

ATTACHMENT B

**FINANCING AGREEMENT**

among

**RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION,**  
as Issuer,

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

and

**ROCK RIDGE, LP,**  
as Borrower

relating to

Rhode Island Housing and Mortgage Finance Corporation

Multifamily Housing Revenue Bonds  
(Fannie Mae MBS-Secured)  
(Rock Ridge Project), Series 2025A

Multifamily Housing Revenue Bonds  
(Rock Ridge Project),  
Series 2025 B

Dated as of April 1, 2025

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The interest of the Rhode Island Housing and Mortgage Finance Corporation (the “Issuer”) in this Financing Agreement has been assigned (except for Reserved Rights, as defined in the referenced Indenture of Trust) pursuant to the Indenture of Trust dated as of the date hereof from the Issuer to The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), and is subject to the security interest of the Trustee thereunder.

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## FINANCING AGREEMENT

THIS FINANCING AGREEMENT (this “*Financing Agreement*”), is dated as of April 1, 2025, and entered into among the **RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION**, a public corporation and instrumentality of the State of Rhode Island (the “*State*”), organized and existing under the laws of the State (together with its successors and assigns, the “*Issuer*”), **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association, duly organized and existing under the laws of the United States of America and authorized to accept and execute trusts of the character herein set forth, including such entity’s successors or any other corporation or association resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee hereunder (the “*Trustee*”), and **ROCK RIDGE, LP**, a California limited partnership, duly organized and validly existing under the laws of the State of California (together with its successors and assigns, the “*Borrower*”).

### RECITALS:

A. By virtue of the authority of the laws of the State and particularly the provisions of Chapter 55 of Title 42 of the General Laws of Rhode Island, 1956 (1998 Reenactment), as amended and supplemented, and all future acts supplemental thereto or amendatory thereof (the “*Act*”), the Issuer is authorized to make loans to finance the cost of “multi-family residential housing” (as defined in the Act) and to issue bonds, notes, or other evidences of indebtedness from time to time for such purposes; and

B. The Borrower has requested the Issuer to issue its Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured) (Rock Ridge Project), Series 2025A in the aggregate principal amount of \$[AA,000,000] (the “*Series A Bonds*”), and its Multifamily Housing Revenue Bonds (Rock Ridge Project), Series 2025B in the aggregate principal amount of \$[BB,000,000] (the “*Series B Bonds*” together with the Series A Bonds, individually or collectively as the context may dictate, the “*Bonds*”), the proceeds of which will be used to make a loan or loans to the Borrower (the “*Bond Loan*”) to provide funds to finance the acquisition, construction, rehabilitation and equipping a multifamily rental housing project located in the City of Woonsocket, Rhode Island commonly known as Rock Ridge Homes (including improvements and facilities functionally related thereto), which is comprised of 152 units and common space amenities located at 79-271 Rock Ridge Drive (collectively, the “*Project*”).

C. Pursuant to and in accordance with the Act, the Issuer desires to provide funds to finance a portion of the Project by issuing the Bonds pursuant to an Indenture of Trust of even date herewith (the “*Indenture*”) between the Issuer and the Trustee.

D. To secure the payment of all of the principal of and premium, if any, and interest on the Bonds, the Issuer has assigned (except for its Reserved Rights) its rights, title and interests in, and delegated its duties under, this Financing Agreement, without recourse, to the Trustee.

E. The obligation of the Borrower to pay all amounts necessary to pay principal of, premium, if any, and interest on the Bonds will be evidenced by (i) with respect to the Series A Bonds, by the Mortgage Note, and (ii) with respect to the Series B Bonds, by the Series B Bond Loan Note.

F. The parties hereto acknowledge the matters set forth in the Recitals to the Indenture.

NOW, THEREFORE, the parties hereto, in consideration of the premises and the mutual covenants and commitments of the parties set forth herein, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, hereby agree as follows:

## ARTICLE I

### DEFINITIONS AND INTERPRETATION

**Section 1.01 Definitions.** Capitalized terms used herein without definition shall have the respective meanings set forth in the Indenture. In addition to the terms elsewhere defined in this Financing Agreement, the following terms used in this Financing Agreement (including the Recitals) shall have the following meanings unless the context indicates another or different meaning or intent, and such definitions shall be equally applicable to both the singular and plural forms of any of the terms herein defined:

**“Bond Loan”** has the meaning given to such term in the Recitals hereto.

**“Class B Limited Partner”** means \_\_\_\_\_, a [State] [type of entity].

**“Determination of Taxability”** means the receipt by the Trustee of (a) a copy of written notice from the Commissioner or any District Director of the Internal Revenue Service or a determination by any court of competent jurisdiction, or (b) an opinion of Bond Counsel, in either case to the effect that interest on the Bonds is not excludable for federal income tax purposes under Section 103(a) of the Code from gross income of any Bondholder (other than a Bondholder who is a substantial user of the Project or a related person as defined in the Code).

**“Event of Default”** means any event of default specified and defined in Section 8.01 of this Financing Agreement.

**“General Partner”** means Rock Ridge GP, LLC, a California limited liability company, and its successors and assigns.

**“Guarantor”** means BLVD Capital LLC, a Delaware limited liability company, and its successors and assigns

**“Mortgage Note Rate”** means a per annum rate of interest calculated in accordance with the Mortgage Note.

**“Permitted Liens”** shall mean any easements and restrictions listed in a schedule of exceptions to coverage in the title insurance policy delivered with respect to the Project as required by the Mortgage Loan Documents, including without limitation, the Mortgage, [the Seller Loan Mortgage], and any liens that have been bonded.

**“Person”** means any natural person, firm, partnership, association, limited liability company, corporation or public body.

**“Placed in Service Date”** means the date the Project is placed in service for purposes of Section 42 of the Code.

["***Seller Loan Mortgage***" means the [Leasehold Deed of Trust and Assignment of Rents dated to be effective as of [\_\_\_\_\_, 20\_\_], executed by Borrower for the benefit of \_\_\_\_\_, a [State] [type of entity], securing the [\$ \_\_\_\_\_] loan made to Borrower.]

"***Single Purpose Entity***" means an entity that (i) is formed solely for the purpose of owning and operating a single asset; (ii) does not engage in any business unrelated to such asset, (iii) keeps its own books and records and its own accounts separate and apart from the books, records and accounts of any other Person, and (iv) holds itself out as being a legal entity, separate and apart from any other Person.

"***TPA Regulations***" shall mean those certain regulations of the Issuer entitled "Regulations Governing Proposed Prepayments and Transfers" as in effect on the date hereof and as the same may be amended from time to time.

"***Trustee Indemnified Parties***" means the Trustee and each and all of its past, present and future directors, officers, employees, attorneys, agents and advisers (including counsel).

## **Section 1.02 Rules of Construction.**

(a) The singular form of any word used herein, including the terms defined in Section 1.01, shall include the plural, and vice versa, unless the context otherwise requires. The use herein of a pronoun of any gender shall include correlative words of the other genders.

(b) All references herein to "Articles," "Sections" and other subdivisions hereof are to the corresponding Articles, Sections or subdivisions of this Financing Agreement as originally executed; and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Financing Agreement as a whole and not to any particular Article, Section or subdivision hereof.

(c) The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not limit or otherwise affect the meaning, construction or effect of this Financing Agreement or describe the scope or intent of any provisions hereof.

(d) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with applicable generally accepted accounting principles as in effect from time to time.

(e) Every "request," "order," "demand," "application," "appointment," "notice," "statement," "certificate," "consent," or similar action hereunder by any party shall, unless the form thereof is specifically provided, be in writing signed by a duly authorized representative of such party with a duly authorized signature.

(f) The parties hereto acknowledge that each such party and their respective counsel have participated in the drafting and revision of this Financing Agreement and the Indenture. Accordingly, the parties agree that any rule of construction which disfavors the drafting party shall not apply in the interpretation of this Financing Agreement or the Indenture or any amendment or supplement or exhibit hereto or thereto.

**Section 1.03 Effective Date.** The provisions of this Financing Agreement shall be effective on and as of the Closing Date, immediately upon the effectiveness of the Indenture.

## ARTICLE II

### REPRESENTATIONS, WARRANTIES AND COVENANTS

**Section 2.01 Representations, Warranties and Covenants by the Borrower.** The Borrower represents, warrants and covenants as follows:

(a) *Organization of Borrower and General Partner.* The Borrower is a California limited partnership and is qualified to do business in the State and in every other state in which the nature of its business requires such qualification. The General Partner is a California limited liability company and is qualified to do business in the State and in every other state in which the nature of its business requires such qualification.

(b) *Authority.* Each of the Borrower and the General Partner has full power and authority to own its properties and to carry on its business as now being conducted and as contemplated to be conducted with respect to the Project, and to enter into, and to perform and carry out the transactions provided for in this Financing Agreement, all other Financing Documents contemplated hereby to be executed by the Borrower and/or the General Partner and the Mortgage Loan Documents.

(c) *Duly Authorized and Binding Agreements.* This Financing Agreement, the other Financing Documents to which the Borrower or the General Partner is a party, the Mortgage Loan Documents and all other documents to which the Borrower or the General Partner is a party and contemplated hereby or thereby have been duly authorized, executed and delivered by the Borrower or the General Partner and constitute the legal, valid and binding obligations of the Borrower or the General Partner, respectively, enforceable against the Borrower or the General Partner, each in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and general equitable principles. The officers of the Borrower and/or the General Partner executing this Financing Agreement, all other Financing Documents contemplated hereby to be executed by the Borrower or the General Partner and the Mortgage Loan Documents are duly and properly in office and fully authorized to execute the same.

(d) *EIN.* The Borrower's federal employer identification number is [\_\_\_\_\_].

(e) *No Breach, Conflict or Default.* Neither the execution and delivery of this Financing Agreement, all other Financing Documents to be executed by the Borrower, the Mortgage Loan Documents or any other documents contemplated hereby or thereby to be executed by Borrower, the consummation of the transactions contemplated hereby or thereby, nor the fulfillment of or compliance with the terms and conditions of this Financing Agreement, all other Financing Documents to be executed by the Borrower, the Mortgage Loan Documents or any other documents contemplated hereby or thereby, will, as of the Closing Date, violate or contravene any provision of law, any order of any court or other agency of government, or any of the organizational or other governing documents of the Borrower, or any indenture, agreement or other instrument to which the Borrower is now a party or by which it or any of its properties or assets is bound, or be in conflict with, result in a breach of or constitute a default (with due notice or the passage of time or both) under any such indenture, agreement or other instrument or any license, judgment, decree, law, statute, order, rule or regulation of any governmental agency or body having jurisdiction over the Borrower or any of its activities or properties, or, except as provided hereunder, result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower, except for Permitted Liens.

(f) *Title to Project.* The Borrower has and will have on the Closing Date fee simple title to the Project, free and clear of any liens or encumbrances other than Permitted Liens. The Borrower is the sole borrower under the Mortgage Loan. The Borrower enjoys the peaceful and undisturbed possession of all of the premises upon which it is operating its facilities. The Borrower possesses, and will at all times possess, all franchises, patents, copyrights, trademarks, trade names, licenses and permits, and rights in respect of the foregoing, adequate for the conduct of its business substantially as now conducted or as it is intended to be conducted with respect to the Project, without known conflict with any rights of others.

(g) *Litigation.* As of the Closing Date, no litigation or proceeding is pending or, to the knowledge of the Borrower or the General Partner, threatened against or affecting the Borrower or the General Partner or any of the Borrower's properties (including, without limitation, the Project) which has a reasonable probability of having a material adverse effect on its financial condition or business, or the transactions contemplated by this Financing Agreement, the Indenture, the other Financing Documents or the Mortgage Loan Documents, or which in any way would adversely affect the validity or enforceability of the Bonds, the Indenture, this Financing Agreement, the other Financing Documents or the Mortgage Loan Documents, or the exclusion from gross income for federal income tax purposes of interest on the Bonds, or the ability of the Borrower to perform its obligations under this Financing Agreement, the other Financing Documents or the Mortgage Loan Documents executed by the Borrower.

(h) *Conformance with Governmental Requirements.* The Project and the operation of the Project (in the manner contemplated by the Financing Documents) conform in all material respects with all applicable zoning (or a legal non-conforming use), planning, building and environmental laws, ordinances and regulations of governmental authorities having jurisdiction over the Project, all necessary utilities are available to the Project, and the Borrower will obtain all requisite zoning, planning, building and environmental and other permits which may become necessary with respect to the Project. The Borrower has obtained, or will timely obtain, all licenses, permits and approvals necessary for the ownership, operation and management of the Project, including all approvals essential to the transactions contemplated by this Financing Agreement, the Indenture, the other Financing Documents, the Mortgage Loan Documents and any other documents contemplated hereby or thereby.

(i) *Financial Statements.* The financial statements which have been furnished to date by or on behalf of the Borrower to the Issuer, are complete and accurate in all material respects and present fairly the financial condition of the Borrower as of their respective dates in accordance with generally accepted accounting methods applied by the Borrower on a consistent basis, and since the date of the most recent of such financial statements there has not been any material adverse change, financial or otherwise, in the condition of the Borrower, and there have not been any material transactions entered into by the Borrower other than transactions in the ordinary course of business, and the Borrower does not have any material contingent obligations which are not otherwise disclosed in its financial statements.

(j) *No Bankruptcy.* There (i) is no completed, pending or to the actual knowledge of the Borrower and the General Partner threatened bankruptcy, reorganization, receivership, insolvency or like proceeding, whether voluntary or involuntary, affecting the Project, the Borrower, or the General Partner; and (ii) has been no assertion or exercise of jurisdiction over the Project, the Borrower or the General Partner by any court empowered to exercise bankruptcy powers.



(k) *No Events of Default.* No event has occurred and no condition exists with respect to the Borrower or the Project that would constitute an Event of Default or which, to the Borrower's actual knowledge, with the lapse of time, if not cured, or with the giving of notice, or both, would become an Event of Default. The Borrower is not in default under the Regulatory Agreement.

(l) *Compliance With Tax Certificate and Regulatory Agreement.* The Borrower has complied with all the terms and conditions of the Tax Certificate, including the terms and conditions of the exhibits thereto, and the representations and warranties set forth in the Tax Certificate and the Regulatory Agreement pertaining to the Borrower and the Project are true and accurate in all material respects. The Borrower has furnished to the Issuer all information necessary for the Issuer to file an IRS Form 8038 with respect to the Bonds, and all of such information is and will be on the date of filing, true, complete and correct.

(m) *Compliance With Laws; Governmental Approvals.* The Project is of the type authorized and permitted by the Act, and the Project and the operation thereof will, from the Closing Date forward, be in compliance with the provisions of the Act and the provisions of the Code applicable thereto. The Borrower will use due diligence to cause the Project to be operated in accordance with the Act and all other applicable laws, rulings, regulations and ordinances of the State and the departments, agencies and political subdivisions thereof. The Borrower has obtained or will cause to be timely obtained all consents, permits, licenses, certifications and other requisite approvals of the State and of other federal and local governmental bodies that (i) are necessary for the acquisition, rehabilitation, financing and operation of the Project, and (ii) would constitute a condition precedent to, or the absence of which would materially adversely affect, the enforceability of and the performance by the Borrower of its obligations hereunder or under the other Financing Documents or Mortgage Loan Documents.

(n) *Events Affecting Tax Exemption and Requirements of Financing Documents.* The Project is, as of the Closing Date, in compliance with all requirements of the Regulatory Agreement and the Tax Certificate, including all applicable requirements of the Act and the Code. The Borrower intends to cause the residential units in the Project to be rented or available for rental on a basis which satisfies the requirements of the Regulatory Agreement and the Tax Certificate, including all applicable requirements of the Act and the Code. All leases will comply with all applicable laws, the Tax Certificate and the Regulatory Agreement. The Project meets, or will meet upon completion of the anticipated rehabilitation of the Project, the requirements of this Financing Agreement, the Regulatory Agreement, the Tax Certificate, the Act and the Code with respect to multifamily rental housing.

(o) *No Material Misstatements.* No information, statement or report furnished in writing to the Issuer, Fannie Mae, the Lender or the Trustee by the Borrower in connection with this Financing Agreement, the other Financing Documents or the Mortgage Loan Documents or the consummation of the transactions contemplated hereby and thereby (including, without limitation, any information furnished by the Borrower in connection with the preparation of any materials related to the issuance, sale, delivery or offering of the Bonds on the Closing Date) contains any material misstatement of fact or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading; and the representations and warranties of the Borrower contained in the Financing Documents to which the Borrower is a party or in the Mortgage Loan Documents, and the statements, information and descriptions contained in the Borrower's closing certificates, as of the Closing Date, are true, correct and complete, do not contain any untrue statement or misleading statement of a material fact, and do not omit to state a material fact required to be stated therein or necessary to make the certifications, representations, warranties, statements, information and

descriptions contained therein, in the light of the circumstances under which they were made, not misleading; and the estimates and the assumptions provided by the Borrower contained herein and in any certificate of the Borrower delivered as of the Closing Date are reasonable and based on the best information available to the Borrower. Each of the certifications, representations, warranties, statements, information and descriptions contained in the Tax Certificate is hereby incorporated into this Financing Agreement by reference, as if fully set forth herein.

(p) *Interest of Member or Agent of Issuer.* To the best knowledge of the Borrower, none of the Issuer Indemnified Parties or the Trustee Indemnified Parties has been or is in any manner interested, directly or indirectly, in that person's own name or in the name of any other person, in the Bonds, the Financing Documents, the Mortgage Loan Documents, the Borrower or the Project, in any contract for property or materials to be furnished or used in connection with the Project, or in any aspect of the transactions contemplated by the Financing Documents or the Mortgage Loan Documents.

(q) *Consents and Approvals.* No authorization, consent, approval, order, registration declaration or withholding of objection on the part of or filing of or with any governmental authority not already obtained or made (or to the extent not yet obtained or made the Borrower has no reason to believe that such authorizations, consents, approvals, orders, registrations or declarations will not be obtained or made in a timely fashion) is required for the execution and delivery or approval, as the case may be, of this Financing Agreement, the other Financing Documents, the Mortgage Loan Documents or any other documents contemplated by this Financing Agreement, the other Financing Documents or the Mortgage Loan Documents, or for the performance of the terms and provisions hereof or thereof by the Borrower.

(r) *No Cease or Desist Orders.* The Borrower is not presently under any cease or desist order or other orders of a similar nature, temporary or permanent, of any federal or state authority which would have the effect of preventing or hindering performance of its duties hereunder, nor are there any proceedings presently in progress or to its knowledge contemplated which would, if successful, lead to the issuance of any such order.

(s) *Understanding of Documents and Risks; No Reliance on Other Parties.* The Borrower acknowledges, represents and warrants that it understands the nature and structure of the transactions relating to the financing of the Project; that it is familiar with the provisions of all of the documents and instruments relating to such financing to which it or the Issuer is a party or of which it is a beneficiary including, without limitation, the Indenture; that it approves the initial appointment of the Trustee under the Indenture; that it understands the risks inherent in such transactions, including, without limitation, the risk of loss of the Project; and that it has not relied on the Issuer, the Lender or Fannie Mae for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by this Financing Agreement and the Indenture or otherwise relied on the Issuer, the Lender or Fannie Mae in any manner.

(t) *Compliance with CERCLA and Environmental Laws.* The Borrower has not received any notice that it is not in compliance with all provisions of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("**CERCLA**"); the Resource Conservation and Recovery Act; the Superfund Amendments and Reauthorization Act of 1986; the Toxic Substances Control Act and all environmental laws of the State (the "**Environmental Laws**"), or with any rules, regulations and administrative orders of any governmental agency, or with any judgments, decrees or orders of any court of competent jurisdiction with respect thereto; and the Borrower has not received any assessment, notice (primary or secondary) of liability or financial responsibility, and no notice of any action, claim or

proceeding to determine such liability or responsibility, or the amount thereof, or to impose civil penalties with respect to a site listed on any federal or state listing of sites containing or believed to contain “hazardous materials” (as defined in the Environmental Laws), nor has the Borrower received notification that any hazardous substances (as defined under CERCLA) that it has disposed of have been found in any site at which any governmental agency is conducting an investigation or other proceeding under any Environmental Law.

(u) *Compliance with ERISA.* The Borrower has not received any notice that it is not in full compliance with the Employment Retirement Income Security Act of 1974 (“**ERISA**”), as amended, and the Department of Labor regulations thereunder, with the Code and Regulations thereunder and with terms of such plan or plans with respect to each pension or welfare benefit plan to which the Borrower is a party or makes any employer contributions with respect to its employees, for the current or prior plan years of such plans.

(v) *Intention to Hold the Project.* The Borrower intends to hold the Project for its own account and has no current plans to sell and has not entered into any agreement to sell all or any portion of the Project, and the Borrower intends to occupy the Project or cause the Project to be occupied and to operate it or cause it to be operated at all times during the term of this Agreement in compliance with the terms of this Agreement and the Regulatory Agreement and does not know of any reason why the Project will not be so used by it in the absence of circumstances not now anticipated by it or totally beyond its control.

(w) *Tax Returns.* All tax returns (federal, state and local) required to be filed by or on behalf of the Borrower have been filed, and all taxes shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Borrower in good faith, have been paid or adequate reserves have been made for the payment thereof which reserves, if any, are reflected in the audited financial statements described therein.

(x) *Operation of the Project.* The Borrower shall make no changes to the Project or to the operation thereof which would affect the qualification of the Project under the Act or impair the Federal Tax Status of the Bonds. The Borrower shall operate the Project as required by the Regulatory Agreement.

(y) *Trust Indenture.* The Borrower hereby acknowledges receipt of the Indenture and agrees to be bound by its terms.

(z) *Partnership Interests.* All of the partnership interests in the Borrower are validly issued and are fully registered, if required, with the applicable governmental authorities and/or agencies, and, except as described in the following sentence, there are no outstanding options or rights to purchase or acquire those interests. [At the end of the Compliance Period and/or the Credit Period (each as defined in Section 42 of the Code), there will be an option exercisable by the Class B Limited Partner or its affiliate to acquire the Project or the Investor Limited Partner’s interest in the Borrower. Nothing in this Financing Agreement shall prevent the Borrower from issuing additional partnership interests or ownership interests if such units are issued in accordance with all applicable securities laws.]

(aa) *Single-Purpose Entity.* The Borrower is, and will at all times be, a Single Purpose Entity, the sole purpose of which shall consist of the ownership, development, operation and management of the Project and such other lawful activities as are incidental, necessary or appropriate thereto.

(bb) *Location of Project.* The Project is located wholly within the boundaries of the City of Woonsocket, Rhode Island and within the jurisdiction of the Issuer.

(cc) *No Employment Benefit Plan or Plan Assets.* The Borrower is not an “employee benefit plan,” as defined in Section 3(3) of ERISA, subject to Title I of ERISA, and none of the assets in the Borrower constitutes or will constitute “plan assets” of one or more such plans within the meaning of 29 C.F.R. Section 2510.3-101.

(dd) *Compliance with Regulation U.* No part of the proceeds of the Bond Loan to the Borrower evidenced by this Financing Agreement will be used for the purpose of acquiring any “margin stock” within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or for any other purpose that would be inconsistent with such Regulation U or any other Regulation of such Board of Governors, or for any purpose prohibited by any Mortgage Loan Document.

(ee) *Not an Investment or Holding Company.* The Borrower is not (i) an “investment company” or a company “controlled” by an “investment company,” within the meaning of the Investment Company Act of 1940, as amended; (ii) a “holding company” or a “subsidiary company” of a “holding company” or an “affiliate” of either a “holding company” or a “subsidiary company” within the meaning of the Public Utility Holding Company Act of 1935, as amended; or (iii) subject to any other federal or state law or regulation which purports to restrict or regulate its ability to borrow money.

(ff) *Investment of Funds and Accounts.* Except during the continuance of an Event of Default, the Borrower shall consult with the Issuer as to the investment or reinvestment all money held by the Trustee for the credit of funds established by the Indenture in accordance with Article 5.13 of the Indenture.

(gg) *Affirmation of Representations and Warranties for Disbursement of Bond Proceeds.* Each requisition submitted by the Borrower shall contain an affirmation that the foregoing representations and warranties remain true and correct as of the date thereof.

All representations of the Borrower contained herein or in any certificate or other instrument delivered by the Borrower pursuant hereto, to the Indenture, or in connection with the transactions contemplated thereby, shall survive the execution and delivery thereof and the issuance, sale, and delivery of the Bonds as representations of facts existing as of the date of execution and delivery of the instrument containing such representation.

**Section 2.02 Representations and Covenants of the Issuer.** The Issuer represents and covenants as follows:

(a) *Organization.* The Issuer is a public corporation and instrumentality of the State, duly organized, validly existing and in good standing under the laws of the State.

(b) *Power and Authority.* The Issuer is authorized and empowered by the provisions of the Act and the Resolution to enter into the transactions contemplated by this Financing Agreement and the Indenture and to carry out its obligations hereunder and thereunder, and by proper action of the Governing Body, duly authorized the execution, delivery and performance on its part of this Financing Agreement and the other Issuer Documents.

(c) *Authorization and Enforceability.* Each of the Financing Documents to which the Issuer is a party has been duly and validly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of Issuer, enforceable against the Issuer in accordance with its respective terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium or other laws affecting creditors' rights generally and the application of equitable principles.

(d) *Public Purpose.* The Issuer has found, based on the representations of the Borrower, and hereby declares that the issuance of the Bonds to assist the financing of the Project is in furtherance of the public purposes set forth in the Act;

(e) *No Interest in Project, Borrower or Transaction.* To the best of its knowledge, no member, commissioner, officer or director of the Issuer, nor any other official or employee of the Issuer, has any interest, financial, employment or other, in the Borrower, the Project or in the transactions contemplated hereby.

(f) *Pledge.* The Issuer has not pledged, assigned, or granted, and will not pledge, assign, or grant any of its rights or interest in or under this Financing Agreement, or the revenues and income derived pursuant to this Financing Agreement or the Indenture, for any purpose other than as provided for in the Indenture.

(g) *Compliance.* The Issuer has complied with the provisions of the laws of the State, including, but not limited to, the Act, which are prerequisites to the consummation of the transactions on the part of the Issuer described or contemplated by the Issuer Documents

(h) *No Conflicts or Breach.* . To the best knowledge of the Issuer, the sale, issuance and delivery of the Bonds and the execution and delivery of this Financing Agreement and the other Issuer Documents, the consummation of the transactions contemplated hereby and thereby, and the fulfillment of or compliance with the terms and conditions thereof, do not conflict with or result in the breach of any material restriction, terms, conditions or provisions of any agreement or instrument or judgment, order or decree to which the Issuer is now a party or by which it or any of its property is bound, or constitutes a default under any of the foregoing.

The Issuer makes no representation or warranty that the amount of the Bond Loan will be adequate or sufficient to finance the Project or that the Project will be adequate or sufficient for the purposes of the Borrower.

### ARTICLE III

#### THE BONDS AND THE PROCEEDS THEREOF

**Section 3.01 Issuance of Bonds.** The Issuer has authorized the issuance of the Series A Bonds in the aggregate principal amount of \$[AA,000,000] and the Series B Bonds in the aggregate principal amount of \$[BB,000,000], and Bonds in such amount shall be issued and Outstanding as of the Closing Date. The obligations of the Issuer, the Trustee and the Borrower under this Financing Agreement are expressly conditioned upon (i) the sale, issuance and delivery of the Bonds, (ii) receipt by the Trustee of the amounts set forth in Section 5.04 of the Indenture, and (iii) the making of the Mortgage Loan by the Lender. None of the Issuer, the Lender, the Trustee nor Fannie Mae shall have any liability for any fees, costs or expenses, including, without limitation, issuance costs relating to the Bonds; all of such fees, costs and expenses shall be paid by the Borrower. The Bonds will be issued pursuant to the Indenture in the

aggregate principal amounts, will bear interest, will mature and will be subject to redemption and mandatory tender for purchase, as applicable, as set forth therein. The Borrower hereby approves the terms and conditions of the Indenture and the Bonds, and the terms and conditions under which the Bonds will be issued, sold and delivered and will comply with those provisions of the Indenture that contemplate action by the Borrower, all as if the Borrower were a party to the Indenture.

**Section 3.02 Remarketing of Series B Bonds.** The Authorized Borrower Representative, with the written consent of the Remarketing Agent, is hereby granted the right to (a) request a remarketing of the Series B Bonds in the manner and to the extent set forth in Section 3.07 of the Indenture and (ii) designate the length of the Remarketing Period and the related Mandatory Tender Date in the manner and to the extent set forth in Sections 3.05 and 3.07 of the Indenture.

## **ARTICLE IV**

### **THE BONDS, THE MORTGAGE LOAN AND FEES**

**Section 4.01 Sources, Deposits and Uses.** Upon the issuance and delivery of the Bonds, the Lender will make the Mortgage Loan to the Borrower. To the extent proceeds of the Mortgage Loan remain after disbursements made on the Closing Date, the Lender will deliver funds to the Trustee for deposit into the Rehabilitation Fund to be applied by the Borrower to pay Project Costs pursuant to Section 5.09 of the Indenture. The Trustee shall apply the proceeds of the Series A Bonds as provided in Section 5.08 of the Indenture to secure the Series A Bonds until the MBS Delivery Date and then to purchase the MBS. The Trustee shall apply the amounts deposited into the Series B Bond Proceeds Fund Account and the Collateral Fund as provided in Sections 5.08 and 5.10 of the Indenture to secure the Series B Bonds until the Initial Mandatory Tender Date and then to redeem the Series B Bonds unless the conditions to remarketing set forth in Section 3.07 of the Indenture are satisfied on the Initial Mandatory Tender Date. The Borrower accepts the Mortgage Loan from the Lender, upon the terms and conditions set forth herein, in the Mortgage Loan Documents and in the Indenture, and subject to the terms and conditions of the Regulatory Agreement. The Issuer has caused the proceeds of the Bonds to be provided to the Trustee for deposit to the Bond Proceeds Fund. The Borrower acknowledges its obligation to pay all amounts necessary to pay principal of, premium, if any, and interest on the Bonds as provided in the Indenture. The Borrower has made arrangements for the delivery to the Trustee of the MBS and of certain other Eligible Funds as contemplated herein and in the Indenture. Payments on the MBS received by the Trustee shall be used to make payments of principal of and interest on the Bonds.

**Section 4.02 Loan of Proceeds.** The Issuer agrees, upon the terms and conditions contained in this Financing Agreement and the Indenture, to lend to the Borrower the proceeds received by the Issuer from the sale of the Bonds. Such proceeds shall be disbursed to or on behalf of the Borrower as provided in Section 4.05 hereof.

#### **Section 4.03 Amounts Payable.**

(a) The Borrower hereby covenants and agrees to repay the Mortgage Note and Series B Bond Loan Note on or before any date that any payment of interest or principal is required to be made in respect of the Bonds pursuant to the Indenture, until the principal of and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, in immediately available funds, a sum which, together with any other moneys available for such payment in any Account of the Revenue Fund, will enable the Trustee to pay the amount payable on such date as principal of (whether at maturity or acceleration or otherwise) and interest on the Bonds as provided in the Indenture. Payments by the Trustee of principal and interest on the Bonds from amounts in the Revenue Fund shall be credited against the Borrower's obligation to pay principal and interest on the Mortgage Note

and the Series B Bond Loan Note. The Borrower also covenants and agrees to pay any additional interest, taxes or penalties that may be due as a result of a Determination of Taxability.

It is understood and agreed that all payments of principal and interest payable by the Borrower under subsection (a) of this Section 4.03 are assigned by the Issuer to the Trustee for the benefit of the Holders of the Bonds (excluding amounts on deposit in the Rebate Fund). The Borrower consents to such assignment.

(b) If the Borrower should fail to make any of the payments required in this Section 4.03, the item or installment so in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid, and the Borrower agrees to pay the same with interest thereon, to the extent permitted by law, from the date when such payment was due, at the rate of interest borne by the applicable series of Bonds.

**Section 4.04 Borrower's Obligations.** The obligations of the Borrower to make the payments required under this Financing Agreement, and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, irrespective of any defense or any right of notice, setoff, recoupment or counterclaim it might otherwise have against the Issuer, the Trustee or any other Person. Subject to termination as provided herein, the Borrower (i) will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for under this Financing Agreement, (ii) will perform and observe all of its other agreements contained in this Financing Agreement and (iii) will not terminate this Financing Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, commercial frustration of purpose, or change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or any political subdivision, any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Financing Agreement, whether express or implied, or any failure of the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Indenture, whether express or implied.

**Section 4.05 Payment of Fees and Expenses.** In addition to all fees, costs, expenses and other amounts required to be paid by the Borrower under the Mortgage Loan Documents, the Borrower shall pay, without duplication, the following fees and expenses:

(a) All amounts required to (i) pay when due the Ordinary Trustee Fees and Expenses and the Extraordinary Trustee Fees and Expenses, (ii) reimburse the Trustee for all out-of-pocket expenses, fees, costs and other charges, including reasonable counsel fees and taxes (excluding income, value added and similar business taxes), reasonably and necessarily incurred by the Trustee in performing its duties as Trustee under the Indenture, including, without limitation, the Extraordinary Trustee Fees and Expenses when due, (iii) pay the reasonable fees of the Dissemination Agent for its duties and services as Dissemination Agent in connection with the Bonds (as such duties and services are set out in the Indenture), and (iv) in connection with a remarketing of the Series B Bonds, to pay the Remarketing Expenses.

(b) (i) The Issuer Fees and Expenses, and any other reasonable fees and expenses of the Issuer or any other Issuer Indemnified Party that acts on behalf of the Issuer in connection with the Financing Documents, the Mortgage Loan Documents or the Bonds, including, without limitation, any and all reasonable expenses incurred in connection with the authorization, issuance, sale and delivery of the Bonds or in connection with any litigation which may at any time be instituted involving the Financing Documents, the Mortgage Loan Documents or the Bonds or any

of the other documents contemplated thereby, or in connection with the reasonable supervision or inspection of the Borrower, its properties, assets or operations or otherwise in connection with the administration of the foregoing.

(ii) The Borrower shall pay or cause to be paid the Ordinary Issuer Fees and Expenses to the Issuer on the Closing Date and each date due thereafter.

(iii) The Borrower agrees that the payment under this Financing Agreement shall be a net return to the Issuer over and above any taxes or charges of any nature that may currently or hereafter be imposed on the receipts of the Issuer under this Financing Agreement. The Borrower agrees to pay (A) the amounts, if any, payable in connection with the Reserved Rights to the Issuer when due, and (B) any and all payments due to any Issuer Indemnified Party with respect to the indemnification provisions hereunder.

(c) All taxes and assessments of any type or character charged to the Issuer or to the Trustee affecting the amount available to the Issuer or the Trustee from payments to be received hereunder or in any way arising due to the transactions contemplated hereby or thereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Trustee and taxes based upon or measured by the net income of the Trustee; **provided, however**, that the Borrower shall have the right to protest any such taxes or assessments and to require the Issuer or the Trustee, at the Borrower's expense, to protest and contest any such taxes or assessments levied upon them and that the Borrower shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Issuer or the Trustee.

(d) The fees of the Rebate Analyst as required by the Indenture and all out-of-pocket expenses of the Rebate Analyst.

(e) All Costs of Issuance of the Bonds, including, but not limited to, Rating Agency fees, printing expenses, attorneys' fees and the Underwriter's fees, and all expenses of originating the Mortgage Loan by the Lender, the Borrower acknowledging that all such fees, costs and expenses (excluding any portions included in the Mortgage Note Rate) must be paid by the Borrower separate and apart from payments due under the Mortgage Loan and will not be included in the Mortgage Note Rate.

(f) The Costs of Issuance Deposit to be made to the Costs of Issuance Fund on the Closing Date pursuant to Sections 5.04 and 5.07 of the Indenture.

(g) The obligations in this Section 4.05 and those in Section 5.09 hereof shall remain valid and in effect notwithstanding repayment of the Mortgage Loan hereunder or termination of this Financing Agreement or the Indenture.

All fees and expenses not included in the Mortgage Note Rate shall not be secured by the Mortgage, except as provided for therein, and shall be subordinate to the Borrower's obligations under the Mortgage Loan in all respects. No such fees or expenses payable to the Issuer or the Trustee shall be paid from the proceeds of the MBS.



**Section 4.06 Notification of Prepayment of Mortgage Note and Series B Bond Loan Note.**

The Borrower shall notify the Trustee and the Issuer promptly in writing of any prepayment of the Mortgage Note or the Series B Bond Loan Note, whether upon acceleration, by reason of application of insurance or condemnation proceeds, optional prepayment or otherwise. If such prepayment of the Mortgage Note results in revisions to the amortization schedule, the Borrower shall direct the Lender to provide the revised amortization schedule to the Trustee and the Issuer.

**Section 4.07 Collateral Payments.** In consideration of and as a condition to the disbursement of proceeds of the Series B Bonds held in the Series B Bond Proceeds Fund Account to pay Project Costs, the Borrower shall cause the delivery of Eligible Funds equal to the amount of the proposed disbursement to the Trustee on or before each such disbursement. All such Eligible Funds shall be paid to the Trustee for the account of the Issuer and shall be held in the Collateral Fund and disbursed in accordance with the provisions of the Indenture.

**Section 4.08 Disbursements from the Series B Bond Proceeds Fund Account.** Subject to the provisions below and so long as no Event of Default hereunder has occurred and is continuing for which the principal amount of the Series B Bonds has been declared to be immediately due and payable pursuant to Section 8.02 hereof and Section 8.02 of the Indenture, and no Determination of Taxability has occurred, disbursements from the Series B Bond Proceeds Fund Account shall be made only to pay Project Costs.

Any disbursements from the Series B Bond Proceeds Fund Account for the payment of Project Costs shall be made by the Trustee only upon the receipt by the Trustee of: (a) a signed requisition in the form attached hereto as Exhibit B, on which the Trustee may conclusively rely; and (b) except as otherwise permitted under the Indenture, Eligible Funds in an amount equal to the amount of any such disbursement request for deposit in the Collateral Fund as provided in Section 4.07 hereof. The Borrower hereby acknowledges and agrees that it shall submit disbursement requests to the Trustee no more frequently than once each calendar month. Each such disbursement request shall be consecutively numbered and countersigned by the Bridge Lender and the Issuer (as provided in Section 5.08(b) of the Indenture) indicating their approval of the payments or reimbursements requested. Proceeds of the Series B Bonds disbursed pursuant to the provisions of this Financing Agreement may only be used to pay the Project Costs or as otherwise permitted under the Indenture.

Any disbursement for any item not described in, or the cost for which item is other than as described in, the information statement filed by the Issuer in connection with the issuance of the Bonds as required by Section 149(e) of the Code, and in the notice of public hearing pertaining to the Bonds shall be accompanied by a Favorable Opinion of Bond Counsel with respect to such disbursement.

Notwithstanding any provision of this Financing Agreement or any provision of the Indenture to the contrary, except as otherwise permitted under the Indenture, the Trustee shall not disburse funds from the Series B Bond Proceeds Fund Account unless and until the Trustee confirms that Eligible Funds in the Collateral Fund plus Eligible Funds in the Series B Bond Proceeds Fund Account, less the amount of the requested disbursement from the Series B Bond Proceeds Fund Account, is at least equal to the then-Outstanding principal amount of the Series B Bonds, as applicable; *provided, however*, that the Trustee shall be permitted to transfer funds from the Series B Bond Proceeds Fund Account to the Collateral Fund upon receipt of a Favorable Opinion of Bond Counsel with respect to such transfer; *provided further* that the result of such transfer is that the amount of Eligible Funds remaining on deposit in the Series B Bond Proceeds Fund Account plus Eligible Funds on deposit in the Collateral Fund is at least equal to the then-Outstanding principal amount of the Series B Bonds.

**Section 4.09 Borrower's Obligations Upon Tender of Series B Bonds.** If the Series B Bonds are not remarketed on any Mandatory Tender Date and a sufficient amount is not available in the Collateral Fund, the Series B Negative Arbitrage Subaccount of the Negative Arbitrage Account of the Revenue Fund and the Series B Bond Proceeds Fund Account, as provided in Section 3.01(e) of the Indenture, for the purpose of paying the redemption price of such Series B Bonds, the Borrower will cause to be paid to the Trustee by the Mandatory Tender Date, an amount equal to the amount by which the redemption price of the Series B Bonds exceeds the amount otherwise available pursuant to the Indenture.

## ARTICLE V

### COVENANTS, UNDERTAKINGS AND OBLIGATIONS OF THE BORROWER

**Section 5.01 Taxes, Other Governmental Charges and Utility Charges.** The Borrower shall pay, or cause to be paid, promptly as the same become due and payable, every lawful cost, expense and obligation of every kind and nature, foreseen or unforeseen, for the payment of which the Issuer or the Trustee is or shall become liable by reason of its or their estate or interest in the Project or any portion thereof, by reason of any right or interest of the Issuer or the Trustee in or under this Financing Agreement, or by reason of or in any manner connected with or arising out of the possession, operation, maintenance, alteration, repair, rebuilding, use or occupancy of the Project or any portion thereof, including, without limitation, all taxes (except income and similar taxes of such entities), assessments, whether general or special, all costs of maintenance and repair, insurance premiums (including public liability insurance and insurance against damage to or destruction of the Project) concerning or in any way related to the Project, or any part thereof, and any expenses or renewals thereof, all utility and other charges and assessments concerning or in any way related to the Project, and governmental charges and impositions of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Project or any machinery, equipment or other property installed or brought by the Borrower therein or thereon; *provided, however*, that the Borrower shall have the right to protest any such taxes or assessments and withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would materially adversely affect the rights or interests of the Issuer or the Trustee; *provided further, however*, that any amounts payable hereunder that are also required to be paid by the terms of the Mortgage shall be paid without duplication on the terms provided in the Mortgage.

Upon request, the Borrower shall furnish to the Issuer and the Trustee proof of the payment of any such tax, assessment or other governmental or similar charge, or any other charge which is payable by the Borrower as set forth above.

**Section 5.02 Compliance With Laws.** The Borrower shall, throughout the term of this Financing Agreement at its own expense and at no expense to the Issuer, the Trustee, the Lender or Fannie Mae promptly comply or cause compliance with all laws, ordinances, rules, regulations and requirements of duly constituted public authorities which may be applicable to the Project or to the repair and alteration thereof, or to the use or manner of use of the Project, including, but not limited to, the applicable provisions of the Americans With Disabilities Act and all applicable federal, State and local environmental, labor, health and safety laws, rules and regulations.

**Section 5.03 Maintenance of Legal Existence.** During the term of this Financing Agreement, the Borrower shall maintain its existence as set forth in Section 2.01(a) and shall not terminate, dissolve or dispose of all or substantially all of its assets; *provided, however*, that the Borrower may, with the written consent of the Issuer, consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it, or transfer all or substantially all of its assets to another entity, but only on the condition that the assignee entity or the entity resulting from or surviving such merger or consolidation (if other than the Borrower), or the entity to which such transfer shall be made, shall be duly

organized and existing, in good standing and qualified to do business under the laws of the State, shall remain so continuously during the term hereof, and shall expressly assume in writing and agree to perform all of the Borrower's obligations hereunder and under all other documents executed by the Borrower in connection with the issuance of the Bonds; ***provided, further***, that (i) the Borrower delivers a Favorable Opinion of Bond Counsel with respect to such consolidation or merger, and (ii) any transfer of an interest in the Borrower or the Project shall be subject to the Issuer's TPA Regulations and, with respect to the Project, effected in accordance with the Mortgage. Nothing in this Section 5.03 shall be deemed to relieve the Borrower of its obligations to comply with the provisions of the Mortgage Loan Documents.

**Section 5.04 Maintenance and Operation of Project; Access to Project and Records.** The Borrower shall maintain and preserve the Project in good working order and condition, ordinary wear and tear excepted, and shall from time to time make all necessary repairs, renewals, replacements, additions and improvements to the Project. All damage to apartment units shall be repaired promptly and apartment units shall be maintained so as to be available at all times for habitation.

The Borrower will not sell, transfer or otherwise dispose of the Project except as provided in the Regulatory Agreement, the Mortgage Loan Documents and Section 5.03 of this Financing Agreement, and in each case, subject to the Issuer's TPA Regulations.

The Borrower agrees that the Issuer, the Trustee and their duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right to inspect the Project and the construction and equipping thereof at all reasonable times during normal business hours upon reasonable prior notice to the Borrower. The Borrower acknowledges that the Issuer has the right to monitor the construction and equipping of the Project. The Issuer, the Trustee and their duly authorized agents shall also be permitted, at all reasonable times during normal business hours upon reasonable prior notice to the Borrower, to examine the books, accounts, contracts, documents, and other papers of the Borrower with respect to the Project and the Bond Loan and the Borrower's compliance with the terms thereof, which shall all be maintained by the Borrower in reasonable condition and for audit.

**Section 5.05 Tax Matters.**

(a) The Borrower represents, warrants and covenants as follows:

(i) The Borrower will not take any action, or fail to take any action or permit any action to be taken, if any such action or inaction would adversely affect the Federal Tax Status of the Bonds. Without limiting the generality of the foregoing, the Borrower covenants that it will comply with the instructions and requirements of the Tax Certificate, which is incorporated by reference herein as if set forth fully herein.

(ii) The Borrower will, on a timely basis, provide the Issuer with all necessary information and, with respect to the Borrower's rebate requirement or yield reduction payments (both as may be required under the Tax Certificate) required to be paid, all necessary funds, in addition to any funds that are then available for such purpose in the Rebate Fund, to enable the Issuer to comply with all arbitrage and rebate requirements of the Code. To that end, the Borrower covenants and agrees to make such payments to the Trustee as are required of it under the Tax Certificate. The obligation of the Borrower to make such payments shall remain in effect and be binding upon the Borrower notwithstanding the release and discharge of the Indenture and this Financing Agreement.

(iii) Neither the Borrower nor any “related party,” within the meaning of Section 1.150-1(b) of the Regulations, to the Borrower shall be permitted to purchase any Bonds in an amount related to the Bond Loan.

(b) The requirements stated in this Section 5.05 will survive the defeasance and discharge of the Bonds for as long as such matters are relevant to the exclusion from gross income of interest on the Bonds for federal income tax purposes.

**Section 5.06 Further Assurances and Corrective Instruments; Financing Statements.** The parties hereto agree that they will (with respect to the Issuer, subject to Section 9.09(e)), from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and to the other documents contemplated hereby as may reasonably be required to carry out the intention of or to facilitate the performance of this Financing Agreement, the Mortgage Loan Documents or the other Financing Documents or to perfect or give further assurances of any of the rights granted or provided for herein, the Mortgage Loan Documents or the other Financing Documents.

The Borrower shall execute and file, or shall cause to be executed and filed, any and all financing statements, or any amendments thereof or continuation statements thereto, to perfect the security interests granted in the Indenture, in the manner prescribed in the Indenture. The Borrower shall pay all costs of filing such instruments and any fees and expenses (including reasonable attorney’s fees) associated therewith.

**Section 5.07 Compliance With Other Documents.** The Borrower shall make all payments and shall observe and perform all covenants, conditions and agreements required to be paid, observed or performed by the Borrower under the Financing Documents, the Mortgage Note, the Mortgage, the other Mortgage Loan Documents, the Regulatory Agreement and all other documents, instruments or agreements which may at any time, or from time to time, be entered into by the Borrower with respect to the Project or the operation, occupancy or use thereof. The Indenture has been submitted to the Borrower for examination, and the Borrower, by execution of this Financing Agreement, acknowledges and agrees that it has participated in the negotiation of the Indenture that it has approved and agreed to each of the provisions of the Indenture and that it is bound by, shall adhere to the provisions of, and shall have the rights set forth by the terms and conditions of, the Indenture and covenants and agrees to perform all obligations required of the Borrower pursuant to the terms of the Indenture.

The Borrower hereby grants to the Trustee for the benefit of the Issuer, the Lender, Fannie Mae and the Bondholders a security interest in all of its rights in and to all Funds, Accounts and Subaccounts created or established by the Trustee under the Indenture (other than the Rebate Fund and the Rehabilitation Fund) in the manner and subject to the terms and conditions of the Indenture.

**Section 5.08 Notice of Certain Events.** The Borrower hereby covenants to advise the Lender, the Issuer and the Trustee promptly in writing of the occurrence of any default by the Borrower in the performance or observance of any covenant, agreement, representation, warranty or obligation of the Borrower set forth in this Financing Agreement, in any of the other Financing Documents or any other documents contemplated hereby or thereby, or of any Event of Default hereunder known to it or of which it has received notice, or any event which, with the passage of time or service of notice, or both, would constitute an Event of Default hereunder, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect thereto. Such notice shall be given promptly, and in no event less than ten (10) Business Days after the Borrower receives notice or has knowledge of the occurrence of any such event. The Borrower further agrees that it will give prompt written notice to the Trustee and the Lender if insurance proceeds or condemnation awards are received with respect to the

Project and are not used to repair or replace the Project, which notice shall state the amount of such proceeds or award.

The Borrower further covenants to provide such parties notice of the Placed in Service Date promptly upon its occurrence.

#### **Section 5.09 Indemnification.**

(a) The Borrower hereby agrees to release the Issuer Indemnified Parties and the Trustee Indemnified Parties (collectively, the “*Indemnified Parties*”) from, and covenants and agrees to indemnify, hold harmless and defend the from and against any and all losses, claims, damages, liabilities and expenses (including reasonable attorneys’ fees and expenses, litigation and court costs, costs incurred in connection with any audit by the Internal Revenue Service, amounts paid in settlement by or with the approval of the Borrower and amounts paid to discharge judgments), taxes, causes of action, suits, demands and judgments of any nature, joint or several, by or on behalf of any Person arising out of:

- (i) The approval of financing for the Project, or the making of the Bond Loan;
- (ii) The issuance and sale or resale of any Bonds or any certifications or representations made by any person other than the party seeking indemnification in connection therewith, including, but not limited to, any (A) statement or information made by the Borrower with respect to the Borrower or the Project in any offering document or materials regarding the Bonds, the Project or the Borrower or in the Tax Certificate or in any other certificate executed by the Borrower which, at the time made, is misleading, untrue or incorrect in any material respect; (B) untrue statement or alleged untrue statement of a material fact relating to the Borrower or the Project, which is made as approved by the Borrower and is contained in any offering material relating to the sale of the Bonds, as from time to time amended or supplemented, or arising out of or based upon the omission or alleged omission to state in such offering material a material fact relating to the Borrower or the Project required to be stated in such offering material or necessary in order to make the statements in such offering material not misleading; or (C) failure to properly register or otherwise qualify the sale of Bonds or failure to comply with any licensing or other law or regulation which would affect the manner in which or to whom the Bonds could be sold;
- (iii) The interpretation, performance, enforcement, breach, default or amendment of the Financing Documents, the Mortgage Loan Documents or any other documents relating to the Project or the Bonds (each referred to herein as a “*Related Agreement*”) or in connection with any federal or state tax audit, or any questions or other matters arising under such documents;
- (iv) The Borrower’s failure to comply with any requirement of this Financing Agreement, the Tax Certificate or the Regulatory Agreement;
- (v) The condition of the Project (environmental or otherwise), including any violation of any law, ordinance, court order or regulation affecting the Project or any part of it;
- (vi) Any damage or injury, actual or claimed, of whatsoever kind, cause or character to the Project (including loss of use of the Project) or persons, occurring or allegedly occurring in, on or about the Project or arising out of any action or inaction of the Borrower or any of its agents, servants, employees or licensees, whether or not related to the Project, or resulting from the acquisition, rehabilitation, design, repair, operation, use or management of all or any part of the Project;

(vii) Any and all claims arising in connection with the operation of the Project, or the conditions, environmental or otherwise, occupancy, use, possession, conduct or supervision of work done in or about, or from the planning, design, construction, repair or equipping of, the Project or any part of it, including, but not limited to, the Americans With Disabilities Act; and

(viii) To the extent not mentioned in any of the preceding subsections of this Section 5.09(a), any cause whatsoever in connection with transactions provided for in this Financing Agreement and the other Financing Documents or otherwise in connection with the Project, the Bonds or the execution or amendment of any document relating to the Bonds or the Project or the acceptance or administration of the trusts under the Indenture.

This indemnification shall extend to and include, without limitation, all reasonable costs, counsel fees, expenses and liabilities incurred in connection with any such claim, or proceeding brought with respect to such claim.

(b) If any claim shall be made or any action shall be brought against the Issuer Indemnified Parties or the Trustee Indemnified Parties in respect of which indemnity can be sought against the Borrower pursuant to this Section 5.09(a) or otherwise, such Indemnified Parties shall promptly notify the Borrower in writing, and the Borrower shall promptly assume the defense of such claim or action, including the employment of counsel chosen by the Borrower and approved by the Issuer or the Trustee, as applicable, the payment of all expenses and the right to negotiate a settlement with the consent and approval of the Issuer or the Trustee; if the Borrower shall have failed to assume the defense of such action or to retain counsel reasonably satisfactory to the Issuer within a reasonable time after notice of the commencement of such action, the Borrower shall pay the reasonable fees and expenses of counsel retained by the Issuer Indemnified Parties or the Trustee Indemnified Parties. If the Issuer Indemnified Parties or the Trustee Indemnified Parties are advised in a written opinion of counsel that there may be legal defenses available to such Indemnified Parties that are adverse to or in conflict with those available to the Borrower or that the defense of such Indemnified Parties should be handled by separate counsel, the Borrower shall not have the right to assume the defense of the Indemnified Parties, but shall be responsible for the reasonable fees and expenses of counsel retained by such Indemnified Parties in assuming its own defense. Notwithstanding the foregoing, the Issuer Indemnified Parties and the Trustee Indemnified Parties shall have the right to employ separate counsel with respect to any such claim or in any such action and to participate in the defense thereof, but such Indemnified Parties shall pay the fees and expenses of such counsel unless the employment of such counsel has been specifically authorized by the Borrower or unless the provisions of the immediately preceding sentence are applicable. The Borrower shall not be liable for any settlement of any such action effected without the consent of the Borrower, but if such claim or action is settled with the consent of the Borrower, or if there is a final judgment for the plaintiff in any such action with or without consent, the Borrower agrees to indemnify and hold harmless the Issuer Indemnified Parties or the Trustee Indemnified Parties, as applicable, from and against any loss, liability or expense by reason of such settlement or judgment.

(c) The Borrower shall also indemnify the Issuer Indemnified Parties and the Trustee Indemnified Parties for all reasonable costs and expenses, including reasonable counsel fees, incurred in: (i) enforcing any obligation of the Borrower under this Financing Agreement or any related agreement, (ii) taking any action requested by the Borrower, (iii) taking any action required by this Financing Agreement or any related agreement, or (iv) taking any action considered necessary by the Issuer Indemnified Parties or the Trustee Indemnified Parties and which is authorized by this Financing Agreement or any related agreement. If an Indemnified Parties takes any action under this Financing Agreement or any other instrument executed in connection herewith for the benefit of the Borrower, it will do so if and only if (a) the Issuer Indemnified Parties are a necessary party to any such action or proceeding, and (b) the Issuer Indemnified Parties or the Trustee Indemnified Parties have received specific written direction from the

Borrower, as required under this Financing Agreement or under any other instrument executed in connection with this Financing Agreement, as to the action to be taken by the Indemnified Parties.

(d) The indemnification provided in this Section 5.09 shall not be affected by any investigation by or on behalf of the Issuer Indemnified Parties or the Trustee Indemnified Parties or by any information the Issuer Indemnified Parties or the Trustee Indemnified Parties may have or obtain with respect thereof. This indemnification shall extend to and include, without limitation, all reasonable costs, counsel fees, expenses and liabilities incurred in connection with any such claim, or proceeding brought with respect to such claim to the fullest extent permitted by law, including if as the result of the negligence, gross negligence or breach of contractual duty of the Issuer Indemnified Parties, unless liability is a result of willful misconduct or fraud (or, with respect to the Trustee Indemnified Parties, negligence) on the part of the Issuer Indemnified Parties or the Trustee Indemnified Parties and their successors and assigns. The indemnification provided in this Section 5.09 is in addition to, and not in substitution of, the indemnification provisions in other documents executed and delivered in connection with the making of the bond loan and the issuance of the Bonds.

All amounts payable to the Issuer under this Financing Agreement shall be deemed to be fees and expenses payable to the Issuer for the purposes of the provisions of this Financing Agreement, and of the Indenture dealing with assignment of the Issuer's rights under this Financing Agreement. The Issuer and its commissioners, directors, officers, agents, employees and their successors and assigns shall not be liable to the Borrower for any reason.

Subject to the provisions of Section 8.02(c) of this Financing Agreement, the Issuer retains the right to (i) enforce any applicable federal or state law or regulation or resolution of the Issuer, and (ii) enforce any rights accorded to the Issuer by federal or state law or regulation of the Issuer, and nothing in this Financing Agreement shall be construed as an express or implied waiver thereof. The indemnifications provided by the Borrower shall survive the termination of this Financing Agreement and the satisfaction of the Mortgage Note and the Series B Bond Loan Note.

Notwithstanding any transfer of the Project to another owner (which transfer must be made in accordance with the Regulatory Agreement and the TPA Regulations), the Borrower shall remain obligated to indemnify each Issuer Indemnified Party and Trustee Indemnified Party pursuant to this Section 5.09 if such subsequent owner fails to indemnify any party entitled to be indemnified hereunder, unless such indemnified party has consented to such transfer and to the assignment of the rights and obligations of the Borrower hereunder.

During any period that the Lender or Fannie Mae owns the Project and this Section 5.09 is applicable to the Lender and Fannie Mae, the obligations of the Lender or Fannie Mae, as applicable, under this Section 5.09 shall be limited to acts and omissions of the Lender or Fannie Mae occurring during the period of the Lender's or Fannie Mae's ownership of the Project.

**Section 5.10 Right to Perform Borrower's Obligations.** If the Borrower fails to perform any of its obligations under this Financing Agreement, the Issuer, the Lender, Fannie Mae, the Bridge Lender, the Investor Limited Partner and/or the Trustee, after giving the requisite notice, if any, may, but shall be under no obligation to, perform such obligation and pay all costs related thereto, and all such costs so advanced by the Issuer, the Lender, Fannie Mae, the Bridge Lender, the Investor Limited Partner or the Trustee shall become an additional obligation of the Borrower hereunder, payable on demand with interest thereon at the default rate of interest payable under the Mortgage Loan Documents.

**Section 5.11 Nonrecourse Provisions.** Notwithstanding anything to the contrary, the obligations of the Borrower pursuant to this Financing Agreement shall not be secured by or create a lien or charge on in any manner the property of the Borrower or its partners, including the Project or the rents, issues and profits thereof and, except with respect to Sections 4.02 and 5.09 hereof, shall be non-recourse to the Borrower and its partners, officers, employees and agents. Sections 4.02 and 5.09 hereof shall be recourse to the Borrower but non-recourse to the partners, officers, employees and agents of the Borrower.

**Section 5.12 Indenture of Trust.** The provisions of the Indenture concerning the Bonds and other matters therein are an integral part of the terms and conditions of the Mortgage Loan, and this Financing Agreement shall constitute conclusive evidence of approval of the Indenture by the Borrower to the extent it relates to the Borrower. Additionally, the Borrower agrees that, whenever the Indenture by its terms imposes a duty or obligation upon the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Indenture, and the Borrower agrees to carry out and perform all of its obligations under the Indenture as fully as if the Borrower were a party to the Indenture. The Borrower also agrees that it will fully and faithfully perform all the duties and obligations which the Issuer has covenanted and agreed in the Indenture to cause the Borrower to perform with the exception of any duty or undertaking of the Issuer that by its nature cannot be delegated or assigned.

**Section 5.13 Continuing Disclosure.** The Borrower hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Financing Agreement or the Indenture, failure of the Borrower to comply with the Continuing Disclosure Agreement shall not be considered a default or an Event of Default hereunder or under the Indenture or a default with respect to the Bonds or the Financing Documents. The Borrower will provide copies of the annual financial statements of the Project and notices of material events in accordance with the Continuing Disclosure Agreement.

## ARTICLE VI

### MORTGAGE LOAN DOCUMENTS

**Section 6.01 Assurances.** The Borrower and the Trustee mutually agree that no party hereto shall enter into any contract or agreement, perform any act, or request any other party hereto to enter into any contracts or agreements or perform any acts, which would be reasonably anticipated to adversely and materially affect the Mortgage Loan Documents.

**Section 6.02 Financial Obligations Personal to the Borrower.** The Issuer acknowledges that the Project shall be encumbered by the Mortgage Loan Documents. Notwithstanding any provisions of this Financing Agreement, the Issuer agrees that all obligations of the Borrower for the payment of money not evidenced by the Mortgage Note, including indemnification obligations, shall not be secured by or in any manner constitute lien on the Project and, in connection with the exercise of any rights or remedies available to the Issuer under this Financing Agreement with respect to such obligations, the Issuer shall look to the enforcement of such obligations directly against the Borrower and/or the Guarantor, as applicable, or against the Trust Estate, but only after payments of all amounts due to the Holders of the Bonds and all costs and expenses of operating the Project.



## ARTICLE VII

### TRUSTEE'S INTEREST IN AGREEMENT

#### Section 7.01 Issuer Assignment of Financing Agreement.

(a) Pursuant to the Indenture, the Issuer shall pledge, assign and transfer all of its right, title and interest in this Financing Agreement (other than the Reserved Rights), and the revenues, receipts and collections hereunder and thereunder (other than payments made to the Issuer in connection with its Reserved Rights), to the Trustee in the manner and to the extent provided in the Indenture as security for the payment of the principal of, premium, if any, and interest on the Bonds, and the parties hereby acknowledge that the covenants and agreements contained herein are for the benefit of the registered owners from time to time of the Bonds and may be enforced on their behalf by the Trustee. Subject to Section 9.09(e), the Issuer shall execute and deliver from time to time, in addition to the instruments of assignment herein specifically provided for, such other and further instruments and documents as may be reasonably requested by the Trustee from time to time to further evidence, effect or perfect such pledge and assignment for the purposes contemplated in the Indenture.

(b) The Borrower hereby acknowledges and consents to the assignment and pledge of the Issuer's right, title and interest in this Financing Agreement (subject to the reservation by the Issuer of its Reserved Rights) to the Trustee in the manner and to the extent provided in the Indenture. The Borrower further acknowledges and consents to the right of the Trustee to enforce all rights of the Issuer and the Bondholders assigned under the Indenture.

## ARTICLE VIII

### EVENTS OF DEFAULT AND REMEDIES

**Section 8.01 Events of Default.** Each of the following shall constitute an event of default under this Financing Agreement, and the term "Event of Default" shall mean, whenever used in this Financing Agreement, any one or more of the following events (after taking into account any applicable notice and cure period):

(a) Failure by the Borrower to pay any amounts due under this Financing Agreement at the times and in the amounts required hereby; or

(b) Failure by the Borrower to observe or perform any covenants, agreements or obligations in this Financing Agreement on its part to be observed or performed (other than as provided in clause (a) above) for a period of thirty (30) days after receipt of written notice specifying such failure and requesting that it be remedied, given to the Borrower by any party to this Financing Agreement; ***provided, however***, that if said failure shall be such that it cannot be corrected within such period, it shall not constitute an Event of Default if the failure is correctable without material adverse effect on the Bonds and if corrective action is instituted by the Borrower within such period and diligently pursued until the failure is corrected, and ***provided, further***, that any such failure shall have been cured within ninety (90) days of receipt of notice of such failure; or

(c) Breach of any of the covenants, agreements or obligations of the Borrower under Tax Certificate or the Regulatory Agreement, or the occurrence of a default which is continuing under the Regulatory Agreement, including any exhibits to any of the foregoing; or

(d) The occurrence of an Event of Default caused by the Borrower under and as defined in the Indenture or under any of the other Financing Documents.

Nothing contained in this Section 8.01 is intended to amend or modify any of the provisions of the Mortgage Loan Documents or to bind the Lender or Fannie Mae to any notice and cure periods other than as expressly set forth in the Mortgage Loan Documents.

#### **Section 8.02 Remedies Upon an Event of Default.**

(a) Subject to Section 8.02(c) of this Financing Agreement, if any Event of Default has occurred and is continuing, the Trustee may, but except as otherwise provided in the Indenture, shall not be obligated to, exercise any or all of the rights of the Issuer under this Article, upon notice as required to the Issuer. In addition, the Trustee shall have available to it all of the remedies prescribed by the Indenture upon the occurrence and continuation of an “Event of Default” thereunder. If the Trustee is not enforcing the Issuer’s rights in a manner to protect the Issuer or is otherwise taking action that brings adverse consequences to the Issuer, then the Issuer may, without the consent of the Trustee, take whatever action at law or in equity may appear necessary or appropriate to enforce the Reserved Rights and to collect all sums then due and thereafter to become due to the Issuer under this Financing Agreement.

The Trustee may take any one or more of the following remedial steps:

(i) By any suit, action or proceeding, pursue all remedies now or hereafter existing at law or in equity to collect all amounts then due and thereafter to become due under this Financing Agreement, to enforce the performance of any covenant, obligation or agreement of the Borrower under this Financing Agreement (subject to the nonrecourse provisions of this Financing Agreement) or to enjoin acts or things which may be unlawful or in violation of the rights of the Issuer or the Trustee.

(ii) Take whatever other action at law or in equity may appear necessary or desirable to enforce any monetary obligation of the Borrower under this Financing Agreement or to enforce any other covenant, obligation or agreement of the Borrower under this Financing Agreement, the Tax Certificate or the Regulatory Agreement.

(iii) Have access to and inspect, examine, audit and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Borrower.

(b) The provisions of subsection (a) above are subject to the condition that if, after any Event of Default, except a default under the Regulatory Agreement, (i) all amounts which would then be payable hereunder by the Borrower if such Event of Default had not occurred and was not continuing shall have been paid by or on behalf of the Borrower, and (ii) the Borrower shall have also performed all other obligations in respect of which it is then in default hereunder (thereby curing such default) and shall have paid the Issuer Fees and Expenses owed in connection with such default and all reasonable charges, indemnities and expenses of the Trustee, including reasonable attorney fees and expenses paid or incurred in connection with such default, then and in every such case, such Event of Default shall be waived and annulled by the Trustee, but no such waiver or annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

(c) Subject to the limitations of this Financing Agreement and the Indenture, the Issuer, without the consent of the Trustee, but only after written notice to the Trustee, the Borrower, the Lender, the Bridge Lender, the Investor Limited Partner and Fannie Mae, may take whatever action at law or in equity may appear necessary or desirable to enforce performance and observance of any Reserved Right of

the Issuer; *provided* that, the Issuer may not (i) terminate this Financing Agreement or cause the Mortgage Loan to become due and payable, (ii) cause the Trustee to declare the principal of all Bonds then Outstanding and the interest accrued thereon to be immediately due and payable, or cause the Trustee to accelerate, foreclose or take any other action or seek other remedies under the Financing Documents, the Mortgage Loan Documents or any other documents contemplated hereby or thereby to obtain such performance or observance, (iii) cause the acceleration, foreclosure or taking of any other action or the seeking of any remedies under the Mortgage Loan Documents, (iv) initiate or take any action which may have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal, interest and other amounts due under the Mortgage Loan, (v) interfere with or attempt to influence the exercise by Fannie Mae of any of its rights under the Financing Documents or the Mortgage Loan Documents, or (vi) cause such Reserved Right to be secured by or constitute a lien on the Project.

(d) Except as required to be deposited in the Rebate Fund pursuant to the Financing Documents, any amounts collected pursuant to action taken under this Section 8.02 shall, after the payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, the Issuer, the Lender or Fannie Mae and their respective counsel, be applied in accordance with the provisions of the Indenture. No action taken pursuant to this Section shall relieve the Borrower from the Borrower's obligations pursuant to Section 5.09 hereof.

(e) No remedy herein conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy now or hereafter existing pursuant to any other agreement at law or in equity or by statute.

(f) Any amounts collected pursuant to action taken under this Section (other than sums collected for the Issuer on account of the Reserved Rights which sums shall be paid directly to the Issuer) shall be applied in accordance with the provisions of the Indenture.

(g) Notwithstanding any other provision of this Financing Agreement to the contrary, after the MBS Delivery Date, so long as Fannie Mae is not in default under the MBS, none of the Issuer, the Trustee or any Person under their control shall exercise any remedies or direct any proceedings under this Financing Agreement, the Mortgage Loan Documents or the other Financing Documents, other than to (i) enforce rights under the MBS; (ii) enforce the Issuer's Reserved Rights; (iii) enforce the tax covenants in the Indenture and this Financing Agreement; or (iv) enforce rights of specific performance under the Regulatory Agreement or the Tax Certificate; *provided, however*, that any enforcement under (ii), (iii) or (iv) above shall not include seeking monetary damages, but may, subject to Section 8.02(c), include the enforcement of the Borrower's obligation to pay the Rebate Amount and the fees and expenses of the Rebate Analyst and any other amounts necessary to maintain the tax-exempt status of the Bonds, to pay to the Issuer the Issuer Fees and Expenses, and to pay the costs, fees and expenses owed to the Trustee.

### **Section 8.03 Default or Non-Compliance Under Regulatory Agreement or Tax Certificate.**

(a) If the Borrower fails, at any time for any reason, to comply with the requirements of the Regulatory Agreement or the Tax Certificate, then within thirty (30) days after the earlier of the date the violation is discovered by the Issuer or the Trustee or the date the Issuer or the Trustee received notice thereof, the Issuer (if necessary to preserve the Federal Tax Status of the Bonds) or the Trustee, on behalf and at the request of the Issuer, shall, subject to receipt of an indemnity bond or other indemnity described in Section 9.01(l) of the Indenture, institute an action for specific performance to correct the violation. The Borrower hereby acknowledges and agrees that were money damages a remedy under the Regulatory Agreement or the Tax Certificate, money damages alone would not be an adequate remedy at law for a default by the Borrower arising from a failure to comply with the Regulatory Agreement or the Tax

Certificate, and therefore the Borrower agrees that the remedy of specific performance (subject to the provisions of Section 8.02(c) hereof) shall be available to the Issuer and/or the Trustee in any such case.

(b) Notwithstanding the availability of the remedy of specific performance provided for in subsection (a) of this Section, promptly upon determining that a violation of the Regulatory Agreement or the Tax Certificate has occurred, the Issuer or the Trustee (on behalf of the Issuer) shall, by notice in writing to the Lender and the Borrower, inform the Lender and the Borrower that a violation of the Regulatory Agreement or the Tax Certificate has occurred; notwithstanding the occurrence of such violation, neither the Issuer nor the Trustee shall have, and each of them acknowledges that they shall not have, any right to cause or direct acceleration of the Mortgage Loan, to enforce the Mortgage Note or to foreclose on the Mortgage.

#### **Section 8.04 Limitation on Waivers.**

(a) No delay or omission to exercise any right or power occurring upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed appropriate. The Issuer and the Trustee agree to give only such notices as may be herein expressly required.

(b) In the event any covenant, agreement or condition contained in this Financing Agreement shall be breached by a party and thereafter waived by another party, such waiver shall not bind any party which has not waived the breach and shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder nor be a waiver of the same breach on a future occasion. By reason of the assignment and pledge of certain of the Issuer's rights and interests in this Financing Agreement to the Trustee, the Issuer shall have no power to waive or release the Borrower from any Event of Default or the performance or observance of any obligation or condition of the Borrower under this Financing Agreement (excluding any Events of Default or performance or obligations or condition of the Borrower related to the Reserved Rights) without first requesting and receiving the prior written consent of the Trustee, but shall do so if, requested by the Trustee; *provided* that the Issuer shall not be required to grant such waiver or release unless it shall have been provided with (i) if deemed necessary, in the sole discretion of the Issuer, an Opinion of Counsel that such action will not result in any pecuniary liability to it and a Favorable Opinion of Bond Counsel with respect to such waiver, (ii) such indemnification as the Issuer shall deem reasonably necessary, and (iii) written notice from the Trustee of the request for such waiver or release.

**Section 8.05 Notice of Default: Rights to Cure.** The Issuer and the Trustee shall each give notice to the other and the Trustee shall give further notice to the Investor Limited Partner and the Lender of the occurrence of any Event of Default by the Borrower hereunder of which it has actual knowledge. The Lender, the Bridge Lender, and the Investor Limited Partner shall each have the right, but not the obligation, to cure any such default by the Borrower, and upon performance by the Lender, the Bridge Lender, or the Investor Limited Partner to the satisfaction of the Issuer and the Trustee of the covenant, agreement or obligation of the Borrower with respect to which an Event of Default has occurred, the parties hereto shall be restored to their former respective positions, it being agreed that the Lender, the Bridge Lender, and the Investor Limited Partner shall each have the right to repayment from the Borrower of moneys it has expended and any other appropriate redress for actions it has taken to cure any default by the Borrower; *provided* that the Borrower's reimbursement obligation shall be non-recourse to the same extent as the underlying obligation is non-recourse to the Borrower and its partners, officers, employees and agents.

**Section 8.06 Rights Cumulative.** All rights and remedies herein given or granted to the Issuer and the Trustee are cumulative, nonexclusive and in addition to any and all rights and remedies that the Issuer and the Trustee may have or may be given by reason of any law, statute, ordinance or otherwise. Notwithstanding anything to the contrary contained in this Financing Agreement, neither the Trustee nor the Issuer may commence any action against the Borrower for specific performance or any other remedy at law or in equity, other than to enforce performance and observance of any Reserved Right of the Issuer and its rights under Section 8.03, without first obtaining the prior written consent of Fannie Mae.

## ARTICLE IX

### MISCELLANEOUS

**Section 9.01 Notices.** All notices, certificates or other communications herein provided shall be given in writing to the Issuer, the Borrower, the Trustee, Fannie Mae, the Lender, the Bridge Lender, and the Investor Limited Partner, and shall be sufficiently given and shall be deemed given if given in the manner provided in the Indenture. Except as otherwise provided in the preceding sentence, copies of each notice, certificate or other communication given hereunder by any party hereto shall be given to all parties hereto. By notice given hereunder, any party may designate further or different addresses to which subsequent notices, certificates or other communications are to be sent. A duplicate copy of each notice, certificate, request or other communication given hereunder to the Issuer, the Borrower, the Lender or the Trustee shall also be given to Fannie Mae.

**Section 9.02 Amendment.** This Financing Agreement and all other documents contemplated hereby to which the Issuer is a party may be amended or terminated only if permitted by the Indenture, and no amendment to this Financing Agreement shall be binding upon, any party hereto until such amendment is reduced to writing and executed by the parties hereto; *provided* that no amendment, supplement or other modification to this Financing Agreement or any other Financing Document shall be effective without the prior written consent of Fannie Mae.

**Section 9.03 Entire Agreement.** Except as provided in the other Financing Documents and the Mortgage Loan Documents, this Financing Agreement contains all agreements among the parties hereto, and there are no other representations, warranties, promises, agreements or understandings, oral, written or implied, among the parties hereto, unless reference is made thereto in this Financing Agreement or the Indenture.

**Section 9.04 Binding Effect; Third Party Beneficiaries.** This Financing Agreement shall be binding upon the Issuer, the Borrower and the Trustee and their respective successors and assigns. Notwithstanding anything herein to the contrary, to the extent Fannie Mae or its designee shall become the owner of the Project as a result of a foreclosure or a deed in lieu of foreclosure or similar conveyance, Fannie Mae, and its designee, if applicable, shall not be liable for any breach or default or any of the obligations of any prior owner of the Project under this Financing Agreement, and shall only be responsible for defaults and obligations incurred during the period Fannie Mae or its designee, if applicable, is the owner of the Project.

Each of the Issuer Indemnified Parties, other than the Issuer, is an intended third-party beneficiary of this Financing Agreement to the extent of its express rights hereunder. Nothing in this Financing Agreement shall confer any right upon any person other than parties hereto, and those specifically designated as third-party beneficiaries of this Financing Agreement.

**Section 9.05 Severability.** If any clause, provision or section of this Financing Agreement shall be ruled invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections.

**Section 9.06 Execution in Counterparts.** This Financing Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 9.07 Survival.** Notwithstanding the payment in full of the Bonds, the discharge of the Indenture, and the termination or expiration of the Mortgage Loan Note and this Financing Agreement, all provisions in this Financing Agreement concerning (1) the Federal Tax status of the Bonds, (2) the interpretation of this Financing Agreement, (3) the governing law, (4) the forum for resolving disputes, (5) the Issuer's right to rely on facts or certificates, (6) the indemnity of the Issuer Indemnified Parties from liability (pecuniary or otherwise) and their rights to receive payment and or reimbursement with respect thereto, and (7) the lack of pecuniary liability of the Issuer, the City and the State shall survive and remain in full force and effect.

**Section 9.08 Governing Law; Venue.** This Financing Agreement shall be construed in accordance with and governed by the laws of the State applicable to contracts made and performed in the State. Exclusive venue shall be in a court of competent jurisdiction in Providence County, Rhode Island.

**Section 9.09 Limited Liability of the Issuer.**

(a) ***Reliance by Issuer on Facts or Certificates.*** Anything in this Financing Agreement to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that the Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice, or other instrument furnished to the Issuer by the Lender, the Trustee or the Borrower as to the existence of any fact or state of affairs required hereunder to be noticed by the Issuer.

(b) ***Waiver of Personal Liability.*** No commissioner, officer, agent or employee of the Issuer or any of its members or any director, officer, agent or employee of the Borrower shall be individually or personally liable for the payment of any principal (or Redemption Price) of or interest on the Bonds or any other sum hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of this Financing Agreement; but nothing herein contained shall relieve any such member, director, officer, agent or employee from the performance of any official duty provided by law or by this Financing Agreement.

(c) ***Immunity of Issuer Indemnified Parties.*** No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the Issuer contained in this Financing Agreement, any other Issuer Documents, or in any Bond or for any claim based hereon or otherwise in respect hereof or upon any obligation, covenant, promise, or agreement of the Issuer contained in any agreement, instrument, or certificate executed in connection with the Project or the issuance and sale of the Bonds, against any Issuer Indemnified Party, whether by virtue of any Constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that no personal liability whatsoever shall attach to, or be incurred by, any Issuer Indemnified Party, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into by the Issuer with the Borrower or the Trustee to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against each and every Issuer Indemnified Party (to the extent any such liability exists) is, by the execution of the Bonds, this Financing Agreement, and the other Issuer Documents, and as a condition of, and as part of the consideration for, the execution of the Bonds, this Financing Agreement and the other Issuer Documents, expressly waived and released.

(d) ***No Pecuniary Liability of Issuer.*** No agreements or provisions contained herein, nor any agreement, covenant, or undertaking by the Issuer in connection with the Project or the issuance, sale, remarketing, and/or delivery of the Bonds shall give rise to any pecuniary liability of the Issuer or a charge against its general credit, or shall obligate the Issuer financially in any way, except as may be payable from the Trust Estate. No failure of the Issuer to comply with any term, covenant, or agreement contained in the Bonds, this Financing Agreement, or the Indenture, or in any document executed by the Issuer in connection with the Project or the issuance and sale of the Bonds, shall subject the Issuer to liability for any claim for damages, costs, or other financial or pecuniary charge, except to the extent that the same can be paid or recovered from the Trust Estate pledged under the Indenture for the payment of the Bonds. Nothing herein shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant, or agreement herein; ***provided*** that no costs, expenses, or other monetary relief shall be recoverable from the Issuer, except as may be payable from the Trust Estate pledged under the Indenture for the payment of the Bonds. No provision, covenant, or agreement contained herein, or any obligations imposed upon the Issuer, or the breach thereof, shall constitute an indebtedness of the Issuer within the meaning of any State constitutional or statutory limitation or shall constitute or give rise to a charge against its general credit. In making the agreements, provisions, and covenants set forth in this Financing Agreement, the Issuer has not obligated itself, except with respect to the application of the Trust Estate pledged in the Indenture for the payment of the Bonds.

The Borrower hereby acknowledges that the Issuer's sole source of moneys to repay the Bonds will be provided by the Trust Estate, and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal (or Redemption Price or purchase price) of, premium, if any, and interest on the Bonds as the same shall become due (whether by maturity, redemption, mandatory tender, acceleration or otherwise), then upon notice from the Trustee, the Borrower shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal (or Redemption Price) of, premium, if any, or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Trustee, the Borrower, the Issuer or any third party, subject to any right of reimbursement from the Trustee, the Issuer or any such third party, as the case may be, therefor.

(e) ***Expenses.*** The Borrower shall pay and indemnify the Issuer and the Trustee against all reasonable fees, costs and charges, including reasonable fees and expenses of attorneys, accountants, consultants and other experts, incurred in good faith (and with respect to the Trustee, without negligence or willful misconduct) and arising out of or in connection with the Financing Documents and the Mortgage Loan Documents. These obligations and those in Section 5.09 hereof shall remain valid and in effect notwithstanding repayment of the Mortgage Loan hereunder or termination of the Financing Agreement or the Indenture.

(f) ***Issuer's Performance.*** The Issuer shall have no liability or obligation with respect to the payment of the purchase price of the Bonds. None of the provisions of this Financing Agreement shall require the Issuer to expend or risk its own funds or to otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless payable from the revenues pledged under the Indenture, or the Issuer shall first have been adequately indemnified to its satisfaction against the cost, expense, and liability which may be incurred thereby. The Issuer shall not be under any obligation hereunder to perform any record keeping or to provide any legal services, it being understood that such services shall be performed or provided by the Trustee or the Borrower. The Issuer covenants that it will faithfully perform (to the extent within its reasonable control) at all times any and all covenants, undertakings, stipulations, and provisions expressly contained in this Financing Agreement, the Indenture, in any and every Bond executed, authenticated, and delivered under the Indenture; ***provided, however,*** that the Issuer shall not be obligated to take any action or execute any instrument pursuant to any

provision hereof until (i) it shall have been requested to do so by the Guarantor, the Borrower or the Trustee, (ii) the Issuer shall have received the instrument to be executed and (iii) at the Issuer's option, the Issuer shall have received from the Borrower assurance satisfactory to the Issuer that the Issuer shall be reimbursed for its expenses incurred or to be incurred in connection with taking such action or executing such instrument

(g) **No Warranty by Issuer.** The Borrower recognizes that, because the components of the Project have been and are to be designated and selected by it, THE ISSUER HAS NOT MADE AN INSPECTION OF THE PROJECT OR OF ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, AND THE ISSUER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED OR OTHERWISE, WITH RESPECT TO THE SAME OR THE LOCATION, USE, DESCRIPTION, DESIGN, MERCHANTABILITY, FITNESS FOR USE FOR ANY PARTICULAR PURPOSE, CONDITION OR DURABILITY THEREOF, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, IT BEING AGREED THAT ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY THE BORROWER. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE IN THE PROJECT OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER PATENT OR LATENT, THE ISSUER SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO. THE PROVISIONS OF THIS SECTION HAVE BEEN NEGOTIATED AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES OR REPRESENTATIONS BY THE ISSUER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROJECT OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER ARISING PURSUANT TO THE UNIFORM COMMERCIAL CODE OF THE STATE OR ANY OTHER LAW NOW OR HEREAFTER IN EFFECT OR OTHERWISE.

**Section 9.10 Term of Financing Agreement.** This Financing Agreement shall be in full force and effect from its date to and including such date as all of the Bonds shall have been fully paid or retired (or provision for such payment shall have been made as provided in the Indenture); *provided, however*, that the provisions of Sections 2.01, 5.05 and 5.09 of this Financing Agreement shall survive the termination hereof or the earlier resignation or removal of the Trustee, as applicable.

**Section 9.11 Electronic Signatures.** The parties agree that the electronic signature of a party to this Financing Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Financing Agreement. For purposes hereof: (a) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (b) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") attached to an electronic mail or internet message.

**Section 9.12 Patriot Act.** The Trustee hereby notifies all the parties hereto that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 the "**Act**"), it is required to obtain, verify and record information that identifies the other parties hereto, which information includes the name and address of the other parties hereto and other information that will allow the Trustee to identify the other parties hereto in accordance with the Act. In addition, changes to federal banking regulations require all U.S. financial institutions to collect information regarding the beneficial ownership of our legal entity customers. At account opening, and at times during the life of the account, the Borrower shall provide, upon request, identifying information for all natural persons who, directly or indirectly, own 20 percent or more of the equity interests in the legal entity. In certain situations, the Trustee may request identifying information below 20 percent. The Trustee will also request identifying information for a controlling person, such as an executive officer or senior manager, or another individual who regularly performs similar functions.



**IN WITNESS WHEREOF**, the parties hereto have caused this Financing Agreement to be executed by their duly authorized representatives as of the date of execution set forth below.

**RHODE ISLAND HOUSING AND MORTGAGE  
FINANCE CORPORATION**, as Issuer

By: \_\_\_\_\_

Name: Kara L Lachapelle

Title: Chief Financial Officer

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

By: \_\_\_\_\_  
Name:  
Title:

**ROCK RIDGE, LP,**  
a California limited partnership

By: Rock Ridge GP, LLC,  
a California limited liability company,  
its General Partner

By: The BLVD Group, LLC,  
a Delaware limited liability company,  
its Manager

By: \_\_\_\_\_  
Name:  
Title:

## EXHIBIT A

### FORM OF SERIES B BOND LOAN NOTE

\$(BB,000,000)

April [ ], 2025

Rock Ridge, LP, a California limited partnership (the “*Borrower*”), for value received, promises to pay in installments to The Bank of New York Mellon Trust Company, N.A., as trustee (the “*Trustee*”) under the Indenture hereinafter referred to, the principal amount of

[ ] DOLLARS (\$ )

and to pay interest on the unpaid balance of such principal sum from and after the date hereof at the rate of [ ]% per annum to but not including [ ], 20 (the “*Initial Mandatory Tender Date*”), and thereafter at the applicable Remarketing Rate (as defined in the Indenture described below), until the payment of such principal sum has been made or provided for. The principal amount stated above shall be paid on or before [ ], 20. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months. Interest on this Note shall be paid in Federal Reserve funds on (a) the 1st day of the month following the month in which the Closing Date occurs and the 1st day of each month thereafter, or the next succeeding Business Day if such 1st day is not a Business Day (ii) each Mandatory Redemption Date described in the Indenture, (iii) each Mandatory Tender Date, (iv) the Bond Maturity Date and (v) the date of acceleration of the Series B Bonds (the “*Payment Dates*”) until the principal amount is paid or duly provided for.

This Note has been executed and delivered by the Borrower to the Trustee, as assignee of the Issuer, pursuant to a certain Financing Agreement dated as of April 1, 2025 (the “*Financing Agreement*”), among the Rhode Island Housing and Mortgage Finance Corporation (the “*Issuer*”), The Bank of New York Mellon Trust Company, N.A., as Trustee (the “*Trustee*”), and the Borrower. Terms used but not defined herein shall have the meanings ascribed to such terms in the Financing Agreement and the Indenture, as defined below.

Under the Financing Agreement, the Issuer has loaned the Borrower the proceeds received from the sale of the Issuer’s Multifamily Housing Revenue Bonds (Rock Ridge Project), Series 2025B (the “*Series B Bonds*”) to assist in the financing of the Project, and the Borrower has agreed to repay such loan by making payments at the times and in the amounts set forth in this Note for application to the payment of amounts due on the Series B Bonds as and when due. The Series B Bonds have been issued, concurrently with the execution and delivery of this Note, pursuant to, and are secured by, the Trust Indenture dated as of April 1, 2025 (the “*Indenture*”), between the Issuer and the Trustee.

To provide funds to pay the principal of and interest on the Series B Bonds as and when due as specified herein, the Borrower hereby agrees to and shall make payments in Federal Reserve funds on each Payment Date in an amount equal to the principal and interest due on the Series B Bonds payable on such Payment Date. In addition, to provide funds to pay the principal and interest due on the Series B Bonds as and when due at any other time, the Borrower hereby agrees to and shall make payments in Federal Reserve funds on any other date on which any principal and interest due on the Series B Bonds shall be due and payable, whether at maturity, upon acceleration or otherwise, in an amount equal to such principal and interest due.

If payment or provision for payment in accordance with the Indenture is made in respect of the principal and interest due on the Series B Bonds from money other than as set forth above, this Note shall be deemed paid to the extent such payments or provision for payment of the Series B Bonds has been made. Consistent with the provisions of the immediately preceding sentence, the Borrower shall have credited against its obligation to make payments required herein any amounts transferred from the Series B Subaccount of the Bond Proceeds Fund or the Series B Subaccount of the Collateral Fund to the Series B Subaccount of the Revenue Fund. Subject to the foregoing, all payments required hereunder shall be in the full amount required hereunder.

All payments required hereunder shall be made to the Trustee at its designated corporate trust office for the account of the Issuer and deposited into the Series B Subaccount of the Revenue Fund created by the Indenture. Except as otherwise provided in the Indenture, such payments shall be used by the Trustee to pay principal and interest due on the Series Bonds as and when due.

The obligation of the Borrower to make the payments required hereunder shall be absolute and unconditional and the Borrower shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set off, recoupment or counterclaim which the Borrower may have or assert against the Issuer, the Trustee or any other person.

This Note is subject to prepayment, in whole or in part, upon the terms and conditions set forth in Article IV of the Financing Agreement. Any prepayment is subject to satisfaction of any applicable notice, deposit or other requirements set forth in the Agreement or the Indenture.

Whenever an Event of Default under Section 8.01 of the Indenture shall have occurred and, as a result thereof, the principal of and any premium on all Series B Bonds then Outstanding, and interest accrued thereon, shall have been declared to be immediately due and payable pursuant to Section 8.02 of the Indenture, the unpaid principal amount of and any premium and accrued interest on this Note shall also be due and payable in Federal Reserve funds on the date on which the principal of and premium and interest on the Bonds shall have been declared due and payable; provided that the annulment of a declaration of acceleration with respect to the Bonds shall also constitute an annulment of any corresponding declaration with respect to this Note.

The payment obligations of this Note are non-recourse to the Borrower to the extent set forth in Section 5.11 of the Financing Agreement.

**IN WITNESS WHEREOF**, the Borrower has caused this Note to be executed in its name as of the date first above written.

**ROCK RIDGE, LP,**  
a California limited partnership

By: Rock Ridge GP, LLC,  
a California limited liability company,  
its General Partner

By: The BLVD Group, LLC,  
a Delaware limited liability company,  
its Manager

By: \_\_\_\_\_  
Name:  
Title:

#### **ENDORSEMENT**

Pay to the order of The Bank of New York Mellon Trust Company, N.A., without recourse, as Trustee under the Indenture referred to above. This endorsement is given without any warranty as to the authority or genuineness of the signature of the maker of this Note.

**RHODE ISLAND HOUSING AND MORTGAGE  
FINANCE CORPORATION**, as Issuer

By: \_\_\_\_\_  
Name: Kara L Lachapelle  
Title: Chief Financial Officer

## EXHIBIT B

### FORM OF REQUISITION

STATEMENT NO. \_\_\_\_\_ REQUESTING DISBURSEMENT OF FUNDS FROM  
SERIES B BOND PROCEEDS FUND ACCOUNT PURSUANT TO SECTION 4.05 OF THE  
FINANCING AGREEMENT

Pursuant to Section 4.05 of the Financing Agreement dated as of April 1, 2025 (the “Financing Agreement”), among the Rhode Island Housing and Mortgage Finance Corporation (the “Issuer”), Rock Ridge, LP (the “Borrower”), and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), the undersigned Authorized Borrower Representative hereby requests and authorizes the Trustee, as depositary of the Series B Bond Proceeds Fund Account created by the Trust Indenture dated as of April 1, 2025 (the “Indenture”), between the Issuer and the Trustee, to pay [to the Borrower] [or to the person(s) listed on the Disbursement Schedule hereto as Schedule I] out of the money deposited in the Series B Bond Proceeds Fund Account the aggregate sum of \$ \_\_\_\_\_ to pay the costs of the items listed in the Disbursement Schedule attached hereto as Schedule I.

In connection with the foregoing request and authorization, the undersigned hereby certifies that:

(a) All conditions precedent to the requested disbursement as provided for in the Indenture and Financing Agreement (including, without limitation, the deposit of sufficient Eligible Funds into the Collateral Fund as provided in the Indenture), have occurred.

(b) Each item for which disbursement is requested hereunder is an item described in Section 4.05 of the Financing Agreement, is properly payable out of the Bond Proceeds Fund in accordance with the terms and conditions of the Financing Agreement and none of those items has formed the basis for any disbursement heretofore made from said Bond Proceeds Fund.

(c) Each such item is or was necessary in connection with the acquisition, construction, rehabilitation, installation, equipment or improvement of the Project, as defined in the Indenture.

(d) The Borrower has received, or will concurrently with payment receive and deliver to the Trustee, appropriate waivers of any mechanics’ or other liens with respect to each item for which disbursement is requested hereunder.

(e) After taking into account the proposed disbursement,

(i) no more than 5% of the Net Proceeds of the Series B Bonds will have been used for costs that are not Qualified Project Costs;

(ii) less than 25% of the Net Proceeds of the Series B Bonds will have been used for the cost of acquiring land; and

(iii) not more than 2% of the Net Proceeds of the Series B Bonds will have been used for Costs of Issuance.

All of the funds being disbursed are being used in compliance with all of the tax covenants set forth in the Indenture, the Financing Agreement, the Tax Certificate and the Regulatory Agreement.

(f) There is no current or existing event of default pursuant to the terms of the Financing Agreement, the Tax Certificate or the Regulatory Agreement and no event exists which by notice or passage of time or both would constitute an event of default under any of the foregoing documents.

(g) No amount for which disbursement is sought formed the basis for any prior disbursement.

(h) Each item for which disbursement is sought was or is necessary in connection with the Project and qualifies for disbursement pursuant to the provisions of the Financing Agreement.

(i) No representation or warranty of the Borrower contained in the Financing Agreement, the Tax Certificate or the Regulatory Agreement is materially incorrect or inaccurate, and there has been no “Event of Default” or default under the terms of any of those documents which has occurred and is continuing after any applicable notice period and no event shall exist which by notice, passage of time or both would constitute an “Event of Default” or default under any of those documents.

(j) There are no liens on the Project except Permitted Liens and those permitted or provided for by the Financing Agreement.

(k) This statement and all exhibits hereto, including the Disbursement Schedule, shall be conclusive evidence of the facts and statements set forth herein and shall constitute full warrant, protection and authority to the Trustee for its actions taken pursuant hereto.

[Remainder of page intentionally left blank]



This statement constitutes the approval of the Borrower of each disbursement hereby requested and authorized.

This \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**ROCK RIDGE, LP,**  
a California limited partnership

By: Rock Ridge GP, LLC,  
a California limited liability company,  
its General Partner

By: The BLVD Group, LLC,  
a Delaware limited liability company,  
its Manager

By: \_\_\_\_\_  
Authorized Borrower Representative

APPROVED:

**MERCHANTS BANK OF INDIANA,**  
as Lender

By: \_\_\_\_\_  
Authorized Officer

**RHODE ISLAND OUSING AND MORTGAGE  
FINANCE CORPORATION,**  
as Lender

By: \_\_\_\_\_  
Authorized Officer

SCHEDULE I  
DISBURSEMENT SCHEDULE

PAYEE	AMOUNT	PURPOSE
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