximately 5 feet behind said Westerly back of curb of Nelson Drive on a curve to the left with a radius of 182.19 feet, a distance of 40.94 feet, said curve having a long chord which bears  $S39^{\circ}23'01''W$  a distance of 40.85 feet; thence continuing approximately 5 feet behind said Westerly back of curb of Nelson Drive thence on a curve to the right with a radius of 422.75 feet, a distance of 94.89 feet, said curve having a long chord which bears  $S39^{\circ}22'35''W$  a distance of 94.69 feet; thence  $S45^{\circ}19'00''W$  along a line running approximately 5 feet behind said Westerly back of curb of Nelson Drive, a distance of 306.20 feet; thence continuing approximately 5 feet behind said Westerly back of curb of Nelson Drive thence on a curve to the left with a radius of 487.78 feet, a distance of 48.89 feet, said curve having a long chord which bears  $S42^{\circ}26'44''W$  a distance of 48.87 feet; thence  $N49^{\circ}00'10''W$  a distance of 36.42 feet to a point on a line that is approximately 10 feet distant from the fence surrounding Ft. Crook Cemetery; thence  $N03^{\circ}11'05''W$  along a line running approximately 10 feet outside said fence surrounding Ft. Crook Cemetery, a distance of 248.20 feet to a point on a line that is 10 feet distant from the fence surrounding Ft. Crook Cemetery; thence  $S86^{\circ}56'31''W$  along a line running approximately 10 feet outside said fence surrounding Ft. Crook Cemetery, a distance of 243.30 to a point on a line that is 10 feet distant from the fence surrounding Ft. Crook Cemetery; thence  $S03^{\circ}09'57''E$  along a line running approximately 10 feet outside said fence surrounding Ft. Crook Cemetery, a distance of 249.31 feet to a point on a line that is 10 feet distant from the fence surrounding Ft. Crook Cemetery; thence  $N86^{\circ}44'32''E$  along a line running approximately 10 feet outside said fence surrounding Ft. Crook Cemetery, a distance of 62.35 feet; thence  $S56^{\circ}52'24''E$  a distance of 140.07 feet to a point on a line running approximately 12 feet behind said Westerly back of curb of Nelson Drive; thence  $S35^{\circ}25'50''W$  along a line running approximately 12 feet behind said Westerly back of curb of Nelson Drive, a distance of 1049.71 feet; thence on a curve to the right with a radius of 35.00 feet, a distance of 54.97 feet, said curve having a long chord which bears  $S80^{\circ}25'35''W$  a distance of 49.49 feet to a point on a line that is approximately 12 feet behind the Northerly back of curb of Bergquist Drive; thence  $N54^{\circ}34'16''W$  along a line running approximately 12 feet behind said Northerly back of curb of Bergquist Drive, a distance of 533.85 feet; thence continuing approximately 12 feet behind said Northerly back of curb of Bergquist Drive on a curve to the left with a radius of 118.00 feet, a distance of 185.55 feet, said curve having a long chord which bears  $S80^{\circ}22'55''W$  a distance of 167.01 feet; thence  $S35^{\circ}20'06''W$  along a line running approximately 12 feet behind said Northerly back of curb of Bergquist Drive, a distance of 179.94 feet; thence on a curve to the right with a radius of 25.00 feet, a distance of 39.72 feet, said curve having a long chord which bears  $S80^{\circ}51'22''W$ , a distance of 35.68 feet to a point on a line that is approximately 12 feet behind the Northerly back of curb of Nelson Drive; thence

Ba

N53°37'21"W, a distance of 475.94 feet; thence N36°35'18"E, a distance of 92.23 feet; thence N53°28'37"W, a distance of 169.70 feet; thence N01°16'20"W, a distance of 269.71 feet; thence N88°43'40"E, a distance of 122.85 feet; to a point on the line of a fence surrounding a water-tank farm; thence along the line of said fence surrounding a water tank farm for the following courses: S43°57'35"E, a distance of 168.98 feet; thence N87°04'07"E, a distance of 146.61 feet; thence N02°22'50"W, a distance of 47.27 feet; thence N87°02'02"E, a distance of 79.90 feet; thence N03°12'28"W, a distance of 236.53 feet; thence N45°04'58"W, a distance of 155.15 feet; thence N87°02'42"W, a distance of 59.46 feet; thence S05°08'22"E, a distance of 56.76 feet; thence S84°43'59"W, a distance of 36.70 feet; thence S04°55'56"E, a distance of 14.07 feet; thence S85°07'05"W, a distance of 62.61 feet; thence N03°56'52"W, a distance of 54.56 feet; thence S56°07'51"W, a distance of 46.99 feet; thence N03°05'52"W, on a line 13.5 feet distant Easterly from the East back of curb of Airman Drive, a distance of 601.29 feet to a point on a line running approximately 13.5 feet behind the Southerly edge of a gravel access road to Building 405; thence N71°09'59"E, along a line approximately 13.5 feet behind said Southerly edge of a gravel access road to Building 405, a distance of 29.69 feet; thence continuing approximately 13.5 feet behind said Southerly edge of a gravel access road to Building 405 on a curve to the left with a radius of 113.51 feet, a distance of 147.61 feet, said curve having a long chord which bears N33°54'45"E, a distance of 137.43 feet to a point on a line that is approximately 13.5 feet behind the East edge of said gravel access road to Building 405, thence N03°20'30"W, along a line running approximately 13.5 feet behind said East edge of a gravel access road to Building 405, a distance of 285.31 feet to a point on the line of a fence surrounding Building 405; thence S70°37'37"E along said line of a fence surrounding Building 405, a distance of 69.53 feet; thence N19°43'48"E along said line of a fence surrounding Building 405 and the extension thereof, a distance of 230.65 feet to the Point of Beginning.

Said tract of land contains an area of 3,667,479 square feet or 84.194 acres, more or less.

#2000141.01 kr  
 6/7/01  
 E&A Consulting Group, Inc.  
 12001 "Q" Street  
 Omaha, NE 68137

**EXCEPTING THEREFROM THE FOLLOWING TRACT OF LAND**

**RELEASE PART OF PARCEL "A"**

A TRACT OF LAND LOCATED IN PART OF THE SE1/4 OF SECTION 35, TOWNSHIP 14 NORTH, RANGE 13 EAST; AND ALSO PART OF THE NE1/4 OF SECTION 2, TOWNSHIP 13 NORTH, RANGE 13 EAST; ALL LOCATED IN THE 6TH P.M., SARPY COUNTY, NEBRASKA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

Bb

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 2; THENCE S86°58'24"W (ASSUMED BEARING) ALONG THE NORTH LINE OF SAID NE1/4 OF SECTION 2, SAID LINE ALSO BEING THE SOUTH LINE OF SAID SE1/4 OF SECTION 35, A DISTANCE OF 272.22 FEET; THENCE S03°09'57"E, A DISTANCE OF 25.45 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING S03°09'57"E, A DISTANCE OF 249.31 FEET; THENCE N86°44'32"E, A DISTANCE OF 62.35 FEET; THENCE S56°52'24"E, A DISTANCE OF 140.07 FEET; THENCE S35°25'50"W, A DISTANCE OF 1049.71 FEET; THENCE NORTHWESTERLY ON A CURVE TO THE RIGHT WITH A RADIUS OF 35.00 FEET, A DISTANCE OF 54.97 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS S80°25'35"W, A DISTANCE OF 49.49 FEET; THENCE N54°34'16"W, A DISTANCE OF 533.85 FEET; THENCE SOUTHWESTERLY ON A CURVE TO THE LEFT WITH A RADIUS OF 118.00 FEET, A DISTANCE OF 185.55 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS S80°22'55"W, A DISTANCE OF 167.01 FEET; THENCE S35°20'06"W, A DISTANCE OF 179.94 FEET; THENCE NORTHWESTERLY ON A CURVE TO THE RIGHT WITH A RADIUS OF 25.00 FEET, A DISTANCE OF 39.72 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS S80°51'22"W, A DISTANCE OF 35.68 FEET; THENCE N53°37'21"W, A DISTANCE OF 475.94 FEET; THENCE N36°35'18"E, A DISTANCE OF 92.23 FEET; THENCE N53°28'37"W, A DISTANCE OF 169.70 FEET; THENCE N01°16'20"W, A DISTANCE OF 269.71 FEET; THENCE N88°43'40"E, A DISTANCE OF 122.85 FEET; THENCE S43°57'35"E, A DISTANCE OF 168.98 FEET; THENCE N87°04'07"E, A DISTANCE OF 146.61 FEET; THENCE N02°22'50"W, A DISTANCE OF 47.27 FEET; THENCE N87°02'02"E, A DISTANCE OF 79.90 FEET; THENCE N03°12'28"W, A DISTANCE OF 236.53 FEET; THENCE S42°54'45"E, A DISTANCE OF 352.37 FEET; THENCE SOUTHEASTERLY ON A CURVE TO THE RIGHT WITH A RADIUS OF 429.86 FEET, A DISTANCE OF 268.40 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS S79°12'01"E, A DISTANCE OF 264.06 FEET; THENCE S61°18'47"E, A DISTANCE OF 77.27 FEET; THENCE NORTHEASTERLY ON A CURVE TO THE RIGHT WITH A RADIUS OF 75.00 FEET, A DISTANCE OF 71.86 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS N16°15'23"W, A DISTANCE OF 69.14 FEET; THENCE N11°11'32"E, A DISTANCE OF 137.36 FEET; THENCE NORTHERLY ON A CURVE TO THE LEFT WITH A RADIUS OF 298.00 FEET, A DISTANCE OF 65.85 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS N04°51'44"E, A DISTANCE OF 65.71 FEET; THENCE N01°28'04"W, A DISTANCE OF 167.25 FEET; THENCE N55°25'18"W, A DISTANCE OF 27.86 FEET; THENCE N02°44'38"E, A DISTANCE OF 29.62 FEET; THENCE NORTHWESTERLY ON A CURVE TO THE LEFT WITH A RADIUS OF 70.00 FEET, A DISTANCE OF 96.78 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS N36°51'45"W, A DISTANCE OF 89.25 FEET; THENCE N76°28'08"W, A DISTANCE OF 18.71 FEET; THENCE NORTHWESTERLY ON A CURVE TO THE RIGHT WITH A RADIUS OF 420.00 FEET, A DISTANCE OF 53.83 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS N80°08'26"W, A DISTANCE OF 53.79 FEET; THENCE N83°48'44"W, A DISTANCE OF 26.75 FEET; THENCE NORTHWESTERLY ON A CURVE TO THE RIGHT WITH A RADIUS OF 24.70 FEET, A DISTANCE OF 32.91 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS N45°38'15"W, A DISTANCE OF 30.53 FEET; THENCE N07°27'45"W, A DISTANCE OF 16.23 FEET; THENCE SOUTHEASTERLY ON A CURVE TO THE RIGHT WITH A RADIUS OF 24.70 FEET, A DISTANCE OF 68.44 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS N71°54'54"E, A DISTANCE OF 48.55 FEET; THENCE S28°42'27"E, A DISTANCE OF 8.48 FEET; THENCE NORTHEASTERLY ON A CURVE TO THE LEFT WITH A RADIUS OF 71.95 FEET, A DISTANCE OF 99.68 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS S68°23'40"E, A DISTANCE OF 91.90 FEET; THENCE N71°55'07"E, A DISTANCE OF 22.52 FEET; THENCE S13°28'08"E, A DISTANCE OF 66.45 FEET; THENCE S19°59'19"E, A DISTANCE OF 100.20 FEET; THENCE S24°52'20"E, A DISTANCE OF 124.58 FEET; THENCE SOUTHEASTERLY ON A CURVE TO THE LEFT WITH A RADIUS OF 75.00 FEET, A DISTANCE OF 64.59 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS

Bc

S49°32'41"E, A DISTANCE OF 62.61 FEET; THENCE S74°13'02"E, A DISTANCE OF 106.18 FEET; THENCE N76°55'50"E, A DISTANCE OF 106.53 FEET; THENCE SOUTHEASTERLY ON A CURVE TO THE RIGHT WITH A RADIUS OF 150.00 FEET, A DISTANCE OF 79.02 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS S87°58'42"E, A DISTANCE OF 78.11 FEET; THENCE S72°53'14"E, A DISTANCE OF 59.57 FEET; THENCE S89°40'46"E, A DISTANCE OF 93.26 FEET; THENCE NORTHEASTERLY ON A CURVE TO THE LEFT WITH A RADIUS OF 54.57 FEET, A DISTANCE OF 49.93 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS N64°06'27"E, A DISTANCE OF 48.21 FEET; THENCE N37°53'39"E, A DISTANCE OF 75.81 FEET; THENCE N04°12'53"E, A DISTANCE OF 170.28 FEET TO THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS AN AREA OF 1,071,496 SQUARE FEET OR 24.598 ACRES, MORE OR LESS.

**CAPEHART GOVERNMENT PARCEL B1 / B2**  
(A PART OF SECTION 4, T13N, R13E NORTH OF CAPEHART ROAD)

A TRACT OF LAND LOCATED IN SECTION 4, TOWNSHIP 13 NORTH, RANGE 13 EAST OF THE 6TH P.M., SARPY COUNTY, NEBRASKA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 4; THENCE N03°04'10"W (ASSUMED BEARING) ALONG THE EAST LINE OF THE SE1/4 OF SAID SECTION 4, A DISTANCE OF 673.58 FEET; THENCE S86°55'50"W, A DISTANCE OF 45.00 FEET TO THE POINT OF BEGINNING, SAID POINT ALSO BEING A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF 25TH STREET; THENCE S85°40'29"W, A DISTANCE OF 152.30 FEET; THENCE N62°37'05"W, A DISTANCE OF 20.31 FEET; THENCE S76°24'31"W, A DISTANCE OF 169.46 FEET; THENCE N69°05'55"W, A DISTANCE OF 326.16 FEET; THENCE S21°42'04"W, A DISTANCE OF 79.85 FEET; THENCE N68°47'43"W, A DISTANCE OF 50.41 FEET; THENCE S22°07'05"W, A DISTANCE OF 278.16 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF CAPEHART ROAD; THENCE N66°20'41"W ALONG SAID NORTHERLY RIGHT-OF-WAY LINE OF CAPEHART ROAD, A DISTANCE OF 1784.99 FEET; THENCE N27°26'31"E, A DISTANCE OF 108.36 FEET; THENCE N62°20'39"W, A DISTANCE OF 129.17 FEET; THENCE NORTHWESTERLY ON A CURVE TO THE LEFT WITH A RADIUS OF 350.92 FEET, A DISTANCE OF 74.51 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS N68°25'36"W, A DISTANCE OF 74.37 FEET; THENCE S14°48'59"W, A DISTANCE OF 115.81 FEET TO A POINT ON SAID NORTHERLY RIGHT-OF-WAY LINE OF CAPEHART ROAD; THENCE N66°20'41"W ALONG SAID NORTHERLY RIGHT-OF-WAY LINE OF CAPEHART ROAD, A DISTANCE OF 3.63 FEET TO AN ANGLE POINT ON SAID NORTHERLY RIGHT-OF-WAY LINE OF CAPEHART ROAD; THENCE S87°03'54"W ALONG SAID NORTHERLY RIGHT-OF-WAY LINE OF CAPEHART ROAD, A DISTANCE OF 7.63 FEET TO A POINT ON THE WEST LINE OF SAID SE1/4 OF SECTION 4, SAID POINT ALSO BEING ON THE EAST LINE OF THE SW1/4 OF SAID SECTION 4; THENCE CONTINUING S87°03'54"W ALONG SAID NORTHERLY



Bd

RIGHT-OF-WAY LINE OF CAPEHART ROAD, A DISTANCE OF 2607.61 FEET TO THE POINT OF INTERSECTION OF SAID NORTHERLY RIGHT-OF-WAY LINE OF CAPEHART ROAD AND THE EASTERLY RIGHT-OF-WAY LINE OF 36TH STREET; THENCE N02°45'07"W ALONG SAID EASTERLY RIGHT-OF-WAY LINE OF 36TH STREET, A DISTANCE OF 1294.63 FEET TO A POINT ON THE NORTH LINE OF SAID SW1/4 OF SECTION 4, SAID LINE ALSO BEING THE SOUTH LINE OF THE NW1/4 OF SAID SECTION 4; THENCE N02°48'14"W ALONG SAID EASTERLY RIGHT-OF-WAY LINE OF 36TH STREET, A DISTANCE OF 1237.55 FEET TO A POINT ON THE SOUTH LINE OF TAX LOT 10B, A TAX LOT LOCATED IN SAID NW1/4 OF SECTION 4, SAID POINT ALSO BEING ON SAID EASTERLY RIGHT-OF-WAY LINE OF 36TH STREET, SAID POINT ALSO BEING ON THE NORTH LINE OF TAX LOT 10A, A TAX LOT LOCATED IN SAID NW1/4 OF SECTION 4; THENCE N87°02'21"E ALONG SAID SOUTH LINE OF TAX LOT 10B, SAID LINE ALSO BEING SAID NORTH LINE OF TAX LOT 10A, A DISTANCE OF 132.00 FEET TO THE SOUTHEAST CORNER OF SAID TAX LOT 10B, SAID POINT ALSO BEING THE NORTHEAST CORNER OF SAID TAX LOT 10A; THENCE N02°48'14"W ALONG THE EAST LINE OF SAID TAX LOT 10B, A DISTANCE OF 89.95 FEET TO THE NORTHEAST CORNER OF SAID TAX LOT 10B, SAID POINT ALSO BEING ON THE NORTH LINE OF THE SOUTH 1/2 OF SAID NW1/4 OF SECTION 4, SAID POINT ALSO BEING ON THE SOUTH LINE OF THE NORTH 1/2 OF SAID NW1/4 OF SECTION 4; THENCE EASTERLY ALONG SAID NORTH LINE OF THE SOUTH 1/2 OF THE NW1/4 OF SECTION 4, SAID LINE ALSO BEING SAID SOUTH LINE OF THE NORTH 1/2 OF THE NW1/4 OF SECTION 4, SAID LINE ALSO BEING THE SOUTH LINE OF GRANADA II, A SUBDIVISION LOCATED IN SAID NORTH 1/2 OF THE NW1/4 OF SECTION 4, ON THE FOLLOWING DESCRIBED COURSE; THENCE N87°04'50"E, A DISTANCE OF 1275.64 FEET TO THE SOUTHEAST CORNER OF SAID GRANADA II, SAID POINT ALSO BEING THE SOUTHWEST CORNER OF TRACT 151, A TRACT OF LAND LOCATED IN THE NORTH 1/2 OF SAID SECTION 4; THENCE N03°00'08"W ALONG THE EAST LINE OF SAID GRANADA II, SAID LINE ALSO BEING THE WEST LINE OF SAID TRACT 151, A DISTANCE OF 1328.58 FEET TO THE NORTHEAST CORNER OF SAID GRANADA II, SAID POINT ALSO BEING THE NORTHWEST CORNER OF SAID TRACT 151, SAID POINT ALSO BEING ON THE NORTH LINE OF SAID NW1/4 OF SECTION 4; THENCE N87°04'06"E ALONG THE NORTH LINE OF SAID TRACT 151, SAID LINE ALSO BEING SAID NORTH LINE OF THE NW1/4 OF SECTION 4, A DISTANCE OF 1193.02 FEET TO THE NORTHEAST CORNER OF SAID NW1/4 OF SECTION 4, SAID POINT ALSO BEING THE NORTHWEST CORNER OF THE NE1/4 OF SAID SECTION 4, SAID POINT ALSO BEING ON SAID NORTH LINE OF TRACT 151; THENCE N87°03'14"E ALONG THE NORTH LINE OF SAID NE1/4 OF SECTION 4, SAID LINE ALSO BEING SAID NORTH LINE OF TRACT 151, A DISTANCE OF 207.34 FEET TO THE NORTHEASTERLY CORNER OF SAID TRACT 151, SAID POINT ALSO BEING ON SAID NORTH LINE OF THE NE1/4 OF SECTION 4, SAID POINT ALSO BEING THE NORTHWEST CORNER OF PINERIDGE, A SUBDIVISION LOCATED IN THE NORTH 1/2 OF SAID NE1/4 OF SECTION 4; THENCE S02°55'23"E ALONG THE EASTERLY LINE OF SAID TRACT 151, SAID LINE ALSO BEING THE WESTERLY LINE OF SAID PINERIDGE, A DISTANCE OF 625.21 FEET TO A POINT ON SAID EASTERLY LINE

Be

OF TRACT 151, SAID POINT ALSO BEING THE SOUTHWESTERLY CORNER OF SAID PINERIDGE, SAID POINT ALSO BEING THE NORTHWEST CORNER OF TRACT 151-2, A TRACT OF LAND LOCATED IN SAID NW1/4 OF SECTION 4; THENCE N87°08'29"E ALONG THE SOUTHERLY LINE OF SAID PINERIDGE, SAID LINE ALSO BEING THE NORTH LINE OF SAID TRACT 151-2, A DISTANCE OF 895.32 FEET TO THE NORTHEAST CORNER OF SAID TRACT 151-2, SAID POINT ALSO BEING AN ANGLE POINT ON SAID SOUTHERLY LINE OF PINERIDGE; THENCE S02°38'29"E ALONG THE EAST LINE OF SAID TRACT 151-2, SAID LINE ALSO BEING SAID SOUTHERLY LINE OF PINERIDGE, A DISTANCE OF 35.33 FEET TO THE SOUTHEAST CORNER OF SAID TRACT 151-2, SAID POINT ALSO BEING AN ANGLE POINT ON SAID SOUTHERLY LINE OF PINERIDGE, SAID POINT ALSO BEING ON THE NORTHERLY LINE OF SAID TRACT 151; THENCE S02°59'31"W, A DISTANCE OF 289.68 FEET; THENCE S44°50'03"E, A DISTANCE OF 510.81 FEET; THENCE EASTERLY ON A CURVE TO THE RIGHT WITH A RADIUS OF 482.75 FEET, A DISTANCE OF 362.88 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS N69°19'20"E, A DISTANCE OF 354.40 FEET; THENCE S89°08'36"E, A DISTANCE OF 122.34 FEET; THENCE SOUTHEASTERLY ON A CURVE TO THE RIGHT WITH A RADIUS OF 1742.40 FEET, A DISTANCE OF 259.88 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS S84°52'13"E, A DISTANCE OF 259.64 FEET; THENCE S80°35'51"E, A DISTANCE OF 175.24 FEET; THENCE EASTERLY ON A CURVE TO THE LEFT WITH A RADIUS OF 1165.36 FEET, A DISTANCE OF 227.84 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS S86°11'54"E, A DISTANCE OF 227.48 FEET; THENCE N02°51'37"W, A DISTANCE OF 71.31 FEET; THENCE N87°08'23"E, A DISTANCE OF 81.26 FEET TO A POINT ON SAID WESTERLY RIGHT-OF-WAY LINE OF 25TH STREET; THENCE S02°51'37"E ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF 25TH STREET, A DISTANCE OF 132.82 FEET; THENCE S88°12'02"W, A DISTANCE OF 82.39 FEET; THENCE NORTHWESTERLY ON A CURVE TO THE RIGHT WITH A RADIUS OF 1225.36 FEET, A DISTANCE OF 203.42 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS N87°02'37"W, A DISTANCE OF 203.18 FEET; THENCE S16°19'10"W, A DISTANCE OF 125.69 FEET TO A POINT; THENCE S10°34'47"W, A DISTANCE OF 150.36 FEET; THENCE S87°06'50"W, A DISTANCE OF 138.71 FEET; THENCE S07°28'08"E, A DISTANCE OF 128.52 FEET; THENCE S02°19'38"E, A DISTANCE OF 147.71 FEET; THENCE S23°55'37"W, A DISTANCE OF 290.06 FEET; THENCE EASTERLY ON A CURVE TO THE LEFT WITH A RADIUS OF 2127.62 FEET, A DISTANCE OF 111.03 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS S87°28'01"E, A DISTANCE OF 111.02 FEET; THENCE EASTERLY ON A CURVE TO THE LEFT WITH A RADIUS OF 1968.76 FEET, A DISTANCE OF 149.77 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS N88°51'32"E, A DISTANCE OF 149.73 FEET; THENCE NORTHEASTERLY ON A CURVE TO THE LEFT WITH A RADIUS OF 556.51 FEET, A DISTANCE OF 93.60 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS N81°51'41"E, A DISTANCE OF 93.49 FEET; THENCE N77°02'35"E, A DISTANCE OF 33.12 FEET; THENCE EASTERLY ON A CURVE TO THE RIGHT WITH A RADIUS OF 1090.34 FEET, A DISTANCE OF 199.84 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS N82°17'37"E, A DISTANCE OF 199.56 FEET; THENCE N87°32'39"E, A DISTANCE OF 36.50 FEET

BF

TO A POINT ON SAID WESTERLY RIGHT-OF-WAY LINE OF 25TH STREET, SAID POINT ALSO BEING ON THE EAST LINE OF TRACT 150, A TRACT OF LAND LOCATED IN SAID NE1/4 OF SECTION 4; THENCE S02°51'37"E ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF 25TH STREET, SAID LINE ALSO BEING SAID EASTERLY LINE OF SAID TRACT 150, A DISTANCE OF 505.55 FEET TO THE SOUTHEAST CORNER OF SAID TRACT 150, SAID POINT ALSO BEING ON THE SOUTH LINE OF SAID NE1/4 OF SECTION 4, SAID POINT ALSO BEING ON THE NORTH LINE OF SAID SE1/4 OF SECTION 4; THENCE S03°04'10"E ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF 25TH STREET, A DISTANCE OF 1798.63 FEET TO AN ANGLE POINT ON SAID WESTERLY RIGHT-OF-WAY LINE OF 25TH STREET; THENCE S86°55'50"W ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF 25TH STREET, A DISTANCE OF 12.00 FEET TO AN ANGLE POINT ON SAID WESTERLY RIGHT-OF-WAY LINE OF 25TH STREET; THENCE S03°04'10"E, A DISTANCE OF 175.72 FEET TO THE POINT OF BEGINNING.

**EXCEPTING THEREFROM THE FOLLOWING THREE TRACTS OF LAND:**

**EXCEPTION-1: CAPEHART GOVERNMENT RETAINED AREA 1**

A TRACT OF LAND LOCATED IN THE NE1/4 OF THE SW1/4 OF SECTION 4, TOWNSHIP 13 NORTH, RANGE 13 EAST OF THE 6TH P.M., SARPY COUNTY NEBRASKA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID NE1/4 OF THE SW1/4 OF SECTION 4, SAID POINT ALSO BEING THE NORTHEAST CORNER OF THE SE1/4 OF THE SW1/4 OF SAID SECTION 4, SAID POINT ALSO BEING THE EAST 1/4 CORNER OF SAID SW1/4 OF SECTION 4; THENCE N02°57'15"W (ASSUMED BEARING) ALONG THE EAST LINE OF SAID NE1/4 OF THE SW1/4 OF SECTION 4, SAID LINE ALSO BEING THE WEST LINE OF SAID NW1/4 OF THE SE1/4 OF SECTION 4, A DISTANCE OF 220.25 FEET; THENCE S87°02'45"W, A DISTANCE OF 99.30 FEET TO THE POINT OF BEGINNING; THENCE S86°49'32"W, A DISTANCE OF 734.79 FEET; THENCE N03°09'29"W, A DISTANCE OF 72.70 FEET; THENCE NORTHEASTERLY ON A CURVE TO THE RIGHT WITH A RADIUS OF 786.50 FEET, A DISTANCE OF 205.91 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS N04°20'30"E, A DISTANCE OF 205.33 FEET; THENCE S78°10'43"E, A DISTANCE OF 97.53 FEET; THENCE N11°50'29"E, A DISTANCE OF 395.70 FEET; THENCE NORTHERLY ON A CURVE TO THE LEFT WITH A RADIUS OF 990.00 FEET, A DISTANCE OF 183.23 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS N06°32'25"E, A DISTANCE OF 182.97 FEET; THENCE N02°52'49"W, A DISTANCE OF 20.00 FEET; THENCE N87°06'12"E, A DISTANCE OF 89.23 FEET; THENCE EASTERLY ON A CURVE TO THE RIGHT WITH A RADIUS OF 825.29 FEET, A DISTANCE OF 60.85 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS N89°12'49"E, A DISTANCE OF 60.84 FEET; THENCE S84°08'47"E, A DISTANCE OF 132.78 FEET; THENCE S78°10'43"E, A DISTANCE OF 80.02 FEET; THENCE SOUTHERLY ON A CURVE TO THE LEFT WITH A RADIUS OF 629.01 FEET, A DISTANCE OF 329.35 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS S02°58'47"E, A DISTANCE OF 325.60 FEET; THENCE S18°11'25"E,

Bg

A DISTANCE OF 25.96 FEET; THENCE SOUTHEASTERLY ON A CURVE TO THE RIGHT WITH A RADIUS OF 534.64 FEET, A DISTANCE OF 139.97 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS S10°41'27"E, A DISTANCE OF 139.58 FEET; THENCE S03°11'27"E, A DISTANCE OF 65.00 FEET; THENCE N86°49'32"E, A DISTANCE OF 97.53 FEET; THENCE S03°15'31"E, A DISTANCE OF 235.00 FEET TO THE POINT OF BEGINNING.

**EXCEPTION-2: PART OF CAPEHART GOVERNMENT RETAINED AREA 2**

A TRACT OF LAND LOCATED IN THE SE1/4 OF SECTION 4, TOWNSHIP 13 NORTH, RANGE 13 EAST OF THE 6TH P.M., SARPY COUNTY, NEBRASKA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST 1/4 CORNER OF SAID SE1/4 OF SECTION 4, SAID POINT ALSO BEING THE EAST 1/4 CORNER OF THE SW1/4 OF SAID SECTION 4; THENCE N02°57'15"W (ASSUMED BEARING) ALONG THE WEST LINE OF SAID SE1/4 OF SECTION 4, SAID LINE ALSO BEING THE EAST LINE OF SAID OF SAID SW1/4 OF SECTION 4, A DISTANCE OF 171.38 FEET; THENCE N87°02'45"E, A DISTANCE OF 106.42 FEET TO THE POINT OF BEGINNING; THENCE N25°13'35"E, A DISTANCE OF 72.86 FEET; THENCE S64°46'25"E, A DISTANCE OF 60.29 FEET; THENCE S25°13'35"W, A DISTANCE OF 73.69 FEET; THENCE N62°20'39"W, A DISTANCE OF 23.05 FEET; THENCE NORTHWESTERLY ON A CURVE TO THE LEFT WITH A RADIUS OF 400.92 FEET, A DISTANCE OF 37.27 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS N65°00'27"W, A DISTANCE OF 37.26 FEET TO THE POINT OF BEGINNING.

SAID PART OF SECTION 4, EXCLUDING SAID EXCEPTIONS, CONTAINS A RESULTING AREA OF 16,793,643 SQUARE FEET OR 385.529 ACRES, MORE OR LESS.

**EXCEPTION -3: CAPEHART GOVERNMENT PARCEL B1/B2**

RELEASE PART OF CAPEHART PARCEL "B-1 / B-2" (RELEASE PARCEL)

A TRACT OF LAND LOCATED IN THE NE1/4 OF SECTION 4, TOWNSHIP 13 NORTH, RANGE 13 EAST OF THE 6TH P.M., SARPY COUNTY, NEBRASKA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID NE1/4 OF SECTION 4; THENCE S87°06'20"W (ASSUMED BEARING) ALONG THE SOUTH LINE OF SAID NE1/4 OF SECTION 4, A DISTANCE OF 33.00 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF 25TH STREET SAID POINT ALSO BEING THE POINT OF BEGINNING: THENCE CONTINUING S87°06'20"W ALONG SAID SOUTH LINE OF THE NE1/4 OF SECTION 4, A DISTANCE OF 345.30 FEET; THENCE N02°51'11"W, A DISTANCE OF 423.11 FEET; THENCE NORTHEASTERLY ON A CURVE TO THE LEFT WITH A RADIUS OF 608.51 FEET, A DISTANCE OF 86.96 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS N81°08'13"E, A

Bh

DISTANCE OF 86.88 FEET; THENCE N77°02'35"E, A DISTANCE OF 33.12 FEET; THENCE EASTERLY ON A CURVE TO THE RIGHT WITH A RADIUS OF 1038.34 FEET, A DISTANCE OF 190.30 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS N82°17'37"E, A DISTANCE OF 190.04 FEET; THENCE N87°32'39"E, A DISTANCE OF 36.87 FEET TO A POINT ON SAID WESTERLY RIGHT-OF-WAY LINE OF 25TH STREET; THENCE S02°51'37"E ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF 25TH STREET, A DISTANCE OF 453.55 FEET TO THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS AN AREA OF 152,773 SQUARE FEET OR 3.507 ACRES, MORE OR LESS.

PROJECT #2000141.01  
DATE: 08/07/2002 REVISED: 09/01/2005  
E & A CONSULTING GROUP, INC.  
12001 "Q" STREET  
OMAHA, NEBRASKA 68137

**CAPEHART PARCEL "B-3"**  
(THE SOUTH 1/2 OF THE SW1/4 OF SECTION 4, T13N, R13E)

A TRACT OF LAND LOCATED IN THE SOUTH 1/2 OF THE SW1/4 OF SECTION 4, TOWNSHIP 13 NORTH, RANGE 13 EAST OF THE 6TH P.M., SARPY COUNTY, NEBRASKA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THE SW1/4 OF SAID SECTION 4; THENCE S87°01'45"W (ASSUMED BEARING) ALONG THE SOUTH LINE OF SAID SOUTH 1/2 OF THE SW1/4 OF SECTION 4, A DISTANCE OF 2537.42 FEET; THENCE N02°45'06"W, A DISTANCE OF 75.00 FEET; THENCE S87°01'45"W, A DISTANCE OF 75.00 FEET TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF 36TH STREET; THENCE N02°45'06"W ALONG SAID EAST RIGHT-OF-WAY LINE OF 36TH STREET, A DISTANCE OF 1219.63 FEET TO THE POINT OF INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE OF 36TH STREET AND THE SOUTHERLY RIGHT-OF-WAY LINE OF CAPEHART ROAD; THENCE N87°04'02"E ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF CAPEHART ROAD, A DISTANCE OF 2600.06 FEET; THENCE S66°20'41"E ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF CAPEHART ROAD, A DISTANCE OF 8.70 FEET TO A POINT ON THE EAST LINE OF SAID SOUTH 1/2 OF THE SW1/4 OF SECTION 4, SAID POINT ALSO BEING ON THE WEST LINE OF THE SE1/4 OF SAID SECTION 4, SAID POINT ALSO BEING ON SAID SOUTHERLY RIGHT-OF-WAY LINE OF CAPEHART ROAD; THENCE S66°20'41"E ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF CAPEHART ROAD, A DISTANCE OF 230.18 FEET; THENCE S23°39'19"W, A DISTANCE OF 42.90 FEET TO A POINT ON THE NORTHERLY LINE OF LOT 1, SOUTHDALE, A

Bi

SUBDIVISION LOCATED IN THE SOUTH 1/2 OF SAID SECTION 4; THENCE N62°36'08"W ALONG SAID NORTHERLY LINE OF LOT 1, SOUTHDALE, A DISTANCE OF 5.40 FEET TO A POINT ON SAID NORTHERLY LINE OF LOT 1, SOUTHDALE; THENCE S24°22'49"W ALONG SAID NORTHERLY LINE OF LOT 1, SOUTHDALE, A DISTANCE OF 75.65 FEET TO THE NORTHEAST CORNER OF LOT 2, SOUTHDALE; THENCE S86°53'50"W ALONG SAID NORTH LINE OF LOT 2, SOUTHDALE, A DISTANCE OF 147.19 FEET TO A POINT ON SAID WEST LINE OF THE SW1/4 OF THE SE1/4 OF SECTION 4, SAID POINT ALSO BEING ON SAID NORTH LINE OF LOT 2, SOUTHDALE, SAID POINT ALSO BEING ON SAID EAST LINE OF THE SOUTH 1/2 OF THE SW 1/4 OF SECTION 4; THENCE S86°53'50"W ALONG SAID NORTH LINE OF LOT 2, SOUTHDALE, A DISTANCE OF 2.81 FEET TO THE NORTHWEST CORNER OF SAID LOT 2, SOUTHDALE; THENCE S03°06'11"E ALONG THE WEST LINE OF SAID LOT 2, SOUTHDALE AND THE WEST LINE OF LOT 3B, SOUTHDALE, A DISTANCE OF 1082.67 FEET TO THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS AN AREA OF 3,398,425 SQUARE FEET OR 78.017 ACRES, MORE OR LESS.

PROJECT # 2000141.01  
DATE: 09/13/2005  
E&A CONSULTING GROUP, INC.  
12001 Q STREET  
OMAHA, NE 68137

**CAPEHART PARCEL "B-4"**  
(LIFT STATION 1000)

A TRACT OF LAND LOCATED IN THE SW1/4 OF SECTION 3, TOWNSHIP 13 NORTH, RANGE 13 EAST OF THE 6TH P.M. SARPY COUNTY NEBRASKA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SW1/4 OF SECTION 3; THENCE S85°55'58"W (ASSUMED BEARING) ALONG THE SOUTH LINE OF SAID SW1/4 OF SECTION 3, SAID LINE ALSO BEING THE NORTH LINE OF THE NW1/4 OF SECTION 10, A DISTANCE OF 138.67 FEET; THENCE N04°03'53"W, A DISTANCE 105.89 FEET TO THE POINT OF BEGINNING; THENCE S85°56'07"W, A DISTANCE OF 50.00 FEET; THENCE N04°03'53"W, A DISTANCE OF 50.00 FEET; THENCE N85°56'07"E, A DISTANCE OF 50.00 FEET; THENCE S04°03'53"E, A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS AN AREA OF 2,500 SQUARE FEET OR 0.057 ACRES, MORE OR LESS.

2000141.01

Bj

10/11/02 (EAS)  
E&A CONSULTING GROUP  
12001 "Q" STREET  
OMAHA NE, 98137

**CAPEHART PARCEL "B-5"**  
(PT SEC 3-13-13)

A TRACT OF LAND LOCATED IN THE SW1/4 OF SECTION 3, TOWNSHIP 13 NORTH, RANGE 13 EAST OF THE 6TH P.M., SARPY COUNTY, NEBRASKA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 3; THENCE N03°04'10"W (ASSUMED BEARING) ALONG THE WEST LINE OF SAID SW1/4 OF SECTION 3, A DISTANCE OF 189.35 FEET; THENCE N86°55'50"E, A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING, SAID POINT ALSO BEING THE POINT OF INTERSECTION OF THE EASTERLY RIGHT-OF-WAY LINE OF 25TH STREET AND THE NORTHERLY RIGHT-OF-WAY LINE OF CAPEHART ROAD; THENCE N03°04'10"W ALONG SAID EASTERLY RIGHT-OF-WAY LINE OF 25TH STREET, A DISTANCE OF 525.52 FEET; THENCE N86°55'46"E, A DISTANCE OF 466.99 FEET; THENCE N03°03'48"W, A DISTANCE OF 220.31 FEET; THENCE NORTHEASTERLY ON A CURVE TO THE RIGHT WITH A RADIUS OF 443.06 FEET, A DISTANCE OF 228.75 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS N11°43'21"E, A DISTANCE OF 226.22 FEET TO A POINT ON THE SOUTHERLY LINE OF PARCEL K, A PARCEL LOCATED IN SAID SW1/4 OF SECTION 3; THENCE N53°44'42"W ALONG SAID SOUTHERLY LINE OF PARCEL K, A DISTANCE OF 143.83 FEET; THENCE NORTHWESTERLY ON A CURVE TO THE LEFT WITH A RADIUS OF 192.66 FEET, A DISTANCE OF 107.93 FEET, SAID CURVE HAVING A LONG CHORD WHICH BEARS N69°47'43"W, A DISTANCE OF 106.52 FEET; THENCE N85°50'45"W, A DISTANCE OF 335.32 FEET TO A POINT ON SAID EASTERLY RIGHT-OF-WAY LINE OF 25TH STREET; THENCE N03°04'10"W ALONG SAID EASTERLY RIGHT-OF-WAY LINE OF 25TH STREET, A DISTANCE OF 1235.92 FEET; THENCE N83°06'29"E, A DISTANCE OF 396.44 FEET; THENCE S75°36'32"E, A DISTANCE OF 133.61 FEET; THENCE S76°58'46"E, A DISTANCE OF 163.58 FEET; THENCE N24°29'24"E, A DISTANCE OF 15.20 FEET; THENCE S65°30'36"E, A DISTANCE OF 18.20 FEET; THENCE S24°29'24"W, A DISTANCE OF 14.69 FEET; THENCE S73°15'56"W, A DISTANCE OF 29.88 FEET; THENCE S62°11'25"E, A DISTANCE OF 729.53 FEET; THENCE S41°07'43"E, A DISTANCE OF 202.60 FEET; THENCE S14°37'33"E, A DISTANCE OF 264.97 FEET; THENCE S22°55'38"W, A DISTANCE OF 701.52 FEET; THENCE S26°51'08"E, A DISTANCE OF 165.99 FEET; THENCE S11°33'54"E, A DISTANCE OF 99.70 FEET; THENCE S06°03'31"E, A DISTANCE OF 86.12 FEET; THENCE S35°32'34"W, A DISTANCE OF 278.51 FEET; THENCE S04°28'31"E, A DISTANCE OF 422.27 FEET TO A POINT ON SAID NORTHERLY RIGHT-OF-WAY LINE OF CAPEHART ROAD; THENCE N87°55'13"W ALONG SAID NORTHERLY RIGHT-OF-WAY LINE OF CAPEHART ROAD, A

BK

DISTANCE OF 667.19 FEET; THENCE N03°04'10"W, A DISTANCE OF 60.24 FEET; THENCE N87°55'13"W, A DISTANCE OF 54.41 FEET; THENCE S03°04'10"E, A DISTANCE OF 60.24 FEET TO A POINT ON SAID NORTHERLY RIGHT-OF-WAY LINE OF CAPEHART ROAD; THENCE N87°55'13"W ALONG SAID NORTHERLY RIGHT-OF-WAY LINE OF CAPEHART ROAD, A DISTANCE OF 409.97 FEET TO THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS AN AREA OF 2,745,668 SQUARE FEET OR 63.03 ACRES, MORE OR LESS.

PROJECT # 2000141.01  
DATE: 09/07/2005  
E&A CONSULTING GROUP, INC.  
12001 Q STREET  
OMAHA, NE 68137

#### **HISTORICAL HOUSING PARCEL "C-1"**

A tract of land located in the SW 1/4 of Section 2, Township 13 North, Range 13 East of the 6th P.M., Sarpy County, Nebraska, more particularly described as follows:

Commencing at the Southwest corner of said Section 2; thence N87°48'44"E (assumed bearing) along the South line of said Section 2, a distance of 786.26 feet; thence N02°11'16"W, a distance of 1226.98 feet to the point of beginning; thence N58°24'02"W, a distance of 43.56 feet; thence Northwesterly on a curve to the right with a radius of 280.00 feet, a distance of 68.87 feet, said curve having a long chord which bears N51°21'16"W, a distance of 68.70 feet; thence N44°18'29"W, a distance of 41.40 feet; thence S53°58'48"W, a distance of 23.09 feet; thence Northwesterly on a curve to the left with a radius of 200.00 feet, a distance of 50.22 feet, said curve having a long chord which bears N59°27'44"W, a distance of 50.09 feet; thence N66°39'21"W, a distance of 53.39 feet; thence Westerly on a curve to the left with a radius of 215.00 feet, a distance of 89.45 feet, said curve having a long chord which bears N78°34'29"W, a distance of 88.81 feet; thence N03°37'57"W, a distance of 211.94 feet; thence Northerly on a curve to the right with a radius of 1650.00 feet, a distance of 114.02 feet, said curve having a long chord which bears N01°39'11"W, a distance of 113.99 feet; thence N00°19'36"E, a distance of 121.43 feet; thence S89°27'53"E, a distance of 17.90 feet; thence Southerly on a curve to the right with a radius of 5.00 feet, a distance of 7.85 feet, said curve having a long chord which bears S44°27'53"E, a distance of 7.07 feet; thence S89°27'53"E, a distance of 25.50 feet; thence Easterly on a curve to the right with a radius of 5.00 feet, a distance of 7.85 feet, said curve having a long chord which bears N45°32'07"E, a distance of 7.07 feet; thence S89°27'53"E, a distance of 12.58 feet; thence N00°32'07"E, a distance of 148.93 feet; thence S67°33'56"E, a distance of 25.23 feet; thence N22°26'04"E, a distance of 12.58 feet; thence Southeasterly on a curve to the right with a radius of 5.00 feet, a distance of 7.85 feet, said curve having a long chord which bears N67°26'04"E, a distance of 7.07 feet;



B1

thence N22°26'04"E, a distance of 26.00 feet; thence N89°26'04"E, a distance of 35.43 feet; thence N22°26'04"E, a distance of 152.50 feet; thence S67°33'56"E, a distance of 82.50 feet; thence N55°16'25"E, a distance of 28.47 feet; thence N29°26'04"E, a distance of 47.50 feet; thence S68°03'56"E, a distance of 70.00 feet; thence N26°42'04"E, a distance of 34.90 feet; thence Northwesterly on a curve to the left with a radius of 14.00 feet, a distance of 12.89 feet, said curve having a long chord which bears N00°18'53"E, a distance of 12.44 feet; thence S38°42'49"E, a distance of 145.37 feet; thence Southwesterly on a curve to the right with a radius of 32.00 feet, a distance of 34.90 feet, said curve having a long chord which bears S07°28'01"E, a distance of 33.20 feet; thence Southwesterly on a curve to the left with a radius of 5434.50 feet, a distance of 248.48 feet, said curve having a long chord which bears S22°28'12"W, a distance of 248.46 feet; thence S21°09'37"W, a distance of 70.35 feet; thence Southerly on a curve to the left with a radius of 824.50 feet, a distance of 321.64 feet, said curve having a long chord which bears S09°59'04"W, a distance of 319.61 feet; thence Southerly on a curve to the right with a radius of 26534.50 feet, a distance of 198.54 feet, said curve having a long chord which bears S01°24'20"E, a distance of 198.54 feet to the point of beginning.

Said tract of land contains an area of 283,890 square feet or 6.517 acres, more or less.

#2000141.03jaf  
 04/20/2004  
 E & A CONSULTING GROUP, INC.  
 12201 "Q" STREET  
 OMAHA, NEBRASKA 68137

**HISTORICAL HOUSING PARCEL "C-2"**

A tract of land located in the West 1/2 of Section 2, Township 13 North, Range 13 East of the 6th P.M., Sarpy County, Nebraska, more particularly described as follows:

Commencing at the Southwest corner of said Section 2; thence N87°48'44"E (assumed bearing) along the South line of said Section 2, a distance of 1117.56 feet; thence N02°11'16"W, a distance of 2277.43 feet to the point of beginning; thence N63°43'23"W, a distance of 140.52 feet; thence N38°31'26"W, a distance of 21.79 feet; thence Northwesterly on a curve to the right with a radius of 17.50 feet, a distance of 9.97 feet, said curve having a long chord which bears N22°12'21"W, a distance of 9.83 feet; thence S84°06'45"W, a distance of 6.82 feet; thence S05°53'15"E, a distance of 2.87 feet; thence Northwesterly on a curve to the right with a radius of 3.20 feet, a distance of 4.21 feet, said curve having a long chord which bears N58°14'03"W, a distance of 3.91 feet; thence Northwesterly on a curve to the left with a radius of 9.00 feet, a distance of 5.75 feet, said curve having a long chord which bears N38°53'41"W, a distance of 5.66 feet; thence N57°12'31"W, a distance of 30.38 feet; thence N28°48'29"E, a distance of 176.82 feet; thence Northeasterly on a curve to the left with a radius of 1534.50 feet, a distance of 349.93 feet, said curve having a long chord which

bears N59°14'43"E, a distance of 349.17 feet; thence Northeasterly on a curve to the left with a radius of 614.50 feet, a distance of 70.26 feet, said curve having a long chord which bears N49°26'13"E, a distance of 70.22 feet; thence Southwesterly on a curve to the right with a radius of 10.90 feet, a distance of 32.12 feet, said curve having a long chord which bears S49°24'54"E, a distance of 21.70 feet; thence Southwesterly on a curve to the left with a radius of 2604.50 feet, a distance of 255.72 feet, said curve having a long chord which bears S32°11'43"W, a distance of 255.62 feet; thence Southwesterly on a curve to the left with a radius of 6304.50 feet, a distance of 290.63 feet, said curve having a long chord which bears S28°03'43"W, a distance of 290.61 feet to the point of beginning.

Said tract of land contains an area of 74,893 square feet or 1.719 acres, more or less.

#2000141.03jaf  
 04/15/2004  
 E & A CONSULTING GROUP, INC.  
 12201 "Q" STREET  
 OMAHA, NEBRASKA 68137

#### **HISTORICAL HOUSING PARCEL "C-3"**

A tract of land located in the West 1/2 of Section 2, Township 13 North, Range 13 East of the 6th P.M., Sarpy County, Nebraska, more particularly described as follows:

Commencing at the Southwest corner of said Section 2; thence N87°48'44"E (assumed bearing) along the South line of said Section 2, a distance of 1441.42 feet; thence N02°11'16"W, a distance of 2827.17 feet to the point of beginning; thence S57°00'18"W, a distance of 37.60 feet; thence S46°06'54"W, a distance of 47.75 feet; thence Southwesterly on a curve to the right with a radius of 585.50 feet, a distance of 67.42 feet, said curve having a long chord which bears S49°24'49"W, a distance of 67.38 feet; thence Southwesterly on a curve to the right with a radius of 1505.50 feet, a distance of 256.84 feet, said curve having a long chord which bears S57°35'59"W, a distance of 256.53 feet; thence N13°10'16"W, a distance of 85.28 feet; thence Northeasterly on a curve to the right with a radius of 95.50 feet, a distance of 64.90 feet, said curve having a long chord which bears N06°17'54"E, a distance of 63.66 feet; thence N38°24'49"W, a distance of 45.60 feet; thence N02°03'07"E, a distance of 56.99 feet; thence N36°31'32"E, a distance of 77.20 feet; thence Northeasterly on a curve to the right with a radius of 240.50 feet, a distance of 43.03 feet, said curve having a long chord which bears N41°39'06"E, a distance of 42.98 feet; thence N46°46'39"E, a distance of 94.04 feet; thence S55°37'34"E, a distance of 115.23 feet; thence S56°49'58"E, a distance of 95.31 feet; thence S50°10'13"E, a distance of 71.01 feet to the point of beginning.

Said tract of land contains an area of 79,788 square feet or 1.832 acres, more or less.

#2000141.03jaf

Bn

04/15/2004 Revised: 10/15/2004  
E & A CONSULTING GROUP, INC.  
12201 "Q" STREET  
OMAHA, NEBRASKA 68137

**HISTORICAL HOUSING PARCEL "D"**

A tract of land located in the SW 1/4 of Section 2, Township 13 North, Range 13 East of the 6th P.M., Sarpy County, Nebraska, more particularly described as follows:

Commencing at the Southwest corner of said Section 2; thence N87°48'44"E (assumed bearing) along the South line of said Section 2, a distance of 1899.95 feet; thence N02°11'16"W, a distance of 497.19 feet to the point of beginning; thence Northwesterly on a curve to the right with a radius of 35.50 feet, a distance of 21.42 feet, said curve having a long chord which bears N73°54'10"W, a distance of 21.09 feet; thence Northerly on a curve to the right with a radius of 23.50 feet, a distance of 22.58 feet, said curve having a long chord which bears N29°05'25"W, a distance of 21.72 feet; thence N01°33'39"W, a distance of 468.96 feet; thence Northeasterly on a curve to the right with a radius of 685.50 feet, a distance of 168.42 feet, said curve having a long chord which bears N05°28'40"E, a distance of 168.00 feet; thence N12°30'59"E, a distance of 34.14 feet; thence N02°20'33"E, a distance of 34.56 feet; thence Northeasterly on a curve to the right with a radius of 36.50 feet, a distance of 25.33 feet, said curve having a long chord which bears N22°13'30"E, a distance of 24.83 feet; thence Northeasterly on a curve to the right with a radius of 94.50 feet, a distance of 48.98 feet, said curve having a long chord which bears N56°57'25"E, a distance of 48.44 feet; thence Southeasterly on a curve to the right with a radius of 48.00 feet, a distance of 60.19 feet, said curve having a long chord which bears S72°16'05"E, a distance of 56.33 feet; thence Southeasterly on a curve to the right with a radius of 149.50 feet, a distance of 23.84 feet, said curve having a long chord which bears S31°46'28"E, a distance of 23.81 feet; thence S27°12'24"E, a distance of 52.99 feet; thence Southerly on a curve to the right with a radius of 179.50 feet, a distance of 79.44 feet, said curve having a long chord which bears S14°31'44"E, a distance of 78.79 feet; thence S01°51'04"E, a distance of 85.97 feet; thence S59°36'53"W, a distance of 19.03 feet; thence S01°23'07"E, a distance of 322.32 feet; thence N89°36'53"E, a distance of 19.35 feet; thence S01°51'04"E, a distance of 162.68 feet; thence S02°46'12"W, a distance of 10.96 feet; thence Westerly on a curve to the right with a radius of 24.50 feet, a distance of 36.79 feet, said curve having a long chord which bears S45°47'32"W, a distance of 33.43 feet; thence S88°48'52"W, a distance of 135.71 feet to the point of beginning.

Said tract of land contains an area of 131,988 square feet or 3.030 acres, more or less.

#2000141.03jaf  
04/15/2004  
E & A CONSULTING GROUP, INC.

Bo

12201 "Q" STREET  
OMAHA, NEBRASKA 68137

Bp

## EXHIBIT B

### MILITARY HOUSING RIDER TO SECURITY INSTRUMENT

#### (DoD Direct Loan)

This Rider is attached to and incorporated into the foregoing Multifamily Deed of Trust, Assignment of Rents and Security Agreement (the "Instrument") dated as of December 17, 2008, from Offutt AFB America First Communities, LLC (the "Borrower") to the United States of America, acting by and through the Secretary of the Air Force (the "Lender"), and this Rider amends, modifies, and supplements the Instrument and to the extent of any conflict between the Instrument and this Rider, the provisions of this Rider shall govern.

#### 1. Definitions

Capitalized terms which are not defined below in Section 1 of this Rider or elsewhere in the body of this Rider shall have the meanings set forth in the Instrument and the Government Documents.

"Additional Bonds" means any additional bonds approved by the Government and issued by the Borrower pursuant to the Trust Indenture for the purpose of financing the Project.

"Bond Documents" means the Bonds, the Trust Indenture, the Mortgage, the Leases Assignment, the Contracts Assignment, the Bond Purchase Agreement, the Control and Sweep Agreement, the Limited Offering Memorandum, the Payment and Performance Bond, and all other agreements, certificates and documents executed from time to time by the Project Owner in connection with the issuance, offering, sale and delivery of the Bonds.

"Bonds" means, collectively, (a) Offutt AFB America First Communities, LLC Taxable Military Housing Revenue Bonds, Series A in the aggregate principal amount of \$110,790,000.00 issued by Borrower, and (b) Offutt AFB America First Communities, LLC Taxable Military Housing Revenue Bonds, Series B in the aggregate principal amount of \$27,650,000.00, and (b) any Additional Bonds.

"Borrower Application" means the Borrower Application Form dated as of August 10, 2005 submitted to the Government by Borrower.

"Construction Contracts" means those certain construction contracts between the Borrower and Contractor related to the construction of the Project.

"Credit Enhancer" means any entity that issues a Credit Facility. The initial Credit Enhancer is Syncora Guarantee Inc., a New York Stock Insurance Company.

"Credit Enhancer Documents" means any agreements, certificates and documents executed from time to time by the Borrower in connection with the issuance of

Bq

any financial guaranty insurance policy or other Credit Facility (including any endorsements thereto), including a Debt Service Reserve Policy, guaranteeing the scheduled payment of principal of and interest on any of the Bonds when due.

“Forward Commitment” means the Forward Commitment for the loan from Lender to Borrower in the principal amount of \$72,605,000.00 (the “Direct Loan”) dated as of September 15, 2005, from the Government and accepted and agreed to by the Borrower, and acknowledged and agreed to by the Trustee, the Bondholder Representative and the Credit Enhancer, as amended and supplemented from time to time.

“Government” means the United States of America, acting by and through the Secretary of the Air Force.

“Government Documents” means, collectively, this Agreement, the Government Lease, the Quitclaim Deed, the Intercreditor Agreement, the Lockbox Agreement, the Agreement to Share Proceeds, the Forward Commitment and any other agreements other than the Government Loan Documents entered into by the Government and the Project Owner in connection with the Project.

“Government Loan Documents” means the Government Note, the Instrument, Government Guaranty and all other documents executed in connection with the Direct Loan.

“Lease of Property” means the Department of the Air Force Lease of Property by and between the Government and the Borrower, dated as of September 15, 2005, as amended and modified from time to time.

“Intercreditor Agreement” means the Intercreditor Agreement to be entered into among the Government, the Trustee (acting upon the direction of the Bondholder Representative), the Credit Enhancer, and the Borrower, as may be amended and modified from time to time.

“Phase One Tranche” means the initial draw of \$47,190,000 on the Direct Loan which shall occur pursuant to a request for funding submitted by the Borrower subsequent to the completion of (i) the construction of 183 new housing units, and (ii) the renovation of 167 housing units, which shall be on or about December 1, 2008.

“Phase Two Tranche” means the second draw of \$25,415,000 on the Direct Loan which shall occur pursuant to a request for funding submitted by the Borrower subsequent to the completion of (i) the construction of a total of 295 new housing units (including the housing units constructed in connection with the Phase One Tranche) and (ii) the renovation of a total of 231 housing units (including the housing units renovated in connection with the Phase One Tranche), which shall occur on or about December 1, 2009.

“Project” means a privately owned rental housing development consisting of improvements located or to be located on the Land, as described in and required to be designed, constructed, operated, maintained, demolished, replaced, and rehabilitated in accordance with the Project Documents.

“Project Documents” means the Government Documents and all other agreements entered into by the Borrower (other than the Bond Documents and the Government Loan Documents) in connection with the Project, including the Construction Contracts, the Property Management Agreement, and any service contracts.

“Project Owner” means the Borrower.

“Property Management Agreement” means that certain Property Management Agreement dated as of September 15, 2005 between the Management Company and the Borrower, and any and all other management agreements between the Borrower and any other Person approved by the Government relating to the rendering of development, leasing, maintenance, or management services in connection with the operation, maintenance, and management of the Project.

“Trustee” means U.S. Bank National Association, a national banking association, and its successors or assigns which are approved by the Government, as provided in Condition 22 of the Lease of Property, and, to the extent required to maintain the then current rating on the Bonds, approved by each rating agency then rating the Bonds.

“Trust Indenture” means the Trust Indenture dated as of September 1, 2005 between the Borrower and Trustee, pursuant to which the Bonds are issued. Should a lender make a loan pursuant to a loan agreement or other security agreement to the Borrower to facilitate the refinancing of the Bonds, such loan agreement or other security agreement shall be deemed to be the Trust Indenture under this Agreement.

## **2. Approval of and Subordination to Bonds**

- a. Notwithstanding any other provisions of the Instrument to the contrary, the Lender, for itself and its successors and assigns, hereby approves the execution and delivery by the Borrower of the Bonds including without limitation, the grant by the Borrower to the Trustee of an assignment of rents and leases which is prior to the assignment of rents and leases granted by Borrower to Lender under the Instrument. Lender further acknowledges and agrees that its rights and remedies under the Note and the Instrument are subordinate and subject to the rights of the Trustee under the Bond Documents and the Credit Enhancer under the Credit Enhancer Documents in accordance with the Intercreditor Agreement.
- b. The Borrower covenants and agrees to timely comply with all of the terms and conditions of the Bond Documents and the Credit Enhancer Documents, including specifically, but without limitation, to pay all sums

due under the Bond Documents and the Credit Enhancer Documents as and when due. The Borrower further agrees that any and all defaults under the Bond Documents and the Credit Enhancer Documents shall constitute and be defaults under Instruments entitling the holder to exercise any and all remedies, which it may have under the Instrument and/or applicable law.

**3. Payment of Indebtedness.**

Notwithstanding any other provisions of the Instrument to the contrary, the following provision is hereby added to the Instrument and made controlling over any conflicting concepts:

PAYMENT OF INDEBTEDNESS; PERFORMANCE UNDER LOAN DOCUMENTS. Borrower shall pay the Indebtedness when due in accordance with the terms of the Note and the other Loan Documents and shall perform, observe, and comply with all other provisions of the Note and the other Loan Documents.

**4. Escrows For Taxes, Insurance, and Other Charges**

Notwithstanding any other provisions of the Instrument to the contrary, the following provisions are hereby added to the Instrument and made controlling over any conflicting concepts:

- a. So long as the Borrower is specifically required under the terms of the Lockbox Agreement executed by the Borrower and Lender to make payments to the Lockbox Agent (as defined in the Lockbox Agreement) for the items set forth in the Instrument, and provided that Lender is provided with written evidence from the Lockbox Agent that such payments have been timely and fully made; and
- b. Until there has been a default in the performance by the Borrower in its obligations under the Instrument and/or the Note, the Borrower shall not be required to make the payments to Lender pursuant to the Instrument. However, from and after either (i) noncompliance with any or all of the conditions set forth above at subparagraphs a and b, or (ii) the termination of the Lockbox Agreement, the Borrower shall be required upon notice from the Lender to commence making such payments in accordance with the provisions of the Instrument.

**5. Books and Records; Financial Reporting**



BT

a. Notwithstanding any other provisions of the Instrument to the contrary, the following provision is hereby added to the Instrument and made controlling over any conflicting concepts:

Borrower shall furnish to Lender the documents required by the Lease of Property, and the following:

- (1) after an Event of Default has occurred and is continuing, within fifteen (15) days after the end of each month, monthly income and expense statements for the Mortgaged Property;

b. Notwithstanding any other provisions of the Instrument to the contrary, the following provision is hereby added to the Instrument and made controlling over any conflicting concepts:

Borrower and its principals (as such term has been defined by the Department of the Air Force and/or the Department of Defense for purposes of the Debt Collection Improvement Act of 1996) authorize the Lender to obtain a credit report on them at any time.

#### **6. Transfers of Mortgaged Property**

Notwithstanding any other provision in the Instrument to the contrary, or any approval of a transfer granted by the Lender, so long as the Mortgaged Property is subject to the Lease of Property, transfers of the Mortgaged Property or transfers of interests in the Borrower shall be governed by the terms and conditions set forth in the Lease of Property.

#### **7. Additional Responsibilities of Loan Servicer**

Notwithstanding any provision in the Instrument to the contrary, the Lender may, at its option, in addition to any actions described in the Instrument, authorize or direct the Loan Servicer to exercise any rights, obligations, or remedies available to the Lender pursuant to the Instrument including, without limitation, the right to collect rents under the Instrument and to accept, hold, and disburse escrows, reserves, and other deposits required under the Instrument. The Loan Servicer may, at Lender's option, also serve as the Trustee pursuant to the Lockbox Agreement.

#### **8. Performance Under the Lease of Property**

The Borrower covenants and agrees to timely comply with all of the terms and conditions of the Lease of Property during the applicable period. The Borrower further agrees that any and all defaults under the Lease of Property shall constitute and be defaults under the Note entitling the Lender to exercise any and all remedies which it may have under the Security Instrument and/or applicable law.

Bu

**9. Conflicts With Intercreditor Agreement**

The terms of the Intercreditor Agreement, the Note, and the Security Instrument are intended to be consistent and should be so construed. However, any conflict between the terms of the Intercreditor Agreement, and the Note, and the Security Instrument shall be resolved in the following descending order of precedence:

- i. The Intercreditor Agreement.
- ii. The Note and the Security Instrument.

**10. Conditions Precedent to the Government's Obligation to Fund the Phase One Tranche and the Phase Two Tranche of the Direct Loan.**

In addition to the satisfaction of the other conditions set forth in this Commitment, the Government's obligations to close the Direct Loan and to fund the Phase One Tranche and the Phase Two Tranche are subject to the satisfaction of the following conditions as of the Closing Date and each Tranche funding date, as applicable:

a. There is no debt or other obligation of the Borrower secured or unsecured by the Project other than: (i) the Bonds approved by the Government and issued pursuant to the Indenture, (ii) the Credit Enhancer Documents, (iii) the Direct Loan, (iv) the Agreement to Share Proceeds, (v) Lease of Property, (vi) unsecured trade debt incurred in the ordinary course of business and not outstanding for more than 60 Days unless being contested in good faith and by appropriate proceedings, (vii) debt to any person or entity pursuant to the terms of the construction contracts, management agreements, architects' agreements and other contracts and agreements entered into by the Borrower to fulfill its obligations under the Project Documents and not outstanding for more than 60 Days unless being contested in good faith and by appropriate proceedings, (viii) obligations under equipment leases, and (ix) purchase money financing for equipment to be used in connection with the ownership, operation, and maintenance of the Project.

b. All representations, warranties, and certifications made by the Borrower, the Trustee, the Bondholder Representative, and the Credit Enhancer in connection with the Bonds, the Credit Enhancer Documents and/or Direct Loan, as applicable, including, without limitation, the representations, warranties, and certifications made by Borrower in the Borrower Application were true in all material respects when made and continue to be true as of the Closing Date, except as otherwise provided in writing by the Trustee, Bondholder Representative, Credit Enhancer or Borrower as applicable, to the Government.

BV

c. The Government has reviewed and approved all agreements, documents, instruments, certificates, reports, surveys, papers, and other matters relating to that portion of the Project that is required to be completed as of the date of funding of the applicable Tranche, which are subject to the Government's review and approval under this Commitment, the Direct Loan Documents and/or the Project Documents, including specifically, but without limitation, the sources and uses of funds statement for the Project.

d. There are no defaults by the Borrower under the Direct Loan Documents or the Project Documents which have not been waived or cured.

e. As reflected in an inspection report prepared by or on behalf of the Government, there is Substantial Completion of that portion of the Project that is required to be complete as of the date of funding of such Tranche (including without limitation, all amenities, landscaping, signs, and parking, and except for minor punchlist items for which sufficient funds have been reserved in a repair/completion escrow reserve fund as approved by the Government): (i) in a good and workmanlike manner; (ii) free and clear of any liens other than the Permitted Exceptions and other liens as approved by the Government in accordance with the Lease of Property; and (iii) in compliance with all applicable requirements of government authorities having jurisdiction over the Project, including, without limitation, building codes, zoning and subdivision requirements, fire and safety requirements, environmental requirements, the Fair Housing Act, and the Americans with Disabilities Act. In addition, the Government must receive (i) a certification from an authorized representative of the Borrower's architect, and the Borrower's general contractor, in form and substance satisfactory to the Government, that there is Substantial Completion of the portion of the Project that is required to be complete as of the date of the funding of such Tranche in accordance with the requirements of Condition 17 of the Lease of Property.

f. The Government has received evidence of the availability of all utilities necessary to the operation of the portion of the Project that is required to be complete as of the funding of the applicable Tranche (if the Government is no longer the owner of the utility systems or the provider of the utilities at the time the disbursement is requested) and true and correct copies of all operating licenses and permits, if any, for the portion of the Project that is required to be complete as of the date of funding of the applicable Tranche.

g. The Government has received copies (as required by the Project Documents) of unconditional certificates of occupancy (or the equivalent),

if applicable, for that portion of the Project that is required to be complete as of the date of the applicable disbursement request, confirming that such portion of the Project has passed all inspections and has received all approvals which are conditions precedent to the occupancy of that portion of the Project under the terms of the Project Documents and applicable law.

h. The Borrower has and its managing member have (i) made all equity contributions required to be made by the Borrower, including the cash equity of \$11,908,172.20 and (ii) fully funded all reserves and escrows required to be funded by the Borrower under the Project Documents.

i. The Project Documents, Bond Documents, Credit Enhancement Documents and Direct Loan Documents have been executed by and delivered to all parties.

j. The Trustee has provided written confirmation to the Government that there are no uncured debt service payment defaults under the Bond Documents of which the Trustee has notice and which has not been waived by Trustee.

k. The Credit Enhancer has provided written confirmation to the Government that there are no uncured defaults under the Credit Enhancer Documents of which the Credit Enhancer has notice and which has not been waived by Credit Enhancer

l. The Government has received a legal opinion from Borrower's counsel in form and substance satisfactory to the Government and its legal counsel that addresses, among other things, the due execution, delivery, validity, and enforceability of the Direct Loan Documents and the perfection and priority of the liens and security interests of same.

**[END OF EXHIBIT B]**