

Project Name: _____
Project Number: HOME/RHP/RHW _____

DEED OF TRUST NOTE
SURPLUS CASH WITH CONTINGENT INTEREST

\$ _____ Lanham, Maryland
_____, 20__

FOR VALUE RECEIVED, _____, a Maryland
_____ (the "**Borrower**"), promises to pay to the order of the COMMUNITY
DEVELOPMENT ADMINISTRATION ("**CDA**"), a unit of the Division of Development Finance of the
Department of Housing and Community Development, a principal department of the State of Maryland
("**DHCD**"), its successors and assigns and any subsequent holder of this note (this "**Note**"), the principal
sum of _____ Dollars (\$ _____) or so much of that
sum as may be advanced by CDA together with contingent interest payable on the unpaid balance thereof as
set forth below.

1. Definitions. The following words and terms shall have the following meanings unless
the context otherwise requires:

"**Applicable Surplus Cash Percentage**" means the percentage of Surplus Cash to be paid
to CDA on each [April][_____] 1 [3 months after Borrower's fiscal year end] during the Permanent
Loan Period. [The Applicable Surplus Cash Percentage shall be 50% until the Developer Fee has been paid
in full. Thereafter, the] [The] Applicable Surplus Cash Percentage shall be ____%.

"**Borrower Net Proceeds**" means:

(a) For a Capital Event other than the Maturity Date or Loan acceleration, X minus Y
where:

X equals the net proceeds due to Borrower as shown on a HUD-1 or comparable form of
settlement statement which shall detail the sales price, charges, payment in full of all third-party
debt (including this Note), credits and other adjustments or expenses for the transaction, all as
approved by CDA.

And,

Y equals any unpaid portion of the Developer Fee, other outstanding related party loans or
other amounts due to the extent allowed by CDA and not reflected on the settlement statement; or

(b) Upon the occurrence of the Maturity Date or the acceleration of the Loan as a
result of an Event of Default, an appraisal of the Project, based on all existing income and rent
restrictions remaining in place, shall be prepared (at Borrower's cost) by an appraiser approved by
CDA to determine the amount of Borrower Net Proceeds as would have been due to Borrower if the
Project were sold as of the Maturity Date or the date of the Event of Default.

“**Capital Event**” means a sale, transfer or other conveyance of the Project, refinancing of the Loan, or a transfer of Borrower's interest in the Project where, in each such case, there are Borrower Net Proceeds. A Capital Event also includes the maturity of the Loan on the Maturity Date and the acceleration of the Loan upon an Event of Default to the extent there are Borrower Net Proceeds as determined by appraisal.

“**Construction Loan Period**” means the period commencing from the date of this Note until _____, 20____, which period shall include three months for cost certification. [based on the construction contract schedule plus 3 months]

“**Contingent Interest**” shall mean an amount of interest that may be payable out of Surplus Cash or Borrower Net Proceeds in accordance with Section 3 hereof.

“**Contingent Interest Percentage**” means _____%, which is the greater of (i) the percentage that the Loan comprises of the Total Project Costs as set forth on the Project budget approved by CDA as of Initial Closing; or (ii) 20%.

“**Contingent Interest Surplus Cash**” means Surplus Cash available to be distributed to any [partner] [member], or an affiliate of a [partner][member] less (i) payments made in respect of any deferred developer fee, (ii) any repayment to a [partner][member] or affiliate of a [partner][member] with respect to a loan made to the Borrower, (iii) any deferred investor service fee; and (iv) any tax credit adjustment payments made to Borrower's investor [limited partner][member].**[other uses may be added here, if required by limited partnership/operating agreement and subject to CDA approval]**

“**Deed of Trust**” means the Deed of Trust, Security Agreement and Assignment of Rents of even date herewith, securing the Loan and obligations evidenced by this Note from the Borrower to Anthony J. Mohan and _____, trustees for the benefit of CDA, covering real estate more specifically described therein (the “**Property**”).

“**Developer Fee**” means the developer fee to be paid to the developer of the Project as set forth in the Project budget approved by CDA at Initial Closing, including any amounts designated as “deferred developer fee”.

“**Event of Default**” means an “Event of Default” as defined in the Deed of Trust.

[“**First Deed of Trust**” means that certain senior deed of trust in favor of _____ with respect to a \$_____ loan made to the Borrower to finance the acquisition and/or construction of the Project.]

“**Holder**” means the holder of this Note, including CDA, its successors and assigns.

“**Indebtedness**” means the outstanding principal of, or any other amounts due at any time under, this Note, the Deed of Trust or any other Loan Document, excluding Contingent Interest.

“**Initial Closing**” means the date of initial closing of the Loan.

“**Loan**” means the loan evidenced by this Note.

“**Loan Documents**” means this Note, the Deed of Trust, a Regulatory Agreement and a Building Loan Agreement, all of even date herewith by and between the Borrower and CDA, and any other document previously, simultaneously, or hereafter executed and delivered by the Borrower or any other party as security for, as a guaranty of, or in connection with, the obligations of the Borrower to CDA arising from the Loan.

“**Maturity Date**” means ____ [date that is expected to be the 40th anniversary of the first day of the Permanent Loan Period].

“**Maximum Contingent Interest Amount**” means an amount, at any point in time, equal to the aggregate amount of annual simple interest that would have accrued on each December 31st of the Permanent Loan Period at the rate of 4% on the outstanding principal balance of the Note.

“**Obligor**” means the Borrower and each endorser, guarantor, accommodation party and surety of this Note.

“**Permanent Loan Period**” means the period commencing on the first day after the end of the Construction Loan Period and ending on the earlier of (i) the Maturity Date; or (ii) the date all obligations under the Loan have been satisfied.

“**Project**” means the ____ unit multifamily rental housing project that is being partially funded by this Loan and which is located on the real property described in the Deed of Trust.

“**Surplus Cash**” means Total Cash less Total Current Obligations determined as of the last day of Borrower’s most recently completed fiscal year.

“**Total Cash**” means all of Borrower’s cash held in connection with the Project, including but not limited to, all funds of Borrower deposited in bank accounts, all tenant security deposits, and payments from tenant subsidy vouchers which are due but not yet received. Notwithstanding the foregoing, Total Cash does not include funds held in reserve accounts and tax and insurance escrows required by the Loan Documents, any document executed in connection with a mortgage or deed of trust that is superior to the Deed of Trust, or any document executed in connection with a mortgage or deed of trust that is subordinate to the Deed of Trust and that has been approved in writing by CDA. In addition, Total Cash does not include funds held in the “Construction Cash” account in connection with the Project to the extent that such Construction Cash account is funded with (i) construction loan proceeds from CDA or any other lender approved by CDA; (ii) syndication proceeds or other sums contributed to the Project by Borrower’s limited partners and (iii) interest accruing thereon, and only to the extent that such funds are required for the payment of costs identified in the Project budget approved by CDA.

“**Total Current Obligations**” means the following obligations of the Borrower arising from the Project:

(a) Accrued interest due and payable and any due or delinquent principal payments on any note that is secured by a mortgage or deed of trust creating a lien on the Property that is superior to the Deed of Trust.

(b) Accrued interest due and payable and any due or delinquent principal payments on any note that is secured by a mortgage or deed of trust creating a lien on the Property that is subordinate to the Deed of Trust, and which was approved in writing by CDA. In order for such accrued interest and principal payments to be added to the Total Current Obligations, such payment obligations shall not be contingent on available cash, but shall be mandatory regardless of available cash.

(c) Accrued interest due and payable and any due or delinquent principal payments on the Note, the payment of which is not contingent on available cash, but is mandatory regardless of available cash.

(d) Delinquent or due deposits to reserve accounts and tax and insurance escrows, required by the Deed of Trust or any mortgage or deed of trust that is superior to the Deed of Trust.

(e) Delinquent or due deposits to reserve accounts and tax and insurance escrows required by any mortgage or deed of trust that is subordinate to the Deed of Trust and which was approved in writing by CDA.

(f) Accounts payable (due within 30 days), as approved in writing by CDA.

(g) Loans and notes payable (due within 30 days) as approved in writing by CDA.

(h) Deficient escrow deposits for taxes or insurance premiums.

(i) Any payments in lieu of taxes required under an agreement with the applicable local taxing authority.

(j) Accrued expenses that are not escrowed, and which were approved in writing by CDA.

(k) Prepaid rents.

(l) Tenant security deposits liability.

(m) Investor Services fee, if any, up to \$3,000 per annum.

(n) Other obligations approved in writing by CDA.

Obligations arising from loans, advances or contributions of any kind or nature whatsoever, made by the Borrower or by an entity related to the Borrower, are excluded from the definition of Total Current Obligations, and such obligations only may be repaid after the calculation and payment of any Surplus Cash obligation in accordance with this Note. CDA shall determine, in its sole discretion, whether or not an entity is related to the Borrower.

“**Total Project Costs**” means the total cost of the Project as reflected on the Project budget approved by CDA at Initial Closing.

2. Interest.

2.1 No regular interest shall accrue on this Note.

2.2 Contingent Interest shall be due upon the occurrence of certain events as set forth herein; provided, however, in no event shall the aggregate amount of Contingent Interest received by CDA hereunder exceed the Maximum Contingent Interest Amount.

3. Payments.

3.1 Construction Loan Period. No payments of principal or interest shall be required during the Construction Loan Period.

3.2 Permanent Loan Period.

(a) Principal Surplus Cash Payments. Commencing on the first day of the first [April] [_____] [3 months after the Borrower’s year end] of the Permanent Loan Period, and on each [April] [_____] thereafter during the Permanent Loan Period, Borrower shall pay to the Holder Surplus Cash in an amount equal to the Applicable Surplus Cash Percentage which payments shall be applied to reduce the outstanding principal balance of the Loan. No payment shall be due in the event there is no Surplus Cash. Principal payments shall continue until the earlier of (i) the Maturity Date, or (ii) the repayment in full of the Indebtedness.

(b) Contingent Interest Surplus Cash Payments. After repayment in full of the principal amount of the Note, Contingent Interest payments shall be payable from Contingent Interest Surplus Cash on each [April] [_____] 1 [3 months after Borrower’s year end], in an amount equal to Contingent Interest Surplus Cash multiplied by the Contingent Interest Percentage, until the earlier of (i) the aggregate amount of Contingent Interest received by CDA equals the Maximum Contingent Interest Amount; or (ii) the Maturity Date.

(c) Capital Event Payments. Upon the occurrence of a Capital Event, a payment shall be due and payable in an amount equal to the lesser of (i) the Contingent Interest Percentage of Borrower Net Proceeds; or (ii) the outstanding Indebtedness plus Contingent Interest to the extent the aggregate amount of Contingent Interest does not exceed the Maximum Contingent Interest Amount. Payments requiring an appraisal of the Project shall be due and payable within 60 days of the completion of the appraisal.

3.3 Maturity Date. On the Maturity Date the following shall be due and payable:

(a) Any unpaid portion of the Indebtedness; and

(b) Contingent Interest to the extent required under Section 3.2(c) above.

4. Application of Payments. All payments on this Note shall be applied first to unpaid fees

due for late payment or collection, then to principal, and then to the unpaid Contingent Interest and to such other sums due and unpaid to the Holder under the Loan Documents, in such manner as the Holder may elect in its discretion, any instructions from the Borrower or anyone else to the contrary notwithstanding. Borrower agrees that neither the Holder's acceptance of a payment from the Borrower in an amount that is less than all amounts then due and payable nor the Holder's application of such payment shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction. Remittances in payment other than in the required amount in immediately available U.S. funds, regardless of any receipt or credit issued therefor, shall not constitute payment until the required amount is actually received by the Holder in immediately available U.S. funds and shall be made without offset, demand, counterclaim, deduction, or recoupment (each of which is hereby waived) and accepted subject to the condition that any check or draft may be handled for collection in accordance with the practice of the collecting bank or banks or, if applicable, CDA. Acceptance by the Holder of any payment in an amount less than the amount then due hereunder shall be deemed an acceptance on account only and shall not in any way excuse the existence of an Event of Default.

5. Address for Payments. All payments due under this Note shall be made during regular business hours at the principal office of CDA at 7800 Harkins Road, Lanham, Maryland 20706, or at any other place that CDA may designate in writing, and shall be made in check, coin or currency of the United States of America which at the time of payment is legal tender for the payment of public or private debts.

6. Taxes; Assessments; Insurance. Beginning on the ___ day of _____, 20__ which is the first day [of the first month following the date of this Note] [of the Permanent Loan Period], the Borrower shall make monthly payments to CDA for taxes, assessments, property, hazard, and all other policies of insurance, and reserves and deposits required by any Loan Document at the times and in the manner prescribed therein; provided, however, that if the Borrower actually pays these amounts pursuant to the First Deed of Trust, then payments under this paragraph are not required so long as payments are made under the First Deed of Trust].

7. Late Charges. If the Borrower shall fail to make any payment under the terms of this Note within ten days after the date such payment is due, the Borrower agrees to pay to the Holder on demand a late charge equal to 5% of the amount of such payment. Such ten day period shall not be construed as in any way extending the due date of any payment. The late charge is imposed for the purpose of defraying the Holder's expenses incident to handling such delinquent payment. This charge shall be in addition to, and not in lieu of, any other remedy the Holder may have and is in addition to any fees and charges of any agents or attorneys which the Holder may employ upon any default hereunder, whether authorized herein or by law. Such late charge if not previously paid, shall, at the option of the Holder, be added to, and become part of, the succeeding payment to be made under the terms of this Note.

8. Prepayment.

8.1 Prepayment Requirements. The Borrower may prepay any sums due under this Note, in whole or in part, without the prior written consent of the Holder, provided that, in connection with any prepayment of the Loan in whole, the Borrower first satisfies the following conditions:

(a) Provides written notice to each tenant residing in the Project which describes the impact of the prepayment on the tenant, and, if applicable, any assistance to which the tenant is entitled;

- (b) Provides notice of the prepayment to CDA, the political subdivision in which the Project is located, and any interested parties registered with CDA;
- (c) Offers a right of first purchase to CDA, the local political subdivision, the local public housing authority, if any, and any parties registered with CDA;
- (d) Provides a lease extension for at least one year following the notice of the prospective prepayment action to each tenant residing in an assisted unit;
- (e) Makes relocation assistance payments in an amount determined by CDA;
- (f) Provides three year lease extensions or three months rent-equivalent payments to 20% of the tenants who live in assisted units and qualify as elderly households, disabled or families with minors; and
- (g) Complies with any procedural requirements of CDA with respect to the right of first purchase, relocation payments, and lease extensions.

8.2 Effect on Occupancy Restrictions. Prepayment shall not affect the continuation of the occupancy restrictions applicable to the Project if the prepayment occurs prior to the expiration of the occupancy restrictions set forth in the Loan Documents.

8.3 Continuing Contingent Interest Obligation. Any prepayment in whole shall not terminate Borrower's obligation to make Contingent Interest payments from Surplus Cash pursuant to Section 3.2(b) to the extent that there remains any unpaid portion of the Maximum Contingent Interest Amount; provided, however, Borrower's obligation to make Contingent Interest payments shall not extend beyond the Maturity Date.

[FOR HOME LOANS USE THE FOLLOWING:

8. Prepayment.

8.1 Prepayment; Continuing Occupancy Requirements. The Borrower may prepay any sums due under this Note, in whole or in part, without the prior written consent of the Holder. Prepayment shall not affect the continuation of the occupancy restrictions applicable to the Project if the prepayment occurs prior to the expiration of the occupancy restrictions set forth in the Loan Documents.

8.2 Continuing Contingent Interest Obligation. Any prepayment in whole shall not terminate Borrower's obligation to make Contingent Interest payments from Surplus Cash pursuant to Section 3.2(b) to the extent that there remains any unpaid portion of the Maximum Contingent Interest Amount; provided, however, Borrower's obligation to make Contingent Interest payments shall not extend beyond the Maturity Date.]

9. Events of Default. Upon the occurrence of an Event of Default, the Holder may, at its option, (a) accelerate the unpaid balance of the Indebtedness, together with all unpaid Contingent Interest thereon and other amounts outstanding in connection therewith, to be immediately due and payable, and (b)

exercise any or all rights and remedies available to it hereunder, under applicable laws, and under any of the Loan Documents.

10. Waiver of Exemption Rights. Each Obligor severally waives all applicable exemption rights, whether under any state constitution, homestead laws or otherwise, and also severally waives valuation and appraisal, demand, presentment for payment, protest, notice of demand, of dishonor, of non-payment and of protest. Each Obligor agrees that at any time and from time to time and with or without consideration, the Holder may, without notice to, or further consent of, any Obligor and without in any manner releasing, lessening, impairing or affecting the obligations of any Obligors hereunder and/or under any of the Loan Documents: (a) release, surrender, waive, add, substitute, settle, exchange, compromise, modify, extend or grant indulgences with respect to, (i) this Note, (ii) any of the Loan Documents, (iii) all or any part of any collateral or security for this Note, and (iv) any Obligor; (b) complete any blank space in this Note according to the terms upon which the Loan is made; and (c) grant any extension or other postponements of the time of payment hereof. Notwithstanding anything to the contrary contained herein this Note shall not be modified without the consent of the Borrower. The Holder may (without notice to, or consent of, any Obligor, and with or without consideration) release, compromise, settle with, or proceed against any Obligor without releasing, lessening, impairing, or affecting the obligations hereunder or under any of the Loan Documents of any other Obligor.

11. Confession of Judgment. IF THE PRINCIPAL AMOUNT OF THIS NOTE IS NOT PAID WHEN DUE OR ANY INSTALLMENT OF INTEREST OR PRINCIPAL OR ANY OTHER PAYMENT DUE UNDER THIS NOTE IS NOT PAID WITHIN TEN DAYS OF THE DATE WHEN DUE, WHETHER BY MATURITY OR ACCELERATION, EACH OBLIGOR WHO SIGNS THIS NOTE AUTHORIZES THE CLERK OR ANY ATTORNEY OF ANY COURT OF RECORD TO APPEAR FOR IT AND ENTER JUDGMENT BY CONFESSION FOR THE BALANCE THEN DUE ON THIS NOTE TOGETHER WITH INTEREST, COURT COSTS, AND REASONABLE ATTORNEY'S FEES, HEREBY WAIVING AND RELEASING, TO THE EXTENT PERMITTED BY LAW, ALL ERRORS AND ALL RIGHTS OF EXEMPTION, APPEAL, STAY OF EXECUTION, INQUISITION AND EXTENSION UPON ANY LEVY ON REAL ESTATE OR PERSONAL PROPERTY TO WHICH SUCH OBLIGOR MAY OTHERWISE BE ENTITLED UNDER THE LAWS OF THE UNITED STATES OR OF ANY STATE OF THE UNITED STATES NOW IN FORCE OR WHICH MAY HEREAFTER BE PASSED.

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

13. Waiver of Jury Trial. EACH OBLIGOR AND THE HOLDER HEREBY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH ANY OBLIGOR AND THE HOLDER MAY BE PARTIES ARISING OUT OF OR IN ANY WAY PERTAINING TO THIS NOTE OR ANY OF THE LOAN DOCUMENTS. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS NOTE. THIS WAIVER IS SEPARATELY, KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY EACH OBLIGOR AND THE HOLDER, AND EACH OBLIGOR AND

THE HOLDER HEREBY REPRESENT AND WARRANT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY AN INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT.

14. Notice. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by depositing same in United States mail, postage prepaid, registered or certified mail, return receipt requested, or by overnight courier services, addressed as follows:

Borrower's Address:

With Copy To:

With Copy To: [Investor]

With Copy To: [Investor's Counsel]

CDA's Address: Community Development Administration
7800 Harkins Road
Lanham, Maryland 20706
Attn: Director, Division of Credit Assurance

With Copy To: Office of the Attorney General
7800 Harkins Road
Lanham, Maryland 20706
Attn: Counsel

All notices, demands and requests shall be effective upon such personal delivery or upon being deposited in the United States mail as required above. However, with respect to notices, demands or requests so deposited in the United States mail, the time period in which a response to any such notice, demand or request must be given shall commence to run from the date on the return receipt of the notice, demand or request reflecting the date of delivery or rejection of the same by the addressee thereof. Rejection or other refusal to accept, or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice, demand or request sent. By giving to the other party at least 15 days written notice thereof, the parties hereto shall have the right from time to time to change their respective addresses and each shall have the right to specify as its address any other address within the United States of America.

15. Miscellaneous. Each right, power and remedy of the Holder under the Loan Documents or under applicable laws shall be cumulative and concurrent, and the exercise of any one or more of them shall not preclude the simultaneous or later exercise by the Holder of any or all such other rights, powers or remedies. No failure or delay by the Holder to insist upon the strict performance of any one or more provisions of this Note or of the Loan Documents or to exercise any right, power or remedy consequent upon a breach thereof or default hereunder shall constitute a waiver thereof, or preclude the Holder from exercising any such right, power or remedy. By accepting full or partial payment after the due date of any amount due hereunder, the Holder shall not be deemed to have waived the right either to require payment when due and payable of all other amounts due on account of this Note or to exercise any rights and remedies available to it in order to collect all such amounts. No modification, change, waiver or amendment of this Note shall be deemed to be made by the Holder unless in writing signed by the Holder, and each such waiver, if any, shall apply only with respect to the specific instance involved. In the event any one or more of the provisions of this Note shall for any reason be held to be invalid, illegal or unenforceable, in whole or in part or in any respect, or in the event that any one or more of the provisions of this Note operate or would prospectively operate to invalidate this Note, then and in either of those events, such provision or provisions only shall be deemed null and void and shall not affect any other provision of this Note and the remaining provisions of this Note shall remain operative and in full force and effect and shall in no way be affected, prejudiced or disturbed thereby. The Borrower represents and warrants that the Loan was made and transacted solely for the purpose of carrying on or acquiring a business or commercial enterprise within the meaning of Subtitle I of Title 12 of the Commercial Law Article of the Annotated Code of Maryland, as amended. This Note shall be deemed made in, and shall be governed by the laws of, the State of Maryland.

16. Non-recourse; Limits on Personal Liability.

16.1 Except as otherwise provided herein, no Obligor, nor its members or partners, as appropriate, shall have any personal liability under this Note or the other Loan Documents for repayment of the Indebtedness or for the performance of any other obligations hereunder or under the Loan Documents, and CDA's only recourse for the satisfaction of such debt and the performance of such obligations shall be CDA's exercise of its rights and remedies with respect to the Project and any other collateral securing the Loan.

16.2 Notwithstanding the foregoing, each Obligor shall be personally liable to CDA for any funds or property of the Project retained by any Obligor which, by the provisions of the Loan Documents, such Obligor is not entitled to retain.

16.3 To the extent that any Obligor has personal liability under this section, CDA may exercise its rights against such Obligor personally, without regard to whether CDA has exercised any rights against the Project or other collateral securing the Loan, or pursued any rights against any other Obligor.

17. Term. This Note shall terminate upon the earlier of (i) the repayment in full of the Indebtedness, the Maximum Contingent Interest Amount and any and all other amounts as may be due hereunder; or (ii) a sale of the Project to a third party or some other Capital Event that ends the original financing structure of the Project.

[For FHA insured projects: 18. HUD Provisions. So long as the Secretary of Housing and Urban Development or his/her successors or assigns, are the insurers or holders of the first mortgage on (insert project name and FHA Project No.), payment(s) due under this Note, any secondary debt instruments shall be payable from up to 75% of available surplus cash. Non-project sources that are outside the Mortgaged Property may also be used to repay subordinate financing. The term surplus cash is defined in the Regulatory Agreement dated _____ between HUD and Borrower. The restriction on payment(s) imposed by this paragraph shall not excuse any default caused by the failure of the maker to pay the indebtedness evidenced by this Note.]

[SIGNATURE APPEARS ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the signature and seal of the party hereto is subscribed to the foregoing instrument the day and year first written above with the specific intention of creating a document under seal.

ATTEST OR WITNESS:

[NAME OF BORROWER]

By: [name], its [general partner/ managing member]

By: [name], its [general partner/ managing member]

By: _____ (SEAL)

Name: _____

Title: _____