

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report: June 3, 2016
(Date of earliest event reported)

SUN COMMUNITIES, INC.
(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of incorporation)

1-12616

(Commission File Number)

38-2730780

(IRS Employer Identification No.)

27777 Franklin Rd.

Suite 200

Southfield, Michigan

(Address of Principal Executive Offices)

48034

(Zip Code)

(248) 208-2500

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On June 3, 2016, 17 subsidiaries of Sun Communities Operating Limited Partnership (the "Operating Partnership"), which is the primary operating subsidiary of Sun Communities, Inc. (the "Company"), entered into a Master Credit Facility Agreement (the "Fannie Mae Credit Agreement") with Regions Bank, as lender.

Pursuant to the Fannie Mae Credit Agreement, Regions Bank loaned a total of \$338.0 million under a senior secured credit facility, comprised of two ten-year term loans in the amount of \$300.0 million and \$38.0 million, respectively (collectively the "Fannie Mae Financing"). The \$300.0 million term loan bears interest at 3.69% per year and the \$38.0 million term loan bears interest at 3.67% per year for a blended rate of 3.688% per year. The Fannie Mae Financing provides for principal and interest payments which will be due based on a 30-year amortization.

The Fannie Mae Financing is secured by mortgages encumbering 17 manufactured housing communities comprised of real and personal property owned by the Borrowers. Additionally, the Company and the Operating Partnership have provided a guaranty of the recourse carve-out obligations of the borrowers under the Fannie Mae Financing. At the lenders' option, the Fannie Mae Financing will become immediately due and payable upon an event of default under the Fannie Mae Credit Agreement.

The foregoing description of the Fannie Mae Financing does not purport to be complete and is qualified in its entirety by reference to the Fannie Mae Credit Agreement which is filed as Exhibit 10.1 to this Form 8-K and incorporated by reference in this Item 1.01.

On June 9, 2016, three subsidiaries of the Operating Partnership entered into mortgage loan documents (the "NML Loan Documents") with The Northwestern Mutual Life Insurance Company ("NML").

Pursuant to the NML Loan Documents, NML made three portfolio loans to the subsidiary borrowers in the aggregate amount of \$405.0 million. NML loaned \$162.0 million under a ten-year term loan to two of the subsidiary borrowers (the "Portfolio A Loan"). The Portfolio A Loan bears interest at 3.53% per year and is secured by deeds of trust encumbering seven manufactured housing community and one recreational vehicle ("RV") community. NML also loaned \$163.0 million under a 12-year term loan (the "Portfolio B Loan") to one subsidiary which is also a borrower under the Portfolio A Loan. The Portfolio B Loan bears interest at 3.71% per year and is secured by deeds of trust and a ground lease encumbering eight manufactured housing communities. NML also loaned \$80.0 million under a 12-year term loan (the "Portfolio C Loan" and, collectively, with the Portfolio A Loan and the Portfolio B Loan, the "NML Financing") to one subsidiary borrower. The Portfolio C Loan bears interest at 3.71% per year and is secured by a mortgage encumbering one RV community. All of the manufactured housing and RV communities that secure the NML Financing were acquired as part of the Carefree Communities acquisition described in Item 2.01 below.

The NML Financing is generally non-recourse, however, the borrowers under the NML Financing and the Operating Partnership are responsible for certain customary non-recourse carveouts. In addition, the NML Financing will be fully recourse to the subsidiary borrowers and the Operating Partnership if (a) the borrowers violate the prohibition on transfer covenants set forth in the loan documents or (b) a voluntary bankruptcy proceedings is commenced by the borrowers or an involuntary bankruptcy, liquidation, receivership or similar proceeding has been commenced against the borrowers and remains undismissed for a period of 90 days.

The foregoing description of the NML Financing does not purport to be complete and is qualified in its entirety by reference to the NML Loan Documents which are filed as Exhibits 10.2 through 10.7 to this Form 8-K and incorporated by reference in this Item 1.01.

Item 2.01 Completion of Acquisition or Disposition of Assets.

On June 9, 2016, pursuant to a Stock Purchase Agreement dated March 22, 2016, the Company through the Operating Partnership, acquired from Carefree Communities Intermediate Holdings, L.L.C. (the "Seller") all of the issued and outstanding shares of common stock of Carefree Communities Inc. ("Carefree Communities"). Carefree Communities owns 103 manufactured home and RV communities, comprising 9,829 developed manufactured home sites and 17,725 RV sites and approximately 396 additional manufactured home sites and approximately 2,586 additional RV sites suitable for development.

The aggregate purchase price for the acquisition was \$1.68 billion. At the closing, the Company issued the Seller 3,329,880 shares of its common stock (the "Acquisition Shares") at an issuance price of \$67.57 per share (or \$225.0 million in common stock), and the Operating Partnership paid the balance of the purchase price, or \$1.455 billion, in cash. Approximately \$1.0 billion of the cash payment was applied simultaneously with the closing to pay off debt on the properties owned by Carefree Communities so that

the Company acquired Carefree Communities on a cash-free, debt-free basis. The Operating Partnership funded the cash portion of the purchase price in part with the proceeds of the Fannie Mae Financing and the NML Financing described in Item 1.01 above.

The foregoing description of the acquisition does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Stock Purchase Agreement which is incorporated by reference into this Form 8-K as Exhibit 2.1, the terms of which are incorporated by reference in this Item 2.01.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The description of the Fannie Mae Financing and the NML Financing set forth in Item 1.01 above is hereby incorporated by reference into this Item 2.03.

Item 3.02 Unregistered Sales of Equity Securities.

The information regarding the issuance of the Acquisition Shares set forth in Item 2.01 above is hereby incorporated into this Item 3.02. The Company issued the Acquisition Shares to the Seller as consideration for the acquisition of Carefree Communities. The issuance of the Acquisition Shares was made in reliance upon the exemption from registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Regulation D, as promulgated by the Securities and Exchange Commission under the Securities Act.

Item 8.01 Other Events.

On June 9, 2016, the Company issued a press release, furnished as Exhibit 99.1 and incorporated herein by reference, announcing the Carefree Communities closing. The information contained in this Item 8.01 on Current Report on Form 8-K, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed to be "filed" for purposes of the Securities Exchange Act of 1934, as amended.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>	<u>Method of Filing</u>
2.1	Stock Purchase Agreement dated March 22, 2016, among Carefree Incorporated by reference to Sun Communities, Inc.'s Communities Intermediate Holdings, L.L.C., Sun Communities, Inc. and Sun Current Report on Form 8-K filed March 22, 2016 Communities Operating Limited Partnership*	
10.1	Master Credit Facility Agreement, dated June 3, 2016, by and among Sun Apple Creek LLC; Sun Bell Crossing LLC; Sun Boulder Ridge LLC; Aspen-Brentwood Project, LLC; Sun Cave Creek LLC; Sun Countryside Lake Lanier LLC; Sun Cutler Estates LLC; Aspen-Grand Project, LLC; Sun Hamlin LLC; Sun Hawaiian Holly LLC; Holiday West Village Mobile Home Park, LLC; Sun Meadowbrook FL LLC; Sun Oakcrest LLC, Sun Pine Ridge LLC; Sun Scio Farms LLC; Sun Villa MHC LLC; Waverly Shores Village Mobile Home Park, LLC, as Borrowers, and Regions Bank, as Lender	Filed herewith
10.2	Master Loan Agreement dated June 9, 2016, by and among Carefree Communities CA LLC, NHC-CA101, LLC and The Northwestern Mutual Life Insurance Company	Filed herewith
10.3	Promissory Note dated June 9, 2016 in the original principal amount of \$162.0 million executed by Carefree Communities CA LLC and NHC-CA101, LLC in favor of The Northwestern Mutual Life Insurance Company	Filed herewith
10.4	Master Loan Agreement dated June 9, 2016, by and between Carefree Communities CA LLC and The Northwestern Mutual Life Insurance Company	Filed herewith
10.5	Promissory Note dated June 9, 2016 in the original principal amount of \$163.0 million executed by Carefree Communities CA LLC in favor of The Northwestern Mutual Life Insurance Company	Filed herewith
10.6	Amended and Restated Mortgage and Security Agreement dated June 9, 2016, by and between SNF Property LLC and The Northwestern Mutual Life Insurance Company	Filed herewith
10.7	Amended and Restated Promissory Note dated June 9, 2016 in the original principal amount of \$80.0 million executed by SNF Property LLC in favor of The Northwestern Mutual Life Insurance Company	Filed herewith
99.1	Press release dated June 9, 2016	Filed herewith

* Certain schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K because such schedules and exhibits do not contain information which is material to an investment decision or which is not otherwise disclosed in the filed agreements. The Company will furnish the omitted schedules and exhibits to the Securities and Exchange Commission upon request by the Commission.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: June 9, 2016

SUN COMMUNITIES, INC.

By: /s/ Karen J. Dearing

Karen J. Dearing, Executive Vice President,
Chief Financial Officer, Secretary and Treasurer

EXHIBIT INDEX

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MASTER CREDIT FACILITY AGREEMENT

BY AND BETWEEN

BORROWERS SIGNATORY HERETO

AND

REGIONS BANK

DATED AS OF

June 3, 2016

TABLE OF CONTENTS

<u>ARTICLE 1 DEFINITIONS; SUMMARY OF TERMS</u>	2
<u>Section 1.01</u>	<u>Defined Terms.</u> 2
<u>Section 1.02</u>	<u>Schedules, Exhibits, and Attachments Incorporated.</u> 2
<u>ARTICLE 2 THE COMMITMENT; ADVANCES; COLLATERAL EVENTS</u>	3
<u>Section 2.01</u>	<u>Variable Advance and Fixed Advance.</u> 3
(a)	<u>Variable Advance.</u> 3
(b)	<u>Fixed Advance.</u> 3
<u>Section 2.02</u>	<u>Advances.</u> 3
(a)	<u>Request.</u> 3
(b)	<u>Limitations on Executions.</u> 3
(c)	<u>Making Advances.</u> 3
<u>Section 2.03</u>	<u>Advance Terms and Payments on Advances.</u> 5
(a)	<u>Debt Service Payments.</u> 5
(b)	<u>Capitalization of Accrued but Unpaid Interest.</u> 8
(c)	<u>Late Charges.</u> 8
(d)	<u>Default Rate.</u> 8
(e)	<u>Address for Payments.</u> 10
(f)	<u>Application of Payments.</u> 10
<u>Section 2.04</u>	<u>Prepayment; Prepayment Lockout; Prepayment Premium.</u> 10
<u>Section 2.05</u>	<u>Acceleration of Advances.</u> 11
<u>Section 2.06</u>	<u>Application of Collateral.</u> 11
<u>Section 2.07</u>	<u>Casualty and Condemnation.</u> 12
<u>Section 2.08</u>	<u>No Effect on Payment Obligations.</u> 12
<u>Section 2.09</u>	<u>Loss Resulting from Prepayment.</u> 12
<u>Section 2.10</u>	<u>Collateral Events</u> 12
(a)	<u>Conversion from Variable Note to Fixed Note.</u> 12
(b)	<u>Right to Obtain Releases of Mortgaged Property.</u> 12
(c)	<u>Right to Add Additional Mortgaged Properties as Collateral.</u> 13
(d)	<u>Right to Substitutions.</u> 13
(e)	<u>Limitation on Collateral Events.</u> 13
(f)	<u>Intentionally Deleted.</u> 13
<u>Section 2.11</u>	<u>Termination of Master Agreement.</u> 13
(a)	<u>Request.</u> 13
(b)	<u>Conditions Precedent.</u> 13
(c)	<u>Closing.</u> 14
<u>ARTICLE 3 PERSONAL LIABILITY</u>	14
<u>Section 3.01</u>	<u>Non-Recourse Liability; Exceptions.</u> 14
<u>Section 3.02</u>	<u>Personal Liability of Borrower</u> 14
(a)	<u>Personal Liability Based on Lender's Loss (Partial Recourse).</u> 14
(b)	<u>Full Personal Liability (Full Recourse).</u> 16

Section 3.03	Personal Liability for Indemnity Obligations.	17
Section 3.04	Lender’s Right to Forego Rights Against Mortgaged Property.	17
Section 3.05	Borrower Agency Provisions.	17
Section 3.06	Joint and Several Obligation; Cross-Guaranty.	18
Section 3.07	Waivers With Respect to Other Borrower Secured Obligation.	18
Section 3.08	No Impairment.	23
Section 3.09	Election of Remedies.	23
Section 3.10	Subordination of Other Obligations.	23
Section 3.11	Insolvency and Liability of Other Borrower.	24
Section 3.12	Preferences, Fraudulent Conveyances, Etc.	25
Section 3.13	Maximum Liability of Each Borrower.	25
Section 3.14	Liability Cumulative.	26

ARTICLE 4 BORROWER STATUS 26

Section 4.01	Representations and Warranties.	26
(a)	Due Organization and Qualification; Organizational Agreements.	26
(b)	Location.	26
(c)	Power and Authority.	27
(d)	Due Authorization.	27
(e)	Valid and Binding Obligations.	27
(f)	Effect of Master Agreement on Financial Condition.	27
(g)	Economic Sanctions, Anti-Money Laundering, and Anti-Corruption.	28
(h)	Single Purpose Status.	28
(i)	No Bankruptcies or Judgments.	31
(j)	No Actions or Litigation.	31
(k)	Payment of Taxes, Assessments, and Other Charges.	31
(l)	Not a Foreign Person.	32
(m)	ERISA.	32
(n)	Default Under Other Obligations.	32
(o)	Prohibited Person.	32
(p)	No Contravention; No Liens.	33
(q)	Lockbox Arrangement.	33
(r)	No Reliance.	33
(s)	Investment Company Act.	34
Section 4.02	Covenants.	34
(a)	Maintenance of Existence; Organizational Documents.	34
(b)	Economic Sanctions, Anti-Money Laundering, and Anti-Corruption.	34
(c)	Payment of Taxes, Assessments, and Other Charges.	35
(d)	Single Purpose Status.	35
(e)	ERISA.	37
(f)	Notice of Litigation or Insolvency.	38
(g)	Payment of Costs, Fees, and Expenses.	38
(h)	Restrictions on Distributions.	39
(i)	Lockbox Arrangement.	39
(j)	Confidentiality of Certain Information.	39

ARTICLE 5 THE ADVANCES 40

Section 5.01	Representations and Warranties.	40
(a)	Receipt and Review of Loan Documents.	40
(b)	No Default.	40
(c)	No Defenses.	40
(d)	Loan Document Taxes.	40

Section 5.02	Covenants.	40
(a)	Ratification of Covenants; Estoppels; Certifications.	40
(b)	Further Assurances.	41
(c)	Sale of Advances.	42
(d)	Limitations on Further Acts of Borrower.	42
(e)	Financing Statements; Record Searches.	43
(f)	Loan Document Taxes.	43
(g)	Date-Down Endorsements.	43

Section 5.03	Administrative Matters Regarding Advances.	43
(a)	Determination of Allocable Facility Amount and Valuations.	43

ARTICLE 6 PROPERTY USE, PRESERVATION, AND MAINTENANCE 44

Section 6.01	Representations and Warranties.	44
(a)	Compliance with Law; Permits and Licenses.	45
(b)	Property Characteristics.	45
(c)	Property Ownership.	45
(d)	Condition of the Mortgaged Property.	45
(e)	Personal Property.	46

Section 6.02	Covenants	46
(a)	Use of Property.	46
(b)	Property Maintenance.	47
(c)	Property Preservation.	48
(d)	Property Inspections.	49
(e)	Compliance with Laws.	49
(f)	Alterations to any Mortgaged Property.	50

Section 6.03	Administration Matters Regarding the Property.	51
(a)	Property Management.	51
(b)	Subordination of Fees to Affiliated Property Managers.	51
(c)	Property Condition Assessment.	51

ARTICLE 7 LEASES AND RENTS 52

Section 7.01	Representations and Warranties.	52
(a)	Prior Assignment of Rents.	52
(b)	Prepaid Rents.	52

Section 7.02	Covenants.	52
(a)	Leases.	52
(b)	Commercial Leases.	53
(c)	Payment of Rents.	54
(d)	Assignment of Rents.	54
(e)	Further Assignments of Leases and Rents.	54
(f)	Options to Purchase by Tenants.	54

Section 7.03	Administration Regarding Leases and Rents.	55
(a)	Material Commercial Lease Requirements.	55
(b)	Residential Lease Form.	55

ARTICLE 8 BOOKS AND RECORDS; FINANCIAL REPORTING 55

Section 8.01	Representations and Warranties.	55
(a)	Financial Information.	55
(b)	No Change in Facts or Circumstances.	56

Section 8.02	Covenants.	56
(a)	Obligation to Maintain Accurate Books and Records; Access; Discussions with Officers and Accountants.	56
(b)	Items to Furnish to Lender.	57
(c)	Audited Financials.	60

(d)	Delivery of Books and Records.	60
Section 8.03	Administration Matters Regarding Books and Records and Financial Reporting.	60
(a)	Lender’s Right to Obtain Audited Books and Records.	60
(b)	Credit Reports; Credit Score.	61
ARTICLE 9 INSURANCE 61		
Section 9.01	Representations and Warranties.	61
(a)	Compliance with Insurance Requirements.	61
(b)	Property Condition.	61
Section 9.02	Covenants.	61
(a)	Insurance Requirements.	61
(b)	Delivery of Policies, Renewals, Notices, and Proceeds.	62
Section 9.03	Administration Matters Regarding Insurance.	63
(a)	Lender’s Ongoing Insurance Requirements.	63
(b)	Application of Proceeds on Event of Loss.	63
(c)	Payment Obligations Unaffected.	65
(d)	Foreclosure Sale.	66
(e)	Appointment of Lender as Attorney-In-Fact.	66
ARTICLE 10 CONDEMNATION 66		
Section 10.01	Representations and Warranties.	66
(a)	Prior Condemnation Action.	66
(b)	Pending Condemnation Actions.	66
Section 10.02	Covenants.	66
(a)	Notice of Condemnation.	66
(b)	Condemnation Proceeds.	67
Section 10.03	Administration Matters Regarding Condemnation.	67
(a)	Application of Condemnation Awards.	67
(b)	Payment Obligations Unaffected.	67
(c)	Appointment of Lender as Attorney-In-Fact.	67
(d)	Preservation of Mortgaged Property.	67
ARTICLE 11 LIENS, TRANSFERS, AND ASSUMPTIONS 68		
Section 11.01	Representations and Warranties.	68
(a)	No Labor or Materialmen’s Claims.	68
(b)	No Other Interests.	68
Section 11.02	Covenants.	68
(a)	Liens; Encumbrances.	68
(b)	Transfers.	69
(c)	No Other Indebtedness.	71
(d)	No Mezzanine Financing or Preferred Equity.	71
Section 11.03	Administration Matters Regarding Liens, Transfers, and Assumptions.	71
(a)	Transfer of Collateral Pool.	71
(b)	Permitted Transfers of Ownership Interests.	73
(c)	Estate Planning.	75
(d)	Termination or Revocation of Trust.	75
(e)	Death of Key Principal or Guarantor; Restricted Ownership Interest/Controlling Interest Transfer Due to Death.	76
(f)	[Intentionally Deleted.]	77
(g)	Further Conditions on Transfers Requiring Lender’s Consent.	77
ARTICLE 12 IMPOSITIONS 79		
Section 12.01	Representations and Warranties.	79
(a)	Payment of Taxes, Assessments, and Other Charges.	79

Section 12.02	Covenants.	79
(a)	Imposition Deposits, Taxes, and Other Charges.	79
Section 12.03	Administration Matters Regarding Impositions.	80
(a)	Maintenance of Records by Lender.	80
(b)	Imposition Accounts.	80
(c)	Payment of Impositions; Sufficiency of Imposition Deposits.	81
(d)	Imposition Deposits Upon Event of Default.	81
(e)	Contesting Impositions.	81
(f)	Release to Borrower.	82

[ARTICLE 13 REPLACEMENT RESERVE AND REPAIRS](#) 82

Section 13.01	Covenants.	82
(a)	Initial Deposits to Replacement Reserve Account and Repairs Escrow Account.	82
(b)	Monthly Replacement Reserve Deposits.	82
(c)	Payment for Replacements and Repairs.	82
(d)	Assignment of Contracts for Replacements and Repairs.	83
(e)	Indemnification.	83
(f)	Amendments to Loan Documents.	83
(g)	Administrative Fees and Expenses.	83
Section 13.02	Administration Matters Regarding Reserves.	84
(a)	Accounts, Deposits, and Disbursements.	84
(b)	Approvals of Contracts; Assignment of Claims.	91
(c)	Delays and Workmanship.	91
(d)	Appointment of Lender as Attorney-In-Fact.	91
(e)	No Lender Obligation.	92
(f)	No Lender Warranty.	92

[ARTICLE 14 DEFAULTS/REMEDIES](#) 92

Section 14.01	Events of Default.	92
(a)	Automatic Events of Default.	92
(b)	Events of Default Subject to a Specified Cure Period.	93
(c)	Events of Default Subject to Extended Cure Period or Release.	94
Section 14.02	Remedies.	95
(a)	Acceleration; Foreclosure.	95
(b)	Loss of Right to Disbursements from Collateral Accounts.	96
(c)	Remedies Cumulative.	96
Section 14.03	Additional Lender Rights; Forbearance.	96
(a)	No Effect Upon Obligations.	96
(b)	No Waiver of Rights or Remedies.	97
(c)	Appointment of Lender as Attorney-In-Fact.	97
(d)	Borrower Waivers.	99
Section 14.04	Waiver of Marshaling.	99
Section 14.05	Severed Loan Documents.	100

[ARTICLE 15 MISCELLANEOUS](#) 101

Section 15.01	Choice of Law; Consent to Jurisdiction.	101
Section 15.02	Waiver of Jury Trial.	102
Section 15.03	Notice.	102
(a)	Process of Serving Notice.	102
(b)	Change of Address.	103
(c)	Default Method of Notice.	103
(d)	Receipt of Notices.	103
Section 15.04	Successors and Assigns Bound; Sale of Advances.	103
(a)	Binding Agreement.	103

(b) Sale of Advances; Change of Servicer.	103
Section 15.05 Counterparts.	103
Section 15.06 Intentionally Deleted.	104
Section 15.07 Relationship of Parties; No Third Party Beneficiary.	104
(a) Solely Creditor and Debtor.	104
(b) No Third Party Beneficiaries.	104
Section 15.08 Severability; Entire Agreement; Amendments.	104
Section 15.09 Construction.	104
Section 15.10 Loan Servicing.	105
Section 15.11 Disclosure of Information.	105
Section 15.12 Waiver; Conflict.	106
Section 15.13 [Intentionally Deleted.]	106
Section 15.14 No Reliance.	106
Section 15.15 Subrogation.	106
Section 15.16 Counting of Days.	106
Section 15.17 Revival and Reinstatement of Indebtedness.	107
Section 15.18 Time is of the Essence.	107
Section 15.19 Final Agreement.	107
Section 15.20 Survival.	107
Section 15.21 Assignments; Third-Party Rights.	108
Section 15.22 Interpretation.	108

SCHEDULES & EXHIBITS

Schedules



Schedule 1	Definitions Schedule - General	
Schedule 2	Summary of Master Terms	
Schedule 2-A	Addenda to Schedule 2 (Manufactured Housing Community)	Form 6102.01 [modified] [08-13]
Schedule 2-B	Addenda to Schedule 2 (Replacement Reserves)	Form 6102.04 [modified] [04-12]
Schedule 3.1	Schedule of Advance Terms	
Schedule 3.2	Schedule of Advance Terms	
Schedule 4.1	Prepayment Premium Schedule	Form 6104.01 [modified] [08-13]
Schedule 4.2	Prepayment Premium Schedule	Form 6104.01 [modified] [08-13]
Schedule 5	Required Replacement Schedule	
Schedule 6	Required Repair Schedule	
Schedule 7	General Conditions Schedule	
Schedule 8	Property-Related Documents Schedule	
Schedule 9	Conversion Schedule	
Schedule 10	Mortgaged Property Release Schedule	
Schedule 11	Mortgaged Property addition Schedule	
Schedule 12	Additional Collateral Schedule	
Schedule 13	Ownership Interests Schedule	
Schedule 14	Future Advance Schedule	
Schedule 15	Letter of Credit Schedule	
Schedule 16	Exceptions to Representations and Warranties Schedule	
Schedule 17	Waiver of Imposition Deposits	Form 6228 [modified] [04-12]
Schedule 18	Replacement Reserve Waiver	Form 6220 [modified] [08-14]
Schedule 19	Manufactured Housing Community Modifications	Form 6208 [modified] [01-16]
Schedule 20	Community Expansion Schedule	

Exhibits

Exhibit A	Mortgaged Properties
Exhibit B	Conversion Request
Exhibit C	Release Request
Exhibit D	Addition Request
Exhibit E	Future Advance Request
Exhibit F	Termination Request
Exhibit G	Annual Certification (Borrower)
Exhibit H	Annual Certification (Guarantor)
Exhibit I	Confirmation of Guaranty
Exhibit J	Confirmation of Environmental Indemnity Agreement
Exhibit K	Compliance Certificate
Exhibit L-1	Organizational Certificate (Borrower)
Exhibit L-2	Organizational Certificate (Guarantor)
Exhibit M	Confirmation of Obligations

MASTER CREDIT FACILITY AGREEMENT

This MASTER CREDIT FACILITY AGREEMENT (as amended, restated, replaced, supplemented, or otherwise modified from time to time, and further defined in the Definitions Schedule, the “**Master Agreement**”) is made as of June 3, 2016, by and among (i) (a) **Sun Apple Creek LLC**; (b) **Sun Bell Crossing LLC**; (c) **Sun Boulder Ridge LLC**; (d) **Aspen-Brentwood Project, LLC**; (e) **Sun Cave Creek LLC**; (f) **Sun Countryside Lake Lanier LLC**; (g) **Sun Cutler Estates LLC**; (h) **Aspen-Grand Project, LLC**; (i) **Sun Hamlin LLC**; (j) **Sun Hawaiian Holly LLC**; (k) **Holiday West Village Mobile Home Park, LLC**; (l) **Sun Meadowbrook FL LLC**; (m) **Sun Oakcrest LLC**; (n) **Sun Pine Ridge LLC**; (o) **Sun Scio Farms LLC**; (p) **Sun Villa MHC LLC**; (q) **Waverly Shores Village Mobile Home Park, LLC**, each a Michigan limited liability company, as Borrower and (ii) **REGIONS BANK**, a state banking corporation organized under the laws of the State of Alabama, as Lender.

RECITALS:

A. Borrower owns one (1) or more Multifamily Residential Properties as more particularly described in Exhibit A to this Master Agreement.

B. Borrower has requested that Lender make a loan in favor of Borrower, comprised of a \$0 Variable Advance, and a \$338,030,000 Fixed Advance. Future Advances may be made by Lender to Borrower in accordance with the terms of this Master Agreement.

C. To secure the obligations of Borrower under this Master Agreement and the other Loan Documents, Borrower shall create a Collateral Pool in favor of Lender. The Collateral Pool shall be comprised of (i) the Multifamily Residential Properties listed on Exhibit A and (ii) any other collateral pledged to Lender from time to time by Borrower pursuant to this Master Agreement or any other Loan Documents.

D. Each Note and Security Document shall be cross-defaulted (i.e., a default under any Note, Security Document or this Master Agreement shall constitute a default under each other Note and Security Document and under this Master Agreement) and cross-collateralized (i.e., each Security Instrument shall secure all of Borrower’s obligations under each Note, this Master Agreement, and the other Loan Documents). It is the intent of the parties to this Master Agreement that, after an Event of Default, Lender may accelerate any Note without the obligation but with the right to accelerate any other Note and that in the exercise of its rights and remedies under the Loan Documents, Lender may exercise and perfect any and all of its rights and remedies in and under the Loan Documents with regard to any Mortgaged Property without the obligation but with the right to exercise and perfect its rights and remedies with respect to any other Mortgaged Property. Any such exercise shall be without regard to the Allocable Facility Amount assigned to such Mortgaged Property. Lender may recover an amount equal to the full amount Outstanding in respect of any of the Notes in connection with such exercise and any such amount shall be applied to the Indebtedness as determined by Lender pursuant to the terms of this Master Agreement, the Notes, and the other Loan Documents.

E. It is the intent of the parties that, notwithstanding anything to the contrary herein or the existence of any cash management system maintained by Borrower, and/or Guarantor or Borrower Affiliates or the provision by Guarantor of the Guaranty, Lender is making Advances to Borrower (not to Guarantor or Borrower Affiliates). Lender has underwritten the making of the Advances based on its analysis of the value of the Collateral. In making the Advances, Lender is relying on each Borrower being and maintaining itself as a Single Purpose entity whose sole asset is its Mortgaged Property and ancillary property related thereto. Lender acknowledges that it views its credit risk as the performance and value of the Mortgaged Properties and it views the Guaranty as independent supplemental support in the event that one of the exceptions to the non-recourse events occurs.

F. Subject to the terms, conditions, and limitations of this Master Agreement, Lender has agreed to make the Advances.

G. It is anticipated that Lender shall assign each Advance made hereunder to Fannie Mae; however Fannie Mae shall not assume (i) any of the obligations of Lender, if any, under this Master Agreement to make Future Advances, or (ii) any of the obligations of Lender which are servicing obligations delegated to Lender as servicer of the Advances.

NOW, THEREFORE, in consideration of Borrower and Lender entering into this Master Agreement and other good and valuable consideration, the receipt and adequacy of which are hereby conclusively acknowledged, the parties hereby covenant, agree, represent, and warrant as follows:

Master Credit Facility Agreement

Form 6001.MCFA

Page 2

Article 2

03-16

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AGREEMENTS:

ARTICLE 1

ARTICLE 2

DEFINITIONS; SUMMARY OF TERMS

Section . **Defined Terms.**

Capitalized terms not otherwise defined in the body of this Master Agreement shall have the meanings set forth in the Definitions Schedule attached to this Master Agreement.

Section . **Schedules, Exhibits, and Attachments Incorporated.**

The schedules, exhibits, and any other addenda or attachments are incorporated fully into this Master Agreement by this reference and each constitutes a substantive part of this Master Agreement.

Master Credit Facility Agreement

Form 6001.MCFA

Page 14

Article 2

03-16

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ARTICLE 3

ARTICLE 4

THE COMMITMENT; ADVANCES; COLLATERAL EVENTS

Section . **Variable Advance and Fixed Advance.**

Subject to the terms, conditions, and limitations of this Master Agreement:

(a) **Variable Advance.**

Lender agrees to make Variable Advances to Borrower in accordance with the terms and provisions of this Master Agreement. Future Advances may be made pursuant to Section 2.02(c)(2) (Future Advances). Pursuant to the terms of Section 2.10(a) (Conversion from Variable Note to Fixed Note), Borrower may convert a Variable Note to a Fixed Note.

(b) **Fixed Advance.**

Lender agrees to make Fixed Advances to Borrower in accordance with the terms and provisions of this Master Agreement. Future Advances may be made pursuant to Section 2.02(c)(2) (Future Advances).

Section . **Advances.**

(a) **Request.**

Assuming Advances are available to Borrower under this Master Agreement and this Section 2.02 (Advances), Borrower shall request a Future Advance by giving Lender a Future Advance Request. The Future Advance Request shall indicate whether the Request is for a Fixed Advance or Variable Advance or more than one type of Advance.

(b) **Limitations on Executions.**

Notwithstanding anything in this Master Agreement or any other Loan Document to the contrary, any Future Advance (whether a Variable Advance or a Fixed Advance) and any Conversion of an Advance shall be subject to the precondition that Lender must confirm with Fannie Mae that Fannie Mae is generally offering to purchase in the marketplace advances of the execution type requested by Borrower at the time of the Request and at the time the rate for such Advance is locked. In the event Fannie Mae is not purchasing advances of the type requested by Borrower, Lender agrees to offer, to the extent available from Fannie Mae, alternative advance executions based on the types of executions Fannie Mae is generally offering to purchase in the marketplace at that time. Any alternative execution offered would be subject to mutually agreeable documentation necessary to implement the terms and conditions of such alternative execution, provided that the guaranty and servicing fee applicable to any Future Advance shall be determined by Lender prior to such Future Advance.

(c) **Making Advances.**

(1) **Initial Advances.**

Assuming conditions of Lender have been met prior to or as of the date of this Master Agreement, Lender shall make the Initial Advance(s) to Borrower.

(2) **Future Advances.**

(A) Subject to Section 2.02(b) (Limitations on Executions) and satisfaction of the terms in the Future Advance Schedule, Borrower may request a Future Advance. Lender is not committing in this Master Agreement to make a Future Advance and any Future Advance will be at the option of Lender except for an Advance provided in the proviso of Section 2.02(c)(2)(B) (Future Advances) below, subject to the requirements of such proviso and this Master Agreement. Once made, any Future Advance shall be subject to this Master Agreement in all respects and shall be secured by the Security Instruments encumbering the Mortgaged Properties.

(B) Any Future Advance shall be made in connection with the Addition of Additional Mortgaged Properties; provided, however, subject to the terms of this Section 2.02(c)(2) (Future Advances) and Section 2.02(b) (Limitations on Executions) during the period beginning on the First Anniversary and ending on the date that is the first day of the month following the date four (4) years after the Initial Effective Date, but not more than once during the Term of this Master Agreement, Borrower may request that a Future Advance made pursuant to Section 2.02(c)(2)(A) (Future Advances) above be made without the Addition of

Additional Mortgaged Property based on decreases in the Aggregate Loan to Value Ratio and increases in the Aggregate Debt Service Coverage Ratio as determined by Lender in accordance with the Future Advance Schedule and the Underwriting and Servicing Requirements.

(C) All Future Advances must satisfy the terms of the Future Advance Schedule and any addition of Additional Mortgaged Property shall satisfy the terms of the Mortgaged Property Addition Schedule.

(D) [Intentionally Deleted.]

(E) [Intentionally Deleted.]

(F) Notwithstanding anything to the contrary in this Master Agreement, no Future Advance or Conversion shall be permitted unless immediately after such Future Advance or Conversion the Advances then Outstanding will not exceed one hundred percent (100%) of the aggregate fair market value of all real property securing such Advances (where fair market value is determined for these purposes based upon a current Appraisal or some other commercially reasonable valuation method).

(3) **Closing of Future Advance.**

If the conditions set forth in this Section 2.02 (Advances) and the Future Advance Schedule are satisfied (and, if applicable, all conditions set forth on the Mortgaged Property Addition Schedule are satisfied), Lender shall make the requested Future Advance on an Effective Date selected by Lender (or on such other date as Borrower and Lender may agree).

Section . **Advance Terms and Payments on Advances.**

(c) **Debt Service Payments.**

(4) **Short Month Interest.**

If the date the proceeds of an Advance are disbursed is any day other than the first day of the month, interest for the period beginning on the disbursement date and ending on and including the last day of the month in which the disbursement occurs shall be payable by Borrower on the date the Advance proceeds are disbursed. In the event that the disbursement date is not the same as the Effective Date, then:

(A) the disbursement date and the Effective Date must be in the same month, and

(B) the Effective Date shall not be the first day of the month.

(5) **Interest Accrual and Computation; Amortization; Interest Rate Cap.**

(A) Except as provided in Section 2.03(a)(1) (Short Month Interest), interest shall be paid in arrears. Except as otherwise provided in this Master Agreement, for Fixed Advances, interest shall accrue at the Interest Rate until fully paid; and for Variable Structured ARM Advances, interest shall accrue at the Adjustable Rate until fully paid. If the Interest Accrual Method is "Actual/360," Borrower acknowledges and agrees that the amount allocated to interest for each month will vary depending on the actual number of calendar days during such month.

(B) With respect to any Variable Structured ARM Advances, the following provisions shall apply:

(i) The Initial Adjustable Rate shall be effective until the first Rate Change Date. Thereafter, the Adjustable Rate shall change on each Rate Change Date based on fluctuations in the Current Index.

(ii) **Each amortizing Monthly Debt Service Payment shall include a principal payment equal to the Fixed Monthly Principal Component.**

(iii) Before each Payment Change Date, Lender shall notify Borrower of any change in the Adjustable Rate and the amount of the next Monthly Debt Service Payment.

(iv) If Lender determines at any time that it has miscalculated the amount of a Monthly Debt Service Payment (whether because of a miscalculation of the Adjustable Rate or otherwise), then Lender shall give notice to Borrower of the corrected amount of the Monthly Debt Service Payment (and the corrected Adjustable Rate, if applicable) and (1) if the corrected amount of the Monthly Debt Service Payment represents an increase, then Borrower shall, within thirty (30) calendar days thereafter, pay to Lender any sums that Borrower would have otherwise been obligated to pay to Lender had the amount of the Monthly Debt Service Payment not been miscalculated, or (2) if the corrected amount of the Monthly Debt Service Payment represents a decrease and Borrower is not otherwise in default under any of the Loan Documents, then Borrower shall thereafter be paid the sums that Borrower would not have otherwise been obligated to pay to Lender had the amount of the Monthly Debt Service Payment not been miscalculated.

(v) [Intentionally Deleted]

(vi) If required by Lender, to protect against fluctuations in interest rates during the Term of this Master Agreement, Borrower shall enter into the Cap Security Agreement. Pursuant to the terms of the Cap Security Agreement, Borrower shall make arrangements for a LIBOR-based interest rate cap in form and substance satisfactory to Lender with a counterparty satisfactory to Lender (“**Interest Rate Cap**”) to be in place and maintained at all times with respect to any Variable Advance which has been funded and remains Outstanding. The seller of the Interest Rate Cap (seller and its transferees and assigns, the “**Counterparty**”) shall be a financial institution meeting the minimum requirements for hedge counterparties acceptable to Lender. The Interest Rate Cap shall have a minimum initial term of five (5) years. Borrower shall be required to make Monthly Deposits (as defined in the Cap Security Agreement) to be held in an Interest Rate Cap Reserve Escrow Account (as defined in the Cap Security Agreement). As set forth in the Cap Security Agreement, Borrower agrees to pledge its right, title, and interest in the Interest Rate Cap to Lender as additional collateral for the Indebtedness.

(C) The amortization and payment of interest (and principal, if applicable) for each Advance shall be determined at the Effective Date of each Advance.

(6) **Monthly Debt Service Payments.**

Consecutive monthly debt service installments (comprised of either interest only or principal and interest, depending on the Amortization Type), each in the amount of the applicable Monthly Debt Service Payment for an Advance, shall be due and payable on the First Payment Date, and on each Payment Date thereafter until the Maturity Date of such Advance, at which time all Indebtedness relating to such Advance shall be due. Any regularly scheduled Monthly Debt Service Payment that is received by Lender before the applicable Payment Date shall be deemed to have been received on such Payment Date solely for the purpose of calculating interest due. All payments made by Borrower under this Master Agreement shall be made without set-off, counterclaim, or other defense.

(7) **Payment at Maturity.**

(A) The unpaid principal balance of an Advance, any Accrued Interest thereon, and all other Indebtedness relating to such Advance shall be due and payable on the applicable Maturity Date for such Advance.

(B) Except in connection with a complete repayment of all Advance(s), if Borrower pays any Advances at maturity of such Advance and requests a Release of any Mortgaged Property, such Release shall be subject to the Release Price and release tests in the Mortgaged Property Release Schedule.

(8) **Maturity Dates.**

(A) The Maturity Date of each Variable Advance shall be specified by Borrower for such Variable Advance, provided that such Maturity Date shall be no earlier than the date that is the first day of the month following the date five (5) years after the Effective Date of such Variable Advance and no later than the date that is the first day of the month following the date ten (10) years after the Effective Date of such Variable Advance provided no Maturity Date shall exceed the date that is the first day of the month following the date fifteen (15) years after the Initial Effective Date.

(B) The Maturity Date of each Fixed Advance shall be specified by Borrower for such Fixed Advance, provided that such Maturity Date shall be no earlier than the date that is the first day of the month following the date five (5) years after the Effective Date for such Fixed Advance and no later than the date that is the first day of the month following the date ten (10) years after the Effective Date of such Fixed Advance provided no Maturity Date shall exceed the date that is the first day of the month following the date fifteen (15) years after the Initial Effective Date.

(9) **Interest Rate Type; Notes.**

(A) The obligation of Borrower to repay each Variable Advance shall be evidenced by one or more separate Variable Notes. Each Variable Note shall be payable to the order of Lender and shall be made in the original principal amount of such Variable Advance.

(B) The obligation of Borrower to repay each Fixed Advance shall be evidenced by one or more separate Fixed Notes. The Fixed Note shall be payable to the order of Lender and shall be made in the original principal amount of such Fixed Advance.

(d) **Capitalization of Accrued but Unpaid Interest.**

Any accrued and unpaid interest on an Advance remaining past due for thirty (30) days or more may, at Lender's election, be added to and become part of the unpaid principal balance of such Advance.

(e) **Late Charges.**

(1) If any Monthly Debt Service Payment due hereunder is not received by Lender within ten (10) days after the applicable Payment Date, or any amount payable under this Master Agreement (other than the payment due on the applicable Maturity Date for repayment of an Advance in full) or any other Loan Document is not received by Lender within ten (10) days after the date such amount is due, inclusive of the date on which such amount is due, Borrower shall pay to Lender, immediately without demand by Lender, the Late Charge.

(2) The Late Charge is payable in addition to, and not in lieu of, any interest payable at the Default Rate pursuant to Section 2.03(d) (Default Rate).

(3) Borrower acknowledges and agrees that:

(A) its failure to make timely payments will cause Lender to incur additional expenses in servicing and processing the Advances;

(B) it is extremely difficult and impractical to determine those additional expenses;

(C) Lender is entitled to be compensated for such additional expenses; and

(D) the Late Charge represents a fair and reasonable estimate, taking into account all circumstances existing on the date hereof, of the additional expenses Lender will incur by reason of any such late payment.

(f) **Default Rate.**

(1) Default interest shall be paid as follows:

(A) If any amount due in respect of an Advance (other than amounts due on the Maturity Date) remains past due for thirty (30) days or more, interest on such unpaid amount(s) shall accrue from the date payment is due at the Default Rate and shall be payable upon demand by Lender.

(B) If any Indebtedness due is not paid in full on the applicable Maturity Date, then interest shall accrue at the Default Rate on all such unpaid amounts from such Maturity Date until fully paid and shall be payable upon demand by Lender.

Absent a demand by Lender, any such amounts shall be payable by Borrower in the same manner as provided for the payment of Monthly Debt Service Payments. To the extent permitted by Applicable Law, interest shall also accrue at the Default Rate on any judgment obtained by Lender against Borrower in connection with the Advances. To the extent Borrower or any other Person is vested with a right of redemption, interest shall continue to accrue at the Default Rate during any redemption period until such time as the Mortgaged Property has been redeemed.

(2) Borrower acknowledges and agrees that:

(A) its failure to make timely payments will cause Lender to incur additional expenses in servicing and processing the Advances; and

(B) in connection with any failure to timely pay all amounts due in respect of an Advance on the applicable Maturity Date, or during the time that any amount due in respect of an Advance is delinquent for more than thirty (30) days:

(i) Lender's risk of nonpayment of the Advance will be materially increased;

(ii) Lender's ability to meet its other obligations and to take advantage of other investment opportunities will be adversely impacted;

(iii) Lender will incur additional costs and expenses arising from its loss of the use of the amounts due;

(iv) it is extremely difficult and impractical to determine such additional costs and expenses;

(v) Lender is entitled to be compensated for such additional risks, costs, and expenses; and

(vi) the increase from the Interest Rate to the Default Rate represents a fair and reasonable estimate of the additional risks, costs, and expenses Lender will incur by reason of Borrower's delinquent payment and the additional compensation Lender is entitled to receive for the increased risks of nonpayment associated with a delinquency on the Advance (taking into account all circumstances existing on the applicable Effective Date).

(g) **Address for Payments.**

All payments due pursuant to the Loan Documents shall be payable at Lender's Payment Address, or such other place and in such manner as may be designated from time to time by written notice to Borrower by Lender.

(h) **Application of Payments.**

Subject to the terms of Section (d) (Application of Release Price) of the Mortgaged Property Release Schedule, if at any time Lender receives, from Borrower or otherwise, any payment in respect of the Indebtedness that is less than all amounts due and payable at such time, then Lender may apply such payment to amounts then due and payable in any manner and in any order determined by Lender or hold in suspense and not apply such amount at Lender's election. Neither Lender's acceptance of a payment that is less than all amounts then due and payable, nor Lender's application of, or suspension of the application of, such payment, shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and

satisfaction. Notwithstanding the application of any such amount to the Indebtedness, Borrower's obligations under this Master Agreement and the other Loan Documents shall remain unchanged.

Section . **Prepayment; Prepayment Lockout; Prepayment Premium.**

(a) Subject to the terms and conditions of the applicable Prepayment Premium Schedule and the requirements relating to application of the Release Price set forth in the Mortgaged Property Release Schedule, Notes are prepayable in whole or in part, provided that Borrower shall not make a voluntary full or partial prepayment of a Note during any Prepayment Lockout Period, if any. Except as expressly provided in this Master Agreement (including as provided in the Prepayment Premium Schedule applicable to such Note), a Prepayment Premium calculated in accordance with the Prepayment Premium Schedule applicable to such Note shall be payable in connection with any prepayment of such Note.

(a) If a Prepayment Lockout Period applies to the applicable Note, and during such Prepayment Lockout Period Lender accelerates the unpaid principal balance of the Note or otherwise applies collateral held by Lender to the repayment of any portion of the unpaid principal balance of the Note, the Prepayment Premium shall be due and payable and equal to the amount obtained by multiplying the percentage indicated (if at all) in the Prepayment Premium Schedule for such Note by the amount of principal being prepaid at the time of such acceleration or application.

(b) In connection with any such voluntary prepayment, Borrower acknowledges and agrees that interest shall always be calculated and paid through the last day of the month in which the prepayment occurs (even if the Permitted Prepayment Date for such month is not the last day of such month, or if Lender approves prepayment on an Intended Prepayment Date that is not a Permitted Prepayment Date). Borrower further acknowledges that Lender is not required to accept a voluntary prepayment of a Note on any day other than a Permitted Prepayment Date. However, if Lender does approve an Intended Prepayment Date that is not a Permitted Prepayment Date and accepts a prepayment on such Intended Prepayment Date, such prepayment shall be deemed to be received on the immediately following Permitted Prepayment Date. If Borrower fails to prepay the applicable Note (or such portion of the Note as is intended to be prepaid) on the Intended Prepayment Date for any reason (including on any Intended Prepayment Date that is approved by Lender) and such failure either continues for five (5) Business Days, or into the following month, Lender shall have the right to recalculate the payoff amount. If Borrower prepays a Note either in the following month or more than five (5) Business Days after the Intended Prepayment Date that was approved by Lender, Lender shall also have the right to recalculate the payoff amount based upon the amount of such payment and the date such payment was received by Lender. Borrower shall immediately pay to Lender any additional amounts required by any such recalculation.

(c) After receipt of a partial prepayment, Lender shall re-calculate the Monthly Debt Service Payment based upon the remaining unpaid principal balance of the applicable Note for each subsequent monthly debt service installment due under such Note. For amortizing Advances, the subsequent Monthly Debt Service Payments shall be calculated by amortizing the remaining unpaid principal balance of the applicable Note over the Remaining Amortization Period utilizing the Fixed Rate and the Interest Accrual Method set forth in the applicable Schedule of Advance Terms. Lender shall notify Borrower of the new required Monthly Debt Service Payment following receipt of a partial prepayment and Borrower shall execute any amendment requested by Lender to evidence such new required monthly installment(s).

Section . **Acceleration of Advances.**

Upon acceleration of any Advance, Borrower shall pay to Lender:

- (a) the entire unpaid principal balance of the Advances;
- (b) all Accrued Interest (calculated through the last day of the month in which the acceleration occurs);
- (c) the Prepayment Premium; and

(d) all other Indebtedness.

Section . **Application of Collateral.**

Any application by Lender of any collateral or other security to the repayment of all or any portion of the unpaid principal balance of the Advances prior to the Maturity Date in accordance with the Loan Documents shall be deemed to be a prepayment by Borrower. Any such prepayment shall require the payment to Lender by Borrower of the Prepayment Premium calculated on the amount being prepaid in accordance with this Master Agreement and applied in accordance with Section (d) (Application of Release Price) of the Mortgaged Property Release Schedule.

Section . **Casualty and Condemnation.**

Notwithstanding any provision of this Master Agreement to the contrary, no Prepayment Premium shall be payable with respect to any prepayment occurring as a result of the application of any insurance proceeds or amounts received in connection with a Condemnation Action in accordance with this Master Agreement.

Section . **No Effect on Payment Obligations.**

Unless otherwise expressly provided in this Master Agreement, any prepayment required by any Loan Document of less than the entire unpaid principal balance of the Advance(s) shall not extend or postpone the due date of any subsequent Monthly Debt Service Payments, Monthly Replacement Reserve Deposit, or other payment.

Section . **Loss Resulting from Prepayment.**

In any circumstance in which a Prepayment Premium is due under this Master Agreement, Borrower acknowledges that:

- (a) any prepayment of the unpaid principal balance of any Advance, whether voluntary or involuntary, or following the occurrence of an Event of Default by Borrower, will result in Lender's incurring loss, including reinvestment loss, additional risk, expense, and frustration or impairment of Lender's ability to meet its commitments to third parties;
- (b) it is extremely difficult and impractical to ascertain the extent of such losses, risks and damages;
- (c) the formula for calculating the Prepayment Premium represents a reasonable estimate of the losses, risks, and damages Lender will incur as a result of a prepayment; and
- (d) the provisions regarding the Prepayment Premium contained in this Master Agreement are a material part of the consideration for this Master Agreement, and that the terms of this Master Agreement are in other respects more favorable to Borrower as a result of Borrower's voluntary agreement to such prepayment provisions.

Section . **Collateral Events**

(d) **Conversion from Variable Note to Fixed Note.**

Subject to and in accordance with the terms and conditions of the Conversion Schedule, Borrower shall have the right, from time to time during the Conversion Availability Period, to convert all or any portion of a Variable Note to a Fixed Note.

(e) **Right to Obtain Releases of Mortgaged Property.**

Subject to and in accordance with the terms and conditions of the Mortgaged Property Release Schedule, Borrower shall have the right from time to time to obtain a release of one or more Mortgaged Properties (a "**Release**") from the Collateral Pool.

(f) **Right to Add Additional Mortgaged Properties as Collateral.**

Subject to and in accordance with the terms and conditions of the Mortgaged Property Addition Schedule, Borrower shall have the right, from time to time to add one or more Additional Mortgaged Properties (an “**Addition**”) to the Collateral Pool.

(g) **Right to Substitutions.**

Subject to and in accordance with the terms and conditions of the Mortgaged Property Release Schedule and the Mortgaged Property Addition Schedule, Borrower shall have the right to obtain the release of one or more Mortgaged Properties by replacing such Mortgaged Property with one (1) or more Additional Mortgaged Properties that meet the requirements of this Master Agreement thereby effecting a “**Substitution**” of Collateral.

(h) **Limitation on Collateral Events.**

Notwithstanding anything to the contrary in this Master Agreement, no Collateral Event (other than a Conversion) shall be permitted unless immediately after such Collateral Event the Advances then Outstanding will not exceed one hundred percent (100%) of the aggregate fair market value of all real property securing such Advances (where fair market value is determined for these purposes based upon a current Appraisal or some other commercially reasonable valuation method as determined by Lender).

(i) **Intentionally Deleted.**

Section . Termination of Master Agreement.

Subject to the terms and conditions set forth below, Borrower shall have the right to terminate this Master Agreement and receive a Release of all of the Collateral.

(i) **Request.**

To terminate this Master Agreement, Borrower shall deliver a Termination Request to Lender.

(j) **Conditions Precedent.**

The right of Borrower to terminate this Master Agreement and to receive a Release of all of the Collateral from the Collateral Pool and Lender’s obligation to execute and deliver the Termination Documents on the Effective Date are subject to the following conditions precedent:

(1) receipt by Lender of the fully executed Termination Request;

(1) payment by Borrower in full of each Note Outstanding on the Effective Date, including any associated Prepayment Premiums or other amounts due under each Note and all of the other amounts owing by Borrower to Lender under this Master Agreement and the Other Loan Documents; and

(2) payment by Borrower of Lender’s and Fannie Mae’s reasonable third party out-of-pocket fees and expenses payable in accordance with this Master Agreement, including Lender’s and Fannie Mae’s legal fees and expenses, in connection with the termination of this Master Agreement.

(k) **Closing.**

If all conditions precedent contained in this Section 2.11 (Termination of Master Agreement) are satisfied, this Master Agreement shall terminate, and Lender shall cause all of the Collateral to be Released on an Effective Date selected by Lender, within thirty (30) Business Days after all of the conditions with respect to such Termination Request have been satisfied (or on such other date as Borrower and Lender may agree), and all applicable parties shall execute and deliver, all at the sole cost and expense of Borrower, the Termination Documents.

Section . **Non-Recourse Liability; Exceptions.**

Except as otherwise provided in this Article 3 (Personal Liability) or in any other Loan Document, none of Borrower, or any director, officer, manager, member, partner, shareholder, trustee, trust beneficiary, or employee of Borrower, shall have personal liability under this Master Agreement or any other Loan Document for the repayment of the Indebtedness or for the performance of any other obligations of Borrower under the Loan Documents, and Lender's only recourse for the satisfaction of such Indebtedness and the performance of such obligations shall be Lender's exercise of its rights and remedies with respect to the Mortgaged Properties and any other Collateral held by Lender as security for the Indebtedness. This limitation on Borrower's liability shall not limit or impair Lender's enforcement of its rights against Guarantor under any Loan Document.

Section . **Personal Liability of Borrower**(j) **Personal Liability Based on Lender's Loss (Partial Recourse).**

Borrower shall be personally liable to Lender for the repayment of the portion of the Indebtedness equal to any loss or damage suffered by Lender as a result of, subject to any notice and cure period, if any, or in any manner relating to:

- (1) failure to pay as directed by Lender upon demand after an Event of Default (to the extent actually received by Borrower):
 - (A) all Rents to which Lender is entitled under the Loan Documents; and
 - (B) the amount of all security deposits then held or thereafter collected by Borrower from tenants and not properly applied pursuant to the applicable Leases;
- (2) failure to maintain all insurance policies required by the Loan Documents, except to the extent Lender has the obligation to pay the premiums pursuant to Section 12.03(c) (Payment of Impositions; Sufficiency of Imposition Deposits);
- (3) failure to apply all insurance proceeds received by Borrower or any amounts received by Borrower in connection with a Condemnation Action as required by the Loan Documents;
- (4) failure to comply with any provision of this Master Agreement or any other Loan Document relating to the delivery of books and records, statements, schedules, and reports;
- (5) except to the extent directed otherwise by Lender pursuant to Section 3.02(a)(1) (Personal Liability Based on Lender's Loss (Partial Recourse)), failure to apply Rents to the ordinary and necessary expenses of owning and operating the Mortgaged Properties and Debt Service Amounts, as and when each is due and payable, except that Borrower will not be personally liable with respect to Rents that are distributed by Borrower in any calendar quarter if Borrower has paid all ordinary and necessary expenses of owning and operating the Mortgaged Properties and Debt Service Amounts for such calendar quarter;
- (6) waste or abandonment of any Mortgaged Property;
- (7) grossly negligent or reckless unintentional material misrepresentation or omission by Borrower, Guarantor, Key Principal, or any officer, director, partner, manager, member, shareholder, or trustee of Borrower, Guarantor, or Key Principal in connection with on-going financial or other reporting required by the Loan Documents, or any request for action or consent by Lender; or
- (8) failure to comply with each of the Single Purpose requirements of Section 4.02(d)(3), (4), (5)(A), and (7)-(15) (Borrower Status - Covenants - Single Purpose Status) of this Master Agreement (subject to possible full recourse liability as set forth in Section 3.02(b)(1) (Full Personal Liability (Full Recourse))); provided, however, no such recourse liability shall arise until the expiration of the cure periods set forth in this Section 3.02(a)(8) (Personal Liability Based on Lender's Loss

(Partial Recourse)). Borrower must deliver on an annual basis or upon Lender's written request, a certification as to compliance with the covenants set forth in Section 4.02(d) (Borrower Status - Covenants - Single Purpose Status). If Borrower breaches a covenant set forth in Section 4.02(d) (Borrower Status - Covenants - Single Purpose Status), then, if such breach can be cured, Borrower shall have thirty (30) days from the earlier of (A) the date of delivery of the annual Officer's Certificate set forth in Section 8.02(b)(5) (Items to Furnish to Lender) indicating such breach, (B) the date Lender notices Borrower of such breach, or (C) the date Borrower discovers such breach, to cure such breach, provided that if such breach can be cured but cannot reasonably be cured within such thirty (30) day period and Borrower shall have commenced to cure such breach within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for so long as it shall require Borrower in the exercise of due diligence to cure such breach, it being agreed that no such extension shall be for a period in excess of sixty (60) days for any individual breach.

Notwithstanding the foregoing, Borrower shall not have personal liability under clauses (1), (3) or (5) above to the extent that Borrower lacks the legal right to direct the disbursement of the applicable funds due to an involuntary Bankruptcy Event with respect to Borrower that occurs without the consent, encouragement, or active participation of Guarantor, Key Principal or any Borrower Affiliate.

(k) **Full Personal Liability (Full Recourse).**

Borrower shall be personally liable to Lender for the repayment of all of the Indebtedness, and the Advances shall be fully recourse to Borrower, upon the occurrence of any of the following:

(1) failure to comply with each of the Single Purpose requirements of:

(A) Section 4.02(d)(1), (2), (5)(B), (5)(C) and (6) (Borrower Status - Covenants - Single Purpose Status) of this Master Agreement; and

(B) Section 4.02(d)(3), (4), (5)(A) and (7)-(15) (Borrower Status - Covenants - Single Purpose Status) of this Master Agreement and a court of competent jurisdiction holds or determines that such failure or combination of failures is the basis, in whole or in part, for the substantive consolidation of the assets and liabilities of Borrower or any sole member of Borrower with the assets and liabilities of a debtor pursuant to Title 11 of the Bankruptcy Code;

(2) a Transfer (other than a conveyance of a Mortgaged Property at a Foreclosure Event pursuant to the Security Instrument and this Master Agreement) that is not permitted under this Master Agreement or any other Loan Document;

(3) the occurrence of any Bankruptcy Event with respect to Borrower, Guarantor, or Borrower's sole member, managing member or general partner (as applicable) (other than an acknowledgement in writing as described in clause (b) of the definition of "Bankruptcy Event"); provided, however, in the event of an involuntary Bankruptcy Event with respect to Borrower, Guarantor, or Borrower's sole member, managing member or general partner (as applicable), Borrower shall only be personally liable if such involuntary Bankruptcy Event occurs with the consent, encouragement or active participation of Borrower, Guarantor, Key Principal, or any Borrower Affiliate;

(4) fraud, written material misrepresentation, or material omission by Borrower, Guarantor, Key Principal, or any officer, director, partner, manager, member, shareholder, or trustee of Borrower, Guarantor, or Key Principal in connection with any application for or creation of the Indebtedness; or

(5) fraud, written intentional material misrepresentation or intentional material omission by Borrower, Guarantor, Key Principal, or any officer, director, partner, manager, member,

shareholder, or trustee of Borrower, Guarantor, or Key Principal in connection with on-going financial or other reporting required by the Loan Documents, or any request for action or consent by Lender.

Section . **Personal Liability for Indemnity Obligations.**

Borrower shall be personally and fully liable to Lender for Borrower's indemnity obligations under Section 13.01(e) (Replacement Reserves and Repairs - Indemnification) of this Master Agreement, the Environmental Indemnity Agreement and any other express indemnity obligations provided by Borrower under any Loan Document. Borrower's liability for such indemnity obligations shall not be limited by the amount of the Indebtedness, the repayment of the Indebtedness, or otherwise, provided that Borrower's liability for such indemnities shall not include any loss caused by the gross negligence or willful misconduct of Lender as determined by a court of competent jurisdiction pursuant to a final non-appealable court order.

Section . **Lender's Right to Forego Rights Against Mortgaged Property.**

To the extent that Borrower has personal liability under this Master Agreement or any other Loan Document, Lender may exercise its rights against Borrower personally to the fullest extent permitted by Applicable Law without regard to whether Lender has exercised any rights against any Mortgaged Property or any other security, or pursued any rights against Guarantor, or pursued any other rights available to Lender under this Master Agreement, any other Loan Document, or Applicable Law. For purposes of this Section 3.04 (Lender's Right to Forego Rights Against Mortgaged Property) only, the term "**Mortgaged Property**" shall not include any funds that have been applied by Borrower as required or permitted by this Master Agreement prior to the occurrence of an Event of Default, or that Borrower was unable to apply as required or permitted by this Master Agreement because of a Bankruptcy Event with respect to Borrower. To the fullest extent permitted by Applicable Law, in any action to enforce Borrower's personal liability under this Article 3 (Personal Liability), Borrower waives any right to set off the value of a Mortgaged Property against such personal liability.

Section . **Borrower Agency Provisions.**

(a) Each Borrower shall irrevocably designate Borrower Agent to be its agent and in such capacity to receive on behalf of Borrower all proceeds, receive all notices on behalf of Borrower under this Master Agreement, make all requests under this Master Agreement, and execute, deliver, and receive all instruments, certificates, requests, documents, amendments, writings, and further assurances now or hereafter required hereunder, on behalf of such Borrower, and hereby authorizes Lender to pay over all proceeds hereunder in accordance with the request of Borrower Agent. Each Borrower hereby acknowledges that all notices required to be delivered by Lender to any Borrower shall be delivered to Borrower Agent and thereby shall be deemed to have been received by such Borrower.

(b) The handling of this Master Agreement as a co-borrowing facility with a Borrower Agent in the manner set forth in this Master Agreement is solely as an accommodation to each of Borrower and Guarantor and is at their mutual request. Lender shall not incur liability to Borrower or Guarantor as a result thereof. To induce Lender to do so and in consideration thereof, each Borrower hereby indemnifies Lender and holds Lender harmless from and against any and all liabilities, expenses, losses, damages, and claims of damage or injury asserted against Lender by any Person arising from or incurred by reason of Borrower Agent handling of the financing arrangements of Borrower as provided herein, reliance by Lender on any request or instruction from Borrower Agent or any other action taken by Lender with respect to this Section 3.05 (Borrower Agency Provisions) except due to willful misconduct or gross negligence of the indemnified party as determined by a court of competent jurisdiction pursuant to a final, non-appealable court order.

Section . **Joint and Several Obligation; Cross-Guaranty.**

Notwithstanding anything contained in this Master Agreement or the other Loan Documents to the contrary (but subject to the provisions of Section 3.01 (Non-Recourse Liability; Exceptions), Section 3.02(a) (Personal Liability Based on Lender's Loss (Partial Recourse)) and Section 3.02(b) (Full Personal Liability

(Full Recourse)), the last sentence of this Section 3.06 (Joint and Several Obligation; Cross-Guaranty) and the provisions of Section 3.13 (Maximum Liability of Each Borrower), each Borrower shall have joint and several liability for the Indebtedness. Notwithstanding the intent of all of the parties to this Master Agreement that the Indebtedness of each Borrower under this Master Agreement and the other Loan Documents shall be joint and several obligations of each Borrower, each Borrower, on a joint and several basis, hereby irrevocably guarantees on a non-recourse basis, subject to the exceptions to non-recourse provisions of Section 3.01 (Non-Recourse Liability; Exceptions), Section 3.02(a) (Personal Liability Based on Lender's Loss (Partial Recourse)) and Section 3.02(b) (Full Personal Liability (Full Recourse)), to Lender and its successors and assigns, the full and prompt payment (whether at stated maturity, by acceleration or otherwise) and performance of, all Indebtedness owed or hereafter owing to Lender by each other Borrower. Each Borrower agrees that its non-recourse guaranty obligation hereunder is an unconditional guaranty of payment and performance and not merely a guaranty of collection. The Indebtedness of each Borrower under this Master Agreement shall not be subject to any counterclaim, set-off, recoupment, deduction, cross-claim, or defense based upon any claim any Borrower may have against Lender or any other Borrower.

Section . **Waivers With Respect to Other Borrower Secured Obligation.**

To the extent that a Security Instrument or any other Loan Document executed by one Borrower secures an Obligation of another Borrower (the "**Other Borrower Secured Obligation**"), or to the extent that a Borrower has guaranteed the debt of another Borrower pursuant to Article 3 (Personal Liability), Borrower who executed such Loan Document or guaranteed such debt (the "**Waiving Borrower**") hereby agrees to the extent permitted by law, to the provisions of this Section 3.07 (Waivers with Respect to Other Borrower Secured Obligation). To the extent that any Mortgaged Properties are located in California, and to the extent permitted by law, the references to the California statutes below shall apply to this Master Agreement and any California Security Instrument securing or encumbering a Mortgaged Property located in California; otherwise the California statutes referenced below shall have no effect on this Master Agreement or any other Loan Document. All references in Article 3 (Personal Liability) to California law are only applicable if any Mortgaged Property is located in California. To the maximum extent permitted by Applicable Law:

(a) The Waiving Borrower hereby waives any right it may now or hereafter have to require the beneficiary, assignee, or other secured party under such Loan Document, as a condition to the exercise of any remedy or other right against it thereunder or under any other Loan Document executed by the Waiving Borrower in connection with the Other Borrower Secured Obligation: (1) to proceed against any other Borrower or any other Person, or against any other collateral assigned to Lender by any Borrower or any other Person; (2) to pursue any other right or remedy in Lender's power; (3) to give notice of the time, place, or terms of any public or private sale of real or personal property collateral assigned to Lender by any other Borrower or any other Person, or otherwise to comply with Section 9615 of the California Commercial Code (as modified or recodified from time to time) with respect to any such personal property collateral located in the State of California; or (4) to make or give (except as otherwise expressly provided in the Security Documents) any presentment, demand, protest, notice of dishonor, notice of protest, or other demand or notice of any kind in connection with the Other Borrower Secured Obligation or any collateral for the Other Borrower Secured Obligation.

(b) The Waiving Borrower hereby waives any defense it may now or hereafter have that relates to: (1) any disability or other defense of any other Borrower or any other Person; (2) the cessation, from any cause other than full performance, of the Other Borrower Secured Obligation; (3) the application of the proceeds of the Other Borrower Secured Obligation, by any other Borrower or any other Person, for purposes other than the purposes represented to the Waiving Borrower by any other Borrower or any other Person, or otherwise intended or understood by the Waiving Borrower or any other Borrower; (4) any act or omission

by Lender which directly or indirectly results in or contributes to the release of any other Borrower or any other Person or any collateral for any Other Borrower Secured Obligation; (5) the unenforceability or invalidity of any Security Document or Loan Document (other than the Security Instrument executed by the Waiving Borrower that secures the Other Borrower Secured Obligation) or guaranty with respect to any Other Borrower Secured Obligation, or the lack of perfection or continuing perfection or lack of priority of any Lien (other than the Lien of the Security Instrument executed by the Waiving Borrower that secures the Other Borrower Secured Obligation) which secures any Other Borrower Secured Obligation; (6) any failure of Lender to marshal assets in favor of the Waiving Borrower or any other Person; (7) any modification of any Other Borrower Secured Obligation, including any renewal, extension, acceleration, or increase in interest rate; (8) any and all rights and defenses arising out of an election of remedies by Lender, even though that election of remedies, such as a nonjudicial foreclosure with respect to security for a guaranteed obligation, has destroyed the Waiving Borrower's rights of subrogation and reimbursement against the principal by the operation of Section 580d of the California Code of Civil Procedure or otherwise; (9) any law which provides that the obligation of a surety or guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal or which reduces a surety's or guarantor's obligation in proportion to the principal obligation; (10) any failure of Lender to file or enforce a claim in any bankruptcy or other proceeding with respect to any Person; (11) the election by Lender, in any bankruptcy proceeding of any Person, of the application or non-application of Section 1111(b)(2) of the Bankruptcy Code; (12) any extension of credit or the grant of any lien under Section 364 of the Bankruptcy Code; (13) any use of cash collateral under Section 363 of the Bankruptcy Code; or (14) any agreement or stipulation with respect to the provision of adequate protection in any bankruptcy proceeding of any Person. The Waiving Borrower further waives any and all rights and defenses that it may have because the Other Borrower Secured Obligation is secured by real property; this means, among other things, that: (A) Lender may collect from the Waiving Borrower without first foreclosing on any real or personal property collateral pledged by any other Borrower; (B) if Lender forecloses on any real property collateral pledged by any other Borrower, then (i) the amount of the Other Borrower Secured Obligation may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price, and (ii) Lender may foreclose on the real property encumbered by the Security Instrument executed by the Waiving Borrower and securing the Other Borrower Secured Obligation, or otherwise collect from the Waiving Borrower, even if Lender, by foreclosing on the real property collateral of any one or more of the other Borrowers, has destroyed any right the Waiving Borrower may have to collect from such other Borrowers. Subject to the last sentence of Section 3.06 (Joint and Several Obligation; Cross-Guaranty), the foregoing sentence is an unconditional and irrevocable waiver of any rights and defenses the Waiving Borrower may have because the Other Borrower Secured Obligation is secured by real property. These rights and defenses being waived by the Waiving Borrower include, but are not limited to, any rights or defenses based upon Section 580a, 580b, 580d, or 726 of the California Code of Civil Procedure. Without limiting the generality of the foregoing or any other provision hereof, the Waiving Borrower further expressly waives, except as provided in Section 3.07(g) (Waivers with Respect to Other Borrower Secured Obligation) below, to the extent permitted by law any and all rights and defenses that might otherwise be available to it under California Civil Code Sections 2787 to 2855, inclusive, 2899 and 3433, or under California Code of Civil Procedure Sections 580a, 580b, 580d, and 726, or any of such sections;

(c) The Waiving Borrower hereby waives any and all benefits and defenses under California Civil Code Section 2810 and agrees that by doing so the Security Instrument executed by the Waiving Borrower and securing the Other Borrower Secured Obligation shall be and remain in full force and effect even if one or more of the other Borrowers had no liability at the time of incurring the Other Borrower Secured Obligation, or thereafter ceases to be liable. The Waiving Borrower hereby waives any and all benefits and defenses under California Civil Code Section 2809 and agrees that by doing so the Waiving Borrower's liability may be larger in amount and more burdensome than that of any one or more of the other Borrowers. The Waiving Borrower hereby waives the benefit of all principles or provisions of law that are or might be in conflict with

the terms of any of its waivers, and agrees that the Waiving Borrower's waivers shall not be affected by any circumstances that might otherwise constitute a legal or equitable discharge of a surety or a guarantor. The Waiving Borrower hereby waives the benefits of any right of discharge and all other rights and defenses under any and all statutes or other laws relating to guarantors or sureties, to the fullest extent permitted by law, diligence in collecting the Other Borrower Secured Obligation, presentment, demand for payment, protest, all notices with respect to the Other Borrower Secured Obligation that may be required by statute, rule of law, or otherwise to preserve Lender's rights against the Waiving Borrower hereunder, including notice of acceptance, notice of any amendment of the Loan Documents evidencing the Other Borrower Secured Obligation, notice of the occurrence of any default or Event of Default, notice of intent to accelerate, notice of acceleration, notice of dishonor, notice of foreclosure, notice of protest, notice of the incurring by the other Borrower of any obligation or indebtedness and all rights to require Lender to (1) proceed against the other Borrower, (2) proceed against any general partner of the other Borrower, (3) proceed against or exhaust any collateral held by Lender to secure the Other Borrower Secured Obligation, or (4) if the other Borrower is a partnership, pursue any other remedy it may have against the other Borrower, or any general partner of the other Borrower, including any and all benefits under California Civil Code Sections 2845, 2849, and 2850;

(d) The Waiving Borrower understands that the exercise by Lender of certain rights and remedies contained in a Security Instrument executed by any other Borrower (such as a nonjudicial foreclosure sale) may affect or eliminate the Waiving Borrower's right of subrogation against such other Borrower and that the Waiving Borrower may therefore incur a partially or totally nonreimbursable liability. Nevertheless, the Waiving Borrower hereby authorizes and empowers Lender to exercise, in its sole and absolute discretion, any right or remedy, or any combination thereof, that may then be available, since it is the intent and purpose of the Waiving Borrower that its waivers shall be absolute, independent and unconditional under any and all circumstances;

(e) In accordance with Section 2856 of the California Civil Code, the Waiving Borrower also waives any right or defense based upon an election of remedies by Lender, even though such election (e.g., nonjudicial foreclosure with respect to any collateral held by Lender to secure repayment of the Other Borrower Secured Obligation) destroys or otherwise impairs the subrogation rights of the Waiving Borrower to any right to proceed against one or more of the other Borrowers for reimbursement by operation of Section 580d of the California Code of Civil Procedure or otherwise;

(f) Subject to the last sentence of Section 3.06 (Joint and Several Obligation; Cross-Guaranty), in accordance with Section 2856 of the California Civil Code, the Waiving Borrower waives any and all other rights and defenses available to the Waiving Borrower by reason of Sections 2787 through 2855, inclusive, of the California Civil Code, including any and all rights or defenses the Waiving Borrower may have by reason of protection afforded to one or more of the other Borrowers with respect to the applicable Other Borrower Secured Obligation pursuant to the antideficiency or other laws of the State of California limiting or discharging such Other Borrower Secured Obligation, including Sections 580a, 580b, 580d, and 726 of the California Code of Civil Procedure;

(g) In accordance with Section 2856 of the California Civil Code and pursuant to any other Applicable Law, the Waiving Borrower agrees to withhold the exercise of any and all subrogation, contribution, and reimbursement rights against all other Borrowers, against any other Person, and against any collateral or security for the Other Borrower Secured Obligation, including any such rights pursuant to Sections 2847 and 2848 of the California Civil Code, until the Other Borrower Secured Obligation has been indefeasibly paid and satisfied in full, all obligations owed to Lender under the Loan Documents have been fully performed, and Lender has released, transferred or disposed of all of its right, title, and interest in such collateral or security;

(h) Each Borrower hereby irrevocably and unconditionally agrees that, notwithstanding Section 3.07(g) (Waivers with Respect to Other Borrower Secured Obligation) hereof, in the event, and to the extent, that its agreement and waiver set forth in Section 3.07(g) (Waivers with Respect to Other Borrower Secured

Obligation) is found by a court of competent jurisdiction to be void or voidable for any reason and such Borrower has any subrogation or other rights against any other Borrower, any such claims, direct or indirect, that such Borrower may have by subrogation rights or other form of reimbursement, contribution, or indemnity, against any other Borrower or to any security or any such Borrower, shall be, and such rights, claims, and indebtedness are hereby, deferred, postponed, and fully subordinated in time and right of payment to the prior payment, performance, and satisfaction in full of the Indebtedness. Until payment and performance in full with interest (including post-petition interest in any case under any chapter of the Bankruptcy Code) of the Indebtedness, each Borrower agrees not to accept any payment or satisfaction of any kind of Indebtedness of any other Borrower in respect of any such subrogation rights arising by virtue of payments made pursuant to this Article 3 (Personal Liability), and hereby assigns such rights or indebtedness to Lender, including (1) the right to file proofs of claim and to vote thereon in connection with any case under any chapter of the Bankruptcy Code and (2) the right to vote on any plan of reorganization. In the event that any payment on account of any such subrogation rights shall be received by any Borrower in violation of the foregoing, such payment shall be held in trust for the benefit of Lender, and any amount so collected must be turned over to Lender for, at Lender's option, application to the Indebtedness; and

(i) At any time without notice to the Waiving Borrower, and without affecting or prejudicing the right of Lender to proceed against the Collateral described in any Loan Document executed by the Waiving Borrower and securing the Other Borrower Secured Obligation, (1) the time for payment of the principal of or interest on, or the performance of, the Other Borrower Secured Obligation may be extended or the Other Borrower Secured Obligation may be renewed in whole or in part; (2) the time for any other Borrower's performance of or compliance with any covenant or agreement contained in the Loan Documents evidencing the Other Borrower Secured Obligation, whether presently existing or hereinafter entered into, may be extended or such performance or compliance may be waived; (3) the maturity of the Other Borrower Secured Obligation may be accelerated as provided in the related Note or any other related Loan Document; (4) the related Note or any other related Loan Document may be modified or amended by Lender and the applicable other Borrower in any respect, including an increase in the principal amount; and (5) any security for the Other Borrower Secured Obligation may be modified, exchanged, surrendered or otherwise dealt with or additional security may be pledged or mortgaged for the Other Borrower Secured Obligation.

(j) It is agreed among each Borrower and Lender that all of the foregoing waivers are of the essence of the transaction contemplated by this Master Agreement and the Loan Documents and that but for the provisions of this Article 3 (Personal Liability) and such waivers Lender would decline to enter into this Master Agreement.

Section . **No Impairment.**

Each Borrower agrees that the provisions of this Article 3 (Personal Liability) are for the benefit of Lender and its successors and assigns, and nothing herein contained shall impair, as between any other Borrower and Lender, the obligations of such other Borrower under the Loan Documents.

Section . **Election of Remedies.**

(a) Subject to the terms of Section 3.01 (Non-Recourse Liability; Exceptions), Lender, in its discretion, may (1) bring suit against any one or more Borrowers, jointly and severally, without any requirement that Lender first proceed against any other Borrower or any other Person; (2) compromise or settle with any one or more Borrowers, or any other Person, for such consideration as Lender may deem proper; (3) release one or more Borrowers, or any other Person, from liability; and (4) otherwise deal with any Borrower and any other Person, or any one or more of them, in any manner, or resort to any of the Collateral at any time held by it for performance of the Indebtedness or any other source or means of obtaining payment of the Indebtedness, and no such action shall impair the rights of Lender to collect from any Borrower any amount guaranteed by any Borrower under this Article 3 (Personal Liability).

(b) If, in the exercise of any of its rights and remedies, Lender shall forfeit any of its rights or remedies, including its rights to enter a deficiency judgment against any Borrower or any other Person, whether because of any Applicable Law pertaining to “election of remedies” or the like, each Borrower hereby consents to such action by Lender and waives any claim based upon such action, even if such action by Lender shall result in a full or partial loss of any rights of subrogation that each Borrower might otherwise have had but for such action by Lender. Any election of remedies that results in the denial or impairment of the right of Lender to seek a deficiency judgment against any Borrower shall not impair any other Borrower’s obligation to pay the full amount of the Indebtedness. In the event Lender shall bid at any foreclosure or trustee’s sale or at any private sale permitted by law or any of the Loan Documents, Lender may bid all or less than the amount of the Indebtedness and the amount of such bid need not be paid by Lender but shall be credited against the Indebtedness. The amount of the successful bid at any such sale, whether Lender or any other party is the successful bidder, shall be conclusively deemed to be the fair market value of the Collateral and the difference between such bid amount and the remaining balance of the Indebtedness shall be conclusively deemed to be the amount of the Indebtedness guaranteed under this Article 3 (Personal Liability), notwithstanding that any present or future law or court decision or ruling may have the effect of reducing the amount of any deficiency claim to which Lender might otherwise be entitled but for such bidding at any such sale.

Section . **Subordination of Other Obligations.**

(a) Each Borrower hereby irrevocably and unconditionally agrees that all amounts payable from time to time to such Borrower by any other Borrower pursuant to any agreement, whether secured or unsecured, whether of principal, interest, or otherwise, other than the amounts referred to in this Article 3 (Personal Liability) (collectively, the “**Subordinated Obligations**”), shall be and such rights, claims, and indebtedness are, hereby deferred, postponed, and fully subordinated in time and right of payment to the prior payment, performance, and satisfaction in full of the Indebtedness; provided, however, that payments may be received by any Borrower in accordance with, and only in accordance with, the provisions of Section 3.10 (Subordination of Other Obligations) hereof.

(b) Until the Indebtedness has been finally paid in full or fully performed and all the Loan Documents have been terminated, each Borrower irrevocably and unconditionally agrees it will not ask, demand, sue for, take, or receive, directly or indirectly, by set-off, redemption, purchase, or in any other manner whatsoever, any payment with respect to, or any security or guaranty for, the whole or any part of the Subordinated Obligations, and in issuing documents, instruments, or agreements of any kind evidencing the Subordinated Obligations, each Borrower hereby agrees that it will not receive any payment of any kind on account of the Subordinated Obligations, so long as any of the Indebtedness is outstanding or any of the terms and conditions of any of the Loan Documents are in effect; provided, however, that, notwithstanding anything to the contrary contained herein, if no Potential Event of Default or Event of Default has occurred and is continuing under any of the Loan Documents, then payments may be received by such Borrower in respect of the Subordinated Obligations in accordance with the stated terms thereof. Except as aforesaid, each Borrower agrees not to accept any payment or satisfaction of any kind of indebtedness of any other Borrower in respect of the Subordinated Obligations and hereby assigns such rights or indebtedness to Fannie Mae, including the right to file proofs of claim and to vote thereon in connection with any case under any chapter of the Bankruptcy Code, including the right to vote on any plan of reorganization. In the event that any payment on account of Subordinated Obligations shall be received by any Borrower in violation of the foregoing, such payment shall be held in trust for the benefit of Lender, and any amount so collected shall be turned over to Lender upon demand.

Section . **Insolvency and Liability of Other Borrower.**

So long as any of the Indebtedness is Outstanding, if a petition under any chapter of the Bankruptcy Code is filed by or against any Borrower (the “**Subject Borrower**”), each other Borrower (each, an “**Other Borrower**”) agrees to file all claims against the Subject Borrower in any bankruptcy or other proceeding in which the filing of claims is required by law in connection with indebtedness owed by the Subject Borrower

and to assign to Lender all rights thereunder up to the amount of such indebtedness. In all such cases, the Person or Persons authorized to pay such claims shall pay to Lender the full amount thereof and Lender agrees to pay such Other Borrower any amounts received in excess of the amount necessary to pay the Indebtedness. Each Other Borrower hereby assigns to Lender all of such Other Borrower's rights to all such payments to which such Other Borrower would otherwise be entitled but not to exceed the full amount of the Indebtedness. In the event that, notwithstanding the foregoing, any such payment shall be received by any Other Borrower before the Indebtedness shall have been finally paid in full, such payment shall be held in trust for the benefit of and shall be paid over to Lender upon demand. Furthermore, notwithstanding the foregoing, the liability of each Borrower hereunder shall in no way be affected by:

- (a) the release or discharge of any Other Borrower in any creditors' receivership, bankruptcy, or other proceedings; or
- (b) the impairment, limitation, or modification of the liability of any Other Borrower or the estate of any Other Borrower in bankruptcy resulting from the operation of any present or future provisions of any chapter of the Bankruptcy Code or other statute or from the decision in any court.

Section . **Preferences, Fraudulent Conveyances, Etc.**

If Lender is required to refund, or voluntarily refunds, any payment received from any Borrower because such payment is or may be avoided, invalidated, declared fraudulent, set aside, or determined to be void or voidable as a preference, fraudulent conveyance, impermissible setoff, or a diversion of trust funds under the Insolvency Laws or for any similar reason, including any judgment, order, or decree of any court or administrative body having jurisdiction over any Borrower or any of its property, or upon or as a result of the appointment of a receiver, intervenor, custodian, or conservator of, or trustee or similar officer for, any Borrower or any substantial part of its property, or otherwise, or any statement or compromise of any claim effected by Lender with any Borrower or any other claimant (a "**Rescinded Payment**"), then each Other Borrower's liability to Lender shall continue in full force and effect, or each Other Borrower's liability to Lender shall be reinstated and renewed, as the case may be, with the same effect and to the same extent as if the Rescinded Payment had not been received by Lender, notwithstanding the cancellation or termination of any of the Loan Documents, and regardless of whether Lender contested the order requiring the return of such payment. In addition, each Other Borrower shall pay, or reimburse Lender for, all expenses (including all reasonable attorneys' fees, court costs, and related disbursements) incurred by Lender in the defense of any claim that a payment received by Lender in respect of all or any part of the Indebtedness must be refunded. The provisions of this Section 3.12 (Preferences, Fraudulent Conveyances, Etc.) shall survive the termination of the Loan Documents and any satisfaction and discharge of any Borrower by virtue of any payment, court order, or any federal or state law.

Section . **Maximum Liability of Each Borrower.**

Notwithstanding anything contained in this Master Agreement or any other Loan Document to the contrary, if the obligations of any Borrower under this Master Agreement or any of the other Loan Documents or any Security Instruments granted by any Borrower are determined to exceed the reasonably equivalent value received by such Borrower in exchange for such obligations or grant of such Security Instruments under any Fraudulent Transfer Law (as hereinafter defined), then the liability of such Borrower shall be limited to a maximum aggregate amount equal to the largest amount that would not render its obligations under this Master Agreement or all the other Loan Documents subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any applicable provisions of comparable state law (collectively, the "**Fraudulent Transfer Laws**"), in each case after giving effect to all other liabilities of such Borrower, contingent or otherwise, that are relevant under the Fraudulent Transfer Laws (specifically excluding, however, any liabilities of such Borrower in respect of Indebtedness to any other Borrower or any other Person that is an affiliate of the other Borrower to the extent that such Indebtedness would be discharged in an amount equal to the amount paid by such Borrower in respect of the Indebtedness)

and after giving effect (as assets) to the value (as determined under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation, reimbursement, indemnification, or contribution of such Borrower pursuant to Applicable Law or pursuant to the terms of any agreement including the Contribution Agreement.

Section . **Liability Cumulative.**

The liability of each Borrower under this Article 3 (Personal Liability) is in addition to and shall be cumulative with all liabilities of such Borrower to Lender under this Master Agreement and all the other Loan Documents to which such Borrower is a party or in respect of any Indebtedness of any other Borrower.

Master Credit Facility Agreement

Form 6001.MCFA

Page 40

Article 4

03-16

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ARTICLE 7

ARTICLE 8

BORROWER STATUS

Section . **Representations and Warranties.**

The representations and warranties made by Borrower to Lender in this Section 4.01 (Borrower Status - Representations and Warranties) are made as of each Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(l) **Due Organization and Qualification; Organizational Agreements.**

(1) Each Borrower is validly existing and qualified to transact business and is in good standing in (A) the state in which it is formed or organized, (B) the Property Jurisdiction and (C) each other jurisdiction that qualification or good standing is required according to Applicable Law to conduct its business with respect to the Mortgaged Property, in each case, where the failure to be so qualified or in good standing would adversely affect Borrower's operation of its Mortgaged Property or the validity, enforceability or the ability of Borrower to perform its obligations under this Master Agreement or any other Loan Document. The managing member or general partner of Borrower, as applicable, is validly existing and qualified to transact business and is in good standing in the state in which it is organized and in each other jurisdiction in which such qualification and/or standing is necessary to the conduct of its business.

(2) The members or partners, as applicable, of Borrower and the percentage of their Ownership Interests are as set forth in the Ownership Interests Schedule attached hereto. True, correct and complete Organizational Documents of each Borrower Entity and each Identified Party have been delivered to Lender prior to each Effective Date.

(m) **Location.**

Borrower's General Business Address is Borrower's principal place of business and principal office. Guarantor's General Business Address is Guarantor's principal place of business and principal office. Key Principal's General Business Address is Key Principal's principal place of business and principal office.

(n) **Power and Authority.**

Each Borrower has the requisite power and authority:

(1) to own its Mortgaged Property and to carry on its business as now conducted and as contemplated to be conducted in connection with the performance of its obligations under this Master Agreement and under the other Loan Documents to which it is a party; and

(2) to execute and deliver this Master Agreement and the other Loan Documents to which it is a party, and to carry out the transactions contemplated by this Master Agreement and the other Loan Documents to which it is a party.

(o) **Due Authorization.**

The execution, delivery, and performance of this Master Agreement and the other Loan Documents to which it is a party have been duly authorized by all necessary action and proceedings by or on behalf of Borrower, and no further approvals or filings of any kind, including any approval of or filing with any Governmental Authority, are required by or on behalf of Borrower as a condition to the valid execution, delivery, and performance by Borrower of this Master Agreement or any of the other Loan Documents to which it is a party, except filings required to perfect and maintain the liens to be granted under the Loan Documents and routine filings to maintain good standing and its existence.

(p) **Valid and Binding Obligations.**

This Master Agreement and the other Loan Documents to which it is a party have been duly executed and delivered by Borrower and constitute the legal, valid, and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms, except as such enforceability may be limited by applicable Insolvency Laws or by the exercise of discretion by any court.

(q) **Effect of Master Agreement on Financial Condition.**

Neither Borrower nor Borrower's general partner or sole member will be rendered Insolvent by the transactions contemplated by the provisions of this Master Agreement and the other Loan Documents. Borrower has sufficient working capital, including proceeds from the Advances, cash flow from the Mortgaged Properties, or other sources, not only to adequately maintain the Mortgaged Properties, but also to pay all of Borrower's outstanding debts as they come due, including all Debt Service Amounts, exclusive of Borrower's ability to refinance or pay in full any Advance on its Maturity Date. In connection with the execution and delivery of this Master Agreement, the Security Instruments and the other Loan Documents (and the delivery to, or for the benefit of, Lender of any collateral contemplated thereunder), and the incurrence by Borrower of the obligations under this Master Agreement and the other Loan Documents, Borrower did not receive less than reasonably equivalent value in exchange for the incurrence of the obligations of Borrower under this Master Agreement and the other Loan Documents.

(r) **Economic Sanctions, Anti-Money Laundering, and Anti-Corruption.**

(1) No Borrower Entity, nor to Borrower's knowledge, any Identified Party, nor any Person Controlled by Borrower Entity that also has a direct or indirect ownership interest in any Borrower Entity, is in violation of any applicable civil or criminal laws or regulations, including those requiring internal controls, intended to prohibit, prevent, or regulate money laundering, drug trafficking, terrorism, or corruption, of the United States and the jurisdiction where the Mortgaged Property is located or where the Person resides, is domiciled, or has its principal place of business.

(2) No Borrower Entity, nor to Borrower's knowledge, any Identified Party, nor any Person Controlled by Borrower Entity that also has a direct or indirect ownership interest in any Borrower Entity, is a Person:

(A) against whom proceedings are pending for any alleged violation of any laws described in Section 4.01(g)(1);

(B) that has been convicted of any violation of, has been subject to civil penalties or Economic Sanctions pursuant to, or had any of its property seized or forfeited under, any laws described in Section 4.01(g)(1); or

(C) with whom any United States Person, any entity organized under the laws of the United States or its constituent states or territories, or any entity, regardless of where organized, having its principal place of business within the United States or any of its

territories, is a Sanctioned Person or is otherwise prohibited from transacting business of the type contemplated by this Master Agreement and the other Loan Documents under any other Applicable Law.

(3) Each Borrower Entity is in compliance with all applicable Economic Sanctions laws and regulations.

(s) **Single Purpose Status.**

Each Borrower and Sun SPE Member at all times since its formation:

(1) has not acquired, held, owned, leased, developed, or improved, and does not own or lease any real property, personal property, or assets other than the Mortgaged Property or equity interests in a Person that owns the Mortgaged Property;

(2) has not acquired or owned and does not own, operate, or participate in any business other than the leasing, ownership, management, operation, and maintenance of the Mortgaged Property or equity interests in a Person that owns the Mortgaged Property;

(3) has no material financial obligation under or secured by any indenture, mortgage, deed of trust, deed to secure debt, loan agreement, or other agreement or instrument to which Borrower is a party, or by which Borrower is otherwise bound, or to which the Mortgaged Property is subject or by which it is otherwise encumbered, other than:

(A) unsecured trade payables incurred in the ordinary course of the operation of the Mortgaged Property (exclusive of amounts for rehabilitation, restoration, repairs, or replacements of the Mortgaged Property or Expansion Work as provided in the Community Expansion Schedule) that (i) are not evidenced by a promissory note, (ii) are payable within sixty (60) days of the date incurred, and (iii) as of the Effective Date such Mortgaged Property is added to the Collateral Pool, do not exceed three percent (3%) of the Allocable Facility Amount for such Mortgaged Property;

(B) if the Security Instrument grants a lien on a leasehold estate, Borrower's obligations as lessee under the ground lease creating such leasehold estate; and

(C) obligations under the Loan Documents and obligations secured by the Mortgaged Property to the extent permitted by the Loan Documents;

(4) has maintained its financial statements, accounting records, and other partnership, real estate investment trust, limited liability company, or corporate documents, as the case may be, separate from those of any other Person and has not listed its assets on the financial statement of any other Person (unless Borrower's assets have been included in a consolidated financial statement prepared in accordance with generally accepted accounting principles); , subject to applicable requirements to make disclosures and filings as required by the Securities and Exchange Commission or other Governmental Authority and preparation of consolidated financial statements as described in this clause (4);

(5) has not commingled its assets or funds with those of any other Person, and has held all its assets or funds under its own name, unless such assets or funds can easily be segregated and identified in the ordinary course of business and in such a manner that it will not be costly or difficult to segregate, ascertain, or identify its individual assets from those of any other Person;

(6) has been adequately capitalized in light of its contemplated business operations;

(7) has not assumed, guaranteed, or become obligated for the liabilities or obligations of any other Person or pledged its assets for the benefit of any other Person (except in connection with this Master Agreement or other mortgage loans that have been paid in full or collaterally assigned to Lender, including in connection with any Consolidation, Extension and Modification Agreement (for Mortgaged Properties in New York) or similar instrument), or held out its credit as being available to satisfy the obligations of any other Person;

(8) has not made loans or advances to any other Person;

(9) has not entered into and is not a party to any transaction with any Borrower Affiliate, except in the ordinary course of business and on terms which are no more favorable to such Borrower Affiliate than would be obtained in a comparable arm's-length transaction with an unrelated third party;

(10) has not acquired obligations or securities of any other Person;

(11) has paid its own liabilities, including the salaries of its own employees, if any, from its own funds and maintained a sufficient number of employees in light of its contemplated business operations, provided that Lender acknowledges that all employees used by Borrower are employed by SCOLP, and no employees are employed directly by Borrower;

(12) has not failed to hold itself out to the public as a legal entity separate and distinct from any other Person or to conduct its business solely in its own name (provided, Borrower may treat the Mortgaged Property as part of and within the portfolio of manufactured housing communities owned by Sun, SCOLP, the sole member of each Borrower or any Affiliate, for marketing, promotion and providing information, including a common website, and reports to the public or required by applicable law) or failed to correct any known misunderstanding regarding its separate identity, subject to applicable requirements to make disclosures and filings as required by the Securities and Exchange Commission or other Governmental Authority and preparation of consolidated financial statements pursuant to clause (4) above;

(13) has allocated fairly and reasonably any overhead for shared expenses;

(14) has maintained its existence as an entity duly organized, validly existing, and in good standing (if applicable) under the laws of the jurisdiction of its formation or organization and has done all things necessary to observe organizational formalities;

(15) has not, other than the managing member's, sole member's, or general partner's (as applicable) ownership interest in Borrower, owned any subsidiary or made any investment in, any Person without the prior written consent of Lender; and

(16) without the prior written consent of Lender or unless otherwise required or permitted by a Cap Security Agreement, has not entered into or guaranteed, provided security for, or otherwise undertaken any form of contingent obligation with respect to any Hedging Arrangement.

(t) **No Bankruptcies or Judgments.**

Neither Borrower nor Borrower's general partner or sole member is currently:

(1) the subject of or a party to any completed or pending bankruptcy, reorganization, including any receivership, or other insolvency proceeding;

(2) preparing or intending to be the subject of a Bankruptcy Event; or

(3) the subject of any judgment unsatisfied of record or docketed in any court; or

(4) Insolvent.

(u) **No Actions or Litigation.**

(1) Other than residential eviction actions in the ordinary course of business and landlord-tenant matters where the amount in controversy does not exceed \$5,000, there are no claims, actions, suits, or proceedings at law or in equity by or before any Governmental Authority now pending against or, to Borrower's knowledge, threatened against or affecting Borrower or any Mortgaged Property not otherwise covered by insurance (except claims, actions, suits, or proceedings regarding fair housing, anti-discrimination, or equal opportunity, which shall always be disclosed); and

(2) there are no claims, actions, suits, or proceedings at law or in equity by or before any Governmental Authority now pending or, to Borrower's knowledge, threatened against or affecting Guarantor or Key Principal, which claims, actions, suits, or proceedings, if adversely determined (individually or in the aggregate) reasonably would be expected to materially adversely affect the financial condition or business of Borrower, Guarantor, or Key Principal or the condition, operation,

or ownership of the Mortgaged Property (except claims, actions, suits, or proceedings regarding fair housing, anti-discrimination, or equal opportunity, which shall always be deemed material).

(v) **Payment of Taxes, Assessments, and Other Charges.**

Borrower confirms that:

(1) it has filed all federal, state, county, and municipal tax returns and reports required to have been filed by Borrower;

(2) it has paid, before any fine, penalty, interest, lien, or costs may be added thereto, all taxes, governmental charges, and assessments due and payable with respect to such returns and reports;

(3) there is no controversy or objection pending, or to the knowledge of Borrower, threatened in respect of any tax returns of Borrower; and

(4) it has made adequate reserves on its books and records for all taxes that have accrued but which are not yet due and payable.

(w) **Not a Foreign Person.**

Borrower is not a “foreign person” within the meaning of Section 1445(f)(3) of the Internal Revenue Code.

(x) **ERISA.**

Borrower represents and warrants that:

(1) Borrower is not an Employee Benefit Plan;

(2) no asset of Borrower constitutes “plan assets” (within the meaning of Section 3(42) of ERISA and Department of Labor Regulation Section 2510.3-101) of an Employee Benefit Plan;

(3) no asset of Borrower is subject to any laws of any Governmental Authority governing the assets of an Employee Benefit Plan; and

(4) neither Borrower nor any ERISA Affiliate is subject to any obligation or liability with respect to any ERISA Plan.

(y) **Default Under Other Obligations.**

(1) The execution, delivery, and performance of the obligations imposed on Borrower under this Master Agreement and the Loan Documents to which it is a party will not cause Borrower to be in default under the provisions of any agreement, judgment or order to which Borrower is a party or by which Borrower is bound.

(2) There are no defaults by Borrower or, to the knowledge of Borrower, by any other Person under any contract to which Borrower is a party, including any management, rental, service, supply, security, maintenance or similar contract, other than defaults which do not have, and are not reasonably expected to have, a Material Adverse Effect.

(z) **Prohibited Person.**

No Borrower Entity is a Prohibited Person, nor to Borrower’s knowledge, is any Person:

(1) Controlling any Borrower Entity a Prohibited Person; or

(2) Controlled by and having a direct or indirect ownership interest in any Borrower Entity a Prohibited Person.

(aa) **No Contravention; No Liens.**

Neither the execution and delivery of this Master Agreement and the other Loan Documents to which Borrower is a party, nor the fulfillment of or compliance with the terms and conditions of this Master Agreement and the other Loan Documents to which Borrower is a party, nor the performance of the obligations of Borrower under this Master Agreement and the other Loan Documents:

(1) does or will conflict with or result in any breach or violation of (A) to Borrower’s knowledge, any Applicable Law enacted or issued by any Governmental Authority or other agency

having jurisdiction over Borrower, the Mortgaged Properties or any other portion of the Collateral or other assets of Borrower, or (B) any judgment or order applicable to Borrower or to which Borrower, the Mortgaged Properties or other assets of Borrower are subject;

(2) does or will conflict with or result in any breach or violation of, or constitute a default under, any of the terms, conditions or provisions of Borrower's Organizational Documents, any indenture, existing agreement or other instrument to which Borrower is a party or to which Borrower, the Mortgaged Properties or any other portion of the Collateral or other assets of Borrower are subject;

(3) does or will result in or require the creation of any Lien on all or any portion of the Collateral or the Mortgaged Properties, except for the Permitted Encumbrances; or

(4) does or will require the consent or approval of any creditor of Borrower, any Governmental Authority or any other Person except such consents or approvals which have already been obtained.

(ab) **Lockbox Arrangement.**

Borrower is not party to any type of lockbox agreement or similar cash management arrangement that has not been approved by Lender in writing, and no direct or indirect owner of Borrower is party to any type of lockbox agreement or similar cash management arrangement with respect to Rents or other income from the Mortgaged Property that has not been approved by Lender in writing.

(ac) **No Reliance.**

Borrower acknowledges, represents, and warrants that it understands the nature and structure of the transactions contemplated by this Master Agreement and the other Loan Documents to which Borrower is a party (including the cross-collateralization and cross-default of the Indebtedness), that it is familiar with the provisions of all of the documents and instruments relating to such transactions; that it understands the risks inherent in such transactions, including the risk of loss of all or any of the Mortgaged Properties; and that it has not relied on Lender or Fannie Mae for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by this Master Agreement or any other Loan Document to which Borrower is a party or otherwise relied on Lender or Fannie Mae in any manner in connection with interpreting, entering into or otherwise in connection with this Master Agreement, any other Loan Document or any of the matters contemplated hereby or thereby.

(ad) **Investment Company Act.**

Borrower is not (1) an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended; (2) 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 Energy Policy Act of 2005, as amended; or (3) subject to any other federal or state law or regulation which purports to restrict or regulate its ability to borrow money.

Section . **Covenants.**

(ae) **Maintenance of Existence; Organizational Documents.**

(1) Each of Borrower, its general partner, sole member, or managing member (as applicable), Guarantor and Key Principal shall maintain its existence, its entity status, franchises, rights, and privileges under the laws of the state of its formation or organization (as applicable). Borrower shall continue to be duly qualified and in good standing to transact business in each jurisdiction in which qualification or standing is required according to Applicable Law to conduct its business with respect to its Mortgaged Property and where the failure to do so would adversely affect Borrower's operation of its Mortgaged Property or the validity, enforceability, or the ability of Borrower to perform its obligations under this Master Agreement or any other Loan Document. Neither Borrower nor any partner, member, manager, officer, or director of Borrower shall:

- (A) make or allow any material change to the organizational documents or organizational structure of Borrower, including changes relating to the Control of Borrower, or
- (B) file any action, complaint, petition, or other claim to:
 - (i) divide, partition, or otherwise compel the sale of any Mortgaged Property, or
 - (ii) otherwise change the Control of Borrower.

(2) [intentionally deleted].

(af) **Economic Sanctions, Anti-Money Laundering, and Anti-Corruption.**

(1) Each Borrower Entity, any Identified Party, or any Person Controlled by Borrower Entity that also has a direct or indirect ownership interest in any Borrower Entity shall remain in compliance with any applicable civil or criminal laws or regulations (including those requiring internal controls) intended to prohibit, prevent, or regulate money laundering, drug trafficking, terrorism, or corruption, of the United States and the jurisdiction where the Mortgaged Property is located or where the Person resides, is domiciled, or has its principal place of business.

(2) At no time shall any Borrower Entity or any Identified Party, or any Person Controlled by Borrower Entity that also has a direct or indirect ownership interest in any Borrower Entity, be a Person:

(A) against whom proceedings are pending for any alleged violation of any laws described in Section 4.02(b)(1);

(B) that has been convicted of any violation of, has been subject to civil penalties or Economic Sanctions pursuant to, or had any of its property seized or forfeited under, any laws described in Section 4.02(b)(1); or

(C) with whom any United States Person, any entity organized under the laws of the United States or its constituent states or territories, or any entity, regardless of where organized, having its principal place of business within the United States or any of its territories, is a Sanctioned Person or is otherwise prohibited from transacting business of the type contemplated by this Master Agreement and the other Loan Documents under any other Applicable Law.

(3) Borrower, Guarantor, and Key Principal shall at all times remain in compliance with any applicable Economic Sanctions laws and regulations.

(ag) **Payment of Taxes, Assessments, and Other Charges.**

Borrower shall file all federal, state, county, and municipal tax returns and reports required to be filed by Borrower and shall pay, before any fine, penalty, interest, or cost may be added thereto, all taxes payable with respect to such returns and reports.

(ah) **Single Purpose Status.**

Borrower and Sun SPE Member:

(1) shall not acquire, hold, develop, lease, or improve any real property, personal property, or assets other than (A) the Mortgaged Property or (B) equity interests in a Person that owns the Mortgaged Property;

(2) shall not acquire, own, operate, or participate in any business other than the leasing, ownership, management, operation, and maintenance of the Mortgaged Property or equity interests in a Person that owns the Mortgaged Property;

(3) shall not commingle its assets or funds with those of any other Person, unless such assets or funds can easily be segregated and identified in the ordinary course of business from those of any other Person;

(4) shall maintain its financial statements, accounting records, and other partnership, real estate investment trust, limited liability company, or corporate documents, as the case may be, separate from those of any other Person (unless Borrower's assets are included in a consolidated financial statement prepared in accordance with generally accepted accounting principles); subject to applicable requirements to make disclosures and filings as required by the Securities and Exchange Commission or other Governmental Authority and preparation of consolidated financial statements as described in this clause (4);

(5) shall have no material financial obligation under any indenture, mortgage, deed of trust, deed to secure debt, loan agreement, or other agreement or instrument to which Borrower is a party or by which Borrower is otherwise bound, or to which the Mortgaged Property is subject or by which it is otherwise encumbered, other than:

(A) unsecured trade payables incurred in the ordinary course of the operation of the Mortgaged Property (exclusive of amounts (i) to be paid out of the Replacement Reserve Account or Repairs Escrow Account, or (ii) for rehabilitation, restoration, repairs, or replacements of the Mortgaged Property or Expansion Work as provided in the Community Expansion Schedule, or otherwise approved by Lender) so long as such trade payables (1) are not evidenced by a promissory note, (2) are payable within sixty (60) days of the date incurred, and (3) as of any date, do not exceed three percent (3%) of the Allocable Facility Amount for such Mortgaged Property;

(B) if the Security Instrument grants a lien on a leasehold estate, Borrower's obligations as lessee under the ground lease creating such leasehold estate; and

(C) obligations under the Loan Documents and obligations secured by the Mortgaged Property to the extent permitted by the Loan Documents;

(6) shall not assume, guaranty, or become obligated for the liabilities or obligations of any other Person, or pledge its assets for the benefit of any other Person (except in connection with this Master Agreement or other mortgage loans that have been paid in full or collaterally assigned to Lender, including in connection with any Consolidation, Extension and Modification Agreement (for Mortgaged Properties in New York) or similar instrument) or hold out its credit as being available to satisfy the obligations of any other Person;

(7) shall not make loans or advances to any other Person;

(8) shall not enter into or become a party to, any transaction with any Borrower Affiliate, except in the ordinary course of business and on terms which are no more favorable to such Borrower Affiliate than would be obtained in a comparable arm's-length transaction with an unrelated third party;

(9) shall not acquire obligations or securities of any other Person;

(10) shall pay (or shall cause Property Manager on behalf of Borrower from Borrower's own funds to pay) its own liabilities, including the salaries of its own employees, if any, from its own funds and maintain a sufficient number of employees in light of its contemplated business operations, provided that Lender acknowledges that all employees used by Borrower are employed by SCOLP, and no employees are employed directly by Borrower;

(11) shall not fail to hold itself out to the public as a legal entity separate and distinct from any other Person or to conduct its business solely in its own name (provided, Borrower may treat the Mortgaged Property as part of and within the portfolio of manufactured housing communities owned by Sun, SCOLP, the sole member of each Borrower or any Affiliate, for marketing, promotion and providing information, including a common website, and reports to the public or required by applicable law) or fail to correct any known misunderstanding regarding its separate identity, subject to applicable requirements to make disclosures and filings as required by the Securities and Exchange Commission or other Governmental Authority and preparation of consolidated financial statements pursuant to clause (4) above;

(12) shall allocate fairly and reasonably any overhead for shared expenses;

(13) shall maintain its existence as an entity duly organized, validly existing, and in good standing (if applicable) under the laws of the jurisdiction of its formation or organization and shall do all things necessary to observe organizational formalities;

(14) shall not, other than managing member's, sole member's, or general partner's (as applicable) ownership interest in Borrower, own any subsidiary or make any investment in, any Person without the prior written consent of Lender; and

(15) without the prior written consent of Lender or unless otherwise required or permitted by a Cap Security Agreement, shall not enter into or guarantee, provide security for, or otherwise undertake any form of contingent obligation with respect to any Hedging Arrangement.

(ai) **ERISA.**

Borrower covenants that:

(1) no asset of Borrower shall constitute "plan assets" (within the meaning of Section 3(42) of ERISA and Department of Labor Regulation Section 2510.3-101) of an Employee Benefit Plan;

(2) no asset of Borrower shall be subject to the laws of any Governmental Authority governing the assets of an Employee Benefit Plan; and

(3) neither Borrower nor any ERISA Affiliate shall incur any obligation or liability with respect to any ERISA Plan.

(aj) **Notice of Litigation or Insolvency.**

Borrower shall give immediate written notice to Lender of any claims, actions, suits, or proceedings at law or in equity (including any insolvency, bankruptcy, or receivership proceeding) by or before any Governmental Authority pending or, to Borrower's knowledge, threatened against or affecting any Borrower Entity or Identified Party or the Mortgaged Property, which claims, actions, suits or proceedings, if adversely determined reasonably would be expected to materially adversely affect the financial condition or business of any Borrower Entity or Identified Party or the condition, operation, or ownership of the Mortgaged Property (including any claims, actions, suits, or proceedings regarding fair housing, anti-discrimination, or equal opportunity, which shall always be deemed material).

(ak) **Payment of Costs, Fees, and Expenses.**

In addition to the payments specified in this Master Agreement, Borrower shall pay, on demand, all of Lender's and Fannie Mae's out-of-pocket fees, costs, charges, or expenses (including the reasonable fees and expenses of attorneys, accountants, and other experts) incurred by Lender and Fannie Mae in connection with:

(1) any amendment to, consent, or waiver required under, or Request made pursuant to, this Master Agreement or any of the Loan Documents (whether or not any such amendment, consent, waiver, or Request is entered into);

(2) defending or participating in any litigation arising from actions by third parties and brought against or involving Lender with respect to:

(A) any Mortgaged Property;

(B) any event, act, condition, or circumstance in connection with any Mortgaged Property; or

(C) the relationship between or among Lender, Fannie Mae, Borrower, Key Principal, and Guarantor in connection with this Master Agreement or any of the transactions contemplated by this Master Agreement;

(3) the administration or enforcement of, or preservation of rights or remedies under, this Master Agreement or any other Loan Documents including or in connection with any litigation or

appeals, any Foreclosure Event or other disposition of any collateral granted pursuant to the Loan Documents; and
(4) any Bankruptcy Event.

(al) **Restrictions on Distributions.**

No distributions or dividends of any nature with respect to Rents or other income from the Mortgaged Property shall be made by Borrower to the owners of Borrower's Ownership Interests as such if, at the time of such distribution, (1) Borrower has knowledge that after such distribution it will be unable to make monetary payments as and when such payments become due and payable, (2) an Event of Default has occurred and is continuing, or (3) a Bankruptcy Event has occurred with respect to Key Principal, Guarantor, or any Person that owns twenty percent (20%) or more of the Ownership Interests in Borrower (excluding any Person owning any public stock of Guarantor or limited partnership interests in Guarantor, provided such Person owns no other direct or indirect Ownership Interest in Borrower, and has no right to Control Borrower or Guarantor).

(am) **Lockbox Arrangement.**

Borrower shall not enter into any type of lockbox agreement or similar cash management arrangement that has not been approved by Lender in writing, and no direct or indirect owner of Borrower shall enter into any type of lockbox agreement or similar cash management arrangement with respect to Rents or other income from the Mortgaged Property that has not been approved by Lender in writing. Lender's approval of any such cash management arrangement may be conditioned upon requiring Borrower to enter into a lockbox agreement or similar cash management arrangement with Lender in form and substance acceptable to Lender with regard to Rents and other income from the Mortgaged Property.

(an) **Confidentiality of Certain Information.**

Borrower shall not disclose, and shall not permit to be disclosed, any terms, conditions, underwriting requirements, or underwriting procedures of this Master Agreement or any of the Loan Documents; provided, however, that such information may be disclosed (1) as required by law or pursuant to GAAP, (2) to officers, directors, employees, agents, partners, attorneys, accountants, engineers, and other consultants of such Borrower Entity or Identified Party who need to know such information, provided such Persons are instructed to treat such information confidentially, (3) to any regulatory authority having jurisdiction over such Borrower Entity or Identified Party, (4) in connection with any filings with the Securities and Exchange Commission or other Governmental Authorities, or (5) to any other Person to which such delivery or disclosure may be necessary or appropriate (A) in compliance with any law, rule, regulation, or order applicable to such Borrower Entity or Identified Party, or (B) in response to any subpoena or other legal process or information investigative demand.

Section . **Representations and Warranties.**

The representations and warranties made by Borrower to Lender in this Section 5.01 (The Advances - Representations and Warranties) are made as of each Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(ao) **Receipt and Review of Loan Documents.**

Borrower has received and reviewed this Master Agreement and all of the other Loan Documents.

(ap) **No Default.**

No default exists under any of the Loan Documents.

(aq) **No Defenses.**

The Loan Documents are not currently subject to any right of rescission, set-off, counterclaim, or defense by either Borrower or Guarantor, including the defense of usury, nor would the operation of any of the terms of the Loan Documents, or the exercise of any right thereunder, render the Loan Documents unenforceable (subject to principles of equity and bankruptcy, Insolvency Laws, and other laws generally affecting creditors' rights and the enforcement of debtors' obligations), and neither Borrower nor Guarantor has asserted any right of rescission, set-off, counterclaim, or defense with respect thereto.

(ar) **Loan Document Taxes.**

All mortgage, mortgage recording, stamp, intangible, or any other similar taxes required to be paid by any Person under Applicable Law currently in effect in connection with the execution, delivery, recordation, filing, registration, perfection, or enforcement of any of the Loan Documents, including the Security Instrument, have been paid or will be paid in the ordinary course of the closing of any Advance.

Section . **Covenants.**

(as) **Ratification of Covenants; Estoppels; Certifications.**

Borrower shall:

(1) promptly notify Lender in writing upon any violation of any covenant set forth in any Loan Document of which Borrower has notice or knowledge; provided, however, any such written notice by Borrower to Lender shall not relieve Borrower of, or result in a waiver of, any obligation under this Master Agreement or any other Loan Document; and

(2) within ten (10) days after a request from Lender, provide a written statement, signed and acknowledged by Borrower, certifying to Lender or any Person designated by Lender, as of the date of such statement:

(A) that the Loan Documents are unmodified and in full force and effect (or, if there have been modifications, that the Loan Documents are in full force and effect as modified and setting forth such modifications);

(B) the unpaid principal balance of the Advances Outstanding;

(C) the date to which interest on the Advances Outstanding has been paid;

(D) that Borrower is not in default in paying the Advances Outstanding or in performing or observing any of the covenants or agreements contained in this Master Agreement or any of the other Loan Documents (or, if Borrower is in default, describing such default in reasonable detail);

(E) whether or not there are then existing any setoffs or defenses known to Borrower against the enforcement of any right or remedy of Lender under the Loan Documents; and

(F) any additional facts reasonably requested in writing by Lender.

(at) **Further Assurances.**

(10) **Other Documents As Lender May Require.**

Within ten (10) days after request by Lender, Borrower shall, subject to Section 5.02(d) (Limitations on Further Acts of Borrower) below, execute, acknowledge, deliver, and, if necessary, file or record, at its cost and expense, all further acts, deeds, conveyances, assignments, financing statements, transfers, documents, agreements, assurances, and such other instruments as Lender may reasonably require from time to time in order to better assure, grant, and convey to Lender the rights intended to be granted, now or in the future, to Lender under this Master Agreement and the other Loan Documents and take such further action as Lender from time to time may reasonably request

as reasonably necessary, desirable, or proper to carry out more effectively the purposes of this Master Agreement or any of the other Loan Documents.

(11) **Corrective Actions.**

Within ten (10) days after request by Lender, Borrower shall provide, or cause to be provided, to Lender, at Borrower's cost and expense, such further documentation or information reasonably deemed necessary or appropriate by Lender in the exercise of its rights under the related commitment letter between Borrower and Lender or to correct patent mistakes in the Loan Documents, the Title Policy, or the funding of the Advances.

(12) **Compliance with Investor Requirements.**

Without limiting the generality of subsections (1) and (2) above, Borrower shall subject to Section 5.02(d) (Limitations on Further Acts of Borrower) below, take all reasonable actions necessary to comply with the requirements of Lender to enable Lender to sell any MBS backed by an Advance or achieve or preserve the expected federal income tax treatment of any MBS trust that directly or indirectly holds an Advance and issues MBS as a fixed investment trust or real estate mortgage investment conduit, as the case may be, within the meaning of the Treasury Regulations.

(au) **Sale of Advances.**

Borrower shall, subject to Section 5.02(d) (Limitations on Further Acts of Borrower) below:

(1) comply with the reasonable requirements of Lender or any Investor or provide, or cause to be provided, to Lender or any Investor within ten (10) days after the request, at Borrower's cost and expense, such further documentation or information as Lender or Investor may reasonably require in order to:

- (A) enable Lender to sell the Advance to such Investor;
- (B) enable Lender to obtain a refund of any commitment fee from any such Investor;
- (C) enable any such Investor to further sell or securitize the Advance; or
- (D) achieve or preserve the expected federal income tax treatment of any MBS trust that directly or indirectly holds an Advance and issues MBS as a fixed investment trust or real estate mortgage investment conduit, as the case may be, within the meaning of the Treasury Regulations.

(2) ratify and affirm in writing the representations and warranties set forth in any Loan Document as of such date specified by Lender modified as necessary to reflect changes that have occurred subsequent to the Effective Date;

(3) confirm that Borrower is not in default in paying the Indebtedness or in performing or observing any of the covenants or agreements contained in this Master Agreement or any of the other Loan Documents (or, if Borrower is in default, describing such default in reasonable detail); and

(4) execute and deliver to Lender and/or any Investor such other documentation, including any amendments, corrections, deletions, or additions to this Master Agreement or other Loan Document(s) as is reasonably required by Lender or such Investor.

(av) **Limitations on Further Acts of Borrower.**

Nothing in Section 5.02(b) (Further Assurances) or Section 5.02(c) (Sale of Advances) shall require Borrower to do any further act that has the effect of changing the economic terms, imposing on Borrower or Guarantor greater personal liability, or materially changing the rights and obligations of Borrower or Guarantor, under the Loan Documents, except as may be required to correct patent mistakes or defects.

(aw) **Financing Statements; Record Searches.**

(1) Borrower shall pay all costs and expenses associated with:

(A) any filing or recording of any financing statements, including all continuation statements, termination statements, and amendments or any other filings related to security interests in or liens on collateral; and

(B) any record searches for financing statements that Lender may require.

(2) Borrower hereby authorizes Lender to file any financing statements, continuation statements, termination statements, and amendments (including an “all assets” or “all personal property” collateral description or words of similar import) in form and substance as Lender may require in order to protect and preserve Lender’s lien priority and security interest in any Mortgaged Property (and to the extent Lender has filed any such financing statements, continuation statements, or amendments prior to the applicable Effective Date, such filings by Lender are hereby authorized and ratified by Borrower).

(ax) **Loan Document Taxes.**

Borrower shall pay, on demand, any transfer taxes, documentary taxes, assessments, or charges made by any Governmental Authority in connection with the execution, delivery, recordation, filing, registration, perfection, or enforcement of any of the Loan Documents or the Advances.

(ay) **Date-Down Endorsements.**

In connection with a Collateral Event, and at any time and from time to time that Lender has reason to believe that an additional lien may encumber any Mortgaged Property or in order to protect Lender’s interest in the Collateral, Lender may obtain, at Borrower’s cost, an endorsement to the Title Policy for each Mortgaged Property, amending the effective date of such Title Policy to the date of the title search performed in connection with the endorsement.

Section . **Administrative Matters Regarding Advances.**

(az) **Determination of Allocable Facility Amount and Valuations.**

(13) **Initial Determinations.**

On the Initial Effective Date, Lender shall determine (A) the Allocable Facility Amount and Valuation for each Initial Mortgaged Property, and (B) the Aggregate Debt Service Coverage Ratio and the Aggregate Loan to Value Ratio. Changes in Allocable Facility Amount, Valuations, the Aggregate Debt Service Coverage Ratio, and the Aggregate Loan to Value Ratio shall be made pursuant to Section 5.03(a)(2) (Subsequent Monitoring Determinations).

(14) **Subsequent Monitoring Determinations.**

(A) Once each Calendar Quarter, within twenty (20) Business Days after Borrower has delivered to Lender the reports required in Section 8.02 (Books and Records; Financial Reporting - Covenants), Lender shall determine the Aggregate Debt Service Coverage Ratio, the Aggregate Loan to Value Ratio, and whether Borrower is in compliance with the Geographical Diversification and Asset Concentration Requirements. After the First Anniversary if, in Lender’s reasonable judgment, changed market or property conditions warrant, Lender shall redetermine Allocable Facility Amounts and Valuations. After the First Anniversary, Lender shall also redetermine Allocable Facility Amounts and Valuations upon receipt of a Request for a Collateral Event and immediately upon closing such Collateral Event to take account of such Collateral Event, and upon any other event that invalidates the outstanding determination.

(B) Lender shall promptly disclose its determinations to Borrower. Until redetermined, the outstanding Allocable Facility Amounts and Valuations shall remain in effect. Upon receipt by Borrower of any such new determinations by Lender, Borrower shall promptly acknowledge such receipt.

Notwithstanding anything in this Master Agreement to the contrary, no change in Allocable Facility Amounts, Valuations, the Aggregate Loan to Value Ratio, or the Aggregate Debt Service Coverage Ratio shall (i) result in a Potential Event of Default or Event of Default, (ii) require the prepayment of any Advance in whole or in part, or (iii) require the addition of Collateral to the Collateral Pool.

ARTICLE 11

ARTICLE 12

PROPERTY USE, PRESERVATION, AND MAINTENANCE

Representations and Warranties.

Section .

The representations and warranties made by Borrower to Lender in this Section 6.01 (Property Use, Preservation and Maintenance - Representations and Warranties) are made as of each Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(ba) **Compliance with Law; Permits and Licenses.**

(1) To Borrower's knowledge, all improvements to the Land and the use of the Mortgaged Properties comply with all Applicable Law, including all applicable statutes, rules, and regulations pertaining to requirements for equal opportunity, anti-discrimination, fair housing, and rent control, and Borrower has no knowledge of any action or proceeding (or threatened action or proceeding) regarding noncompliance or nonconformity with any of the foregoing.

(2) To Borrower's knowledge, there is no evidence of any illegal activities on the Mortgaged Properties.

(3) To Borrower's knowledge, no permits or approvals from any Governmental Authority, other than those previously obtained and furnished to Lender, are necessary for the commencement and completion of the Repairs or Replacements, as applicable, other than those permits or approvals which will be timely obtained in the ordinary course of business.

(4) All required permits, licenses, and certificates to comply with all Applicable Law, and for the lawful use and operation of the Mortgaged Properties, including certificates of occupancy, apartment licenses, or the equivalent, have been obtained and are in full force and effect.

(5) No portion of any Mortgaged Property has been purchased with the proceeds of any illegal activity.

(bb) **Property Characteristics.**

No part of the Land is included or assessed under or as part of another tax lot or parcel, and no part of any other property is included or assessed under or as part of the tax lot or parcels for the Land.

(bc) **Property Ownership.**

Borrower is the sole owner or ground lessee of the Mortgaged Property.

(bd) **Condition of the Mortgaged Property.**

Borrower represents that:

(1) Borrower has not made any claims, and to Borrower's knowledge, no claims have been made, which if adversely determined would have a Material Adverse Effect, against any

contractor, engineer, architect, or other party with respect to the construction or condition of any Mortgaged Property or the existence of any structural or other material defect therein;

(2) except with respect to a Release Mortgaged Property that is the subject of a Release Request, no Mortgaged Property has sustained any damage other than damage which has been fully repaired, or is fully insured and is being repaired in the ordinary course of business; and

(3) except as disclosed in any third party report delivered to Lender prior to the date on which any Mortgaged Property is added to the Collateral Pool, to the knowledge of Borrower, the Mortgaged Properties are in good condition, order, and repair, and there exist no structural or other material defects in any Mortgaged Property (whether patent, latent, or otherwise), and Borrower has not received notice from any insurance company or bonding company of any defects or inadequacies in any Mortgaged Property, or any part of it, which would adversely affect the insurability of such Mortgaged Property or cause the imposition of extraordinary premiums or charges for insurance or of any termination or threatened termination of any policy of insurance or bond.

(be) **Personal Property.**

Borrower owns (or, to the extent disclosed on the Exceptions to Representation and Warranties Schedule, leases) all of the Personal Property and all of the Personalty (as defined in the UCC) that is material to and is used in connection with the management, ownership, and operation of its respective Mortgaged Property.

Section . **Covenants**

(bf) **Use of Property.**

From and after the Effective Date, Borrower shall not, unless required by Applicable Law or Governmental Authority or specifically permitted by the Loan Documents:

(1) change the use of all or any part of its Mortgaged Property;

(2) convert any individual Site or common areas to commercial use, or convert any common area or commercial use to individual Sites;

(3) initiate or acquiesce in a change in the zoning classification of the Land (provided that, with respect to the addition of the Waverly Expansion Parcel pursuant to the Community Expansion Schedule, any change in the zoning classification of the Waverly Expansion Parcel to be consistent with the zoning classification of the Waverly Mortgaged Property shall be permitted);

(4) establish any condominium or cooperative regime with respect to its Mortgaged Property;

(5) subdivide the Land; or

(6) suffer, permit, or initiate the joint assessment of any Mortgaged Property with any other real property constituting a tax lot separate from such Mortgaged Property which could cause the part of the Land to be included or assessed under or as part of another tax lot or parcel, or any part of any other property to be included or assessed under or as part of the tax lot or parcels for the Land.

(bg) **Property Maintenance.**

Borrower shall:

(1) pay the expenses of operating, managing, maintaining, and repairing its Mortgaged Property (including insurance premiums, utilities, Repairs, and Replacements) before the last date upon which each such payment may be made without any penalty or interest charge being added;

(2) keep its Mortgaged Property in good repair and marketable condition (ordinary wear and tear excepted) (including the replacement of Personalty and Fixtures with items of equal or better function and quality) and subject to Section 9.03(b)(3) (Application of Proceeds on Event of Loss) and Section 10.03(d) (Preservation of Mortgaged Property) restore or repair promptly, in a good and

workmanlike manner, any damaged part of such Mortgaged Property to the equivalent of its original condition or condition immediately prior to the damage (if improved after the Effective Date), whether or not any insurance proceeds or amounts received in connection with a Condemnation Action are available to cover any costs of such restoration or repair;

(3) commence all Required Repairs, Additional Lender Repairs, and Additional Lender Replacements as follows:

(A) with respect to any Required Repairs, promptly following the Effective Date (subject to Force Majeure, if applicable), in accordance with the timelines set forth on the Required Repair Schedule, or if no timelines are provided, as soon as practical following the Effective Date;

(B) with respect to Additional Lender Repairs, in the event that Lender determines that Additional Lender Repairs are necessary from time to time or pursuant to Section 6.03 (Administration Matters Regarding the Property), promptly following Lender's written notice of such Additional Lender Repairs (subject to Force Majeure, if applicable), commence any such Additional Lender Repairs in accordance with Lender's timelines, or if no timelines are provided, as soon as practical;

(C) with respect to Additional Lender Replacements, in the event that Lender determines that Additional Lender Replacements are necessary from time to time or pursuant to Section 6.03 (Administration Matters Regarding the Property), promptly following Lender's written notice of such Additional Lender Replacements (subject to Force Majeure, if applicable), commence any such Additional Lender Replacements in accordance with Lender's timelines, or if no timelines are provided, as soon as practical;

(4) make, construct, install, diligently perform, and complete all Replacements and Repairs:

(A) in a good and workmanlike manner as soon as practicable following the commencement thereof, free and clear of any Liens, including mechanics' or materialmen's liens and encumbrances (except Permitted Encumbrances and mechanics' or materialmen's liens which attach automatically under the laws of any Governmental Authority upon the commencement of any work upon, or delivery of any materials to, the Mortgaged Property and for which Borrower is not delinquent in the payment for any such work or materials);

(B) in accordance with all Applicable Law;

(C) in accordance with all applicable insurance and bonding requirements; and

(D) within all timeframes required by Lender, and Borrower acknowledges that it shall be an Event of Default if Borrower abandons or ceases work on any Repair at any time prior to the completion of the Repairs for a period of longer than twenty (20) days (except when Force Majeure exists and Borrower is diligently pursuing the reinstatement of such work, provided, however, any such abandonment or cessation shall not in any event allow the Repair to be completed after the Completion Period, subject to Force Majeure);

(5) subject to the terms of Section 6.03(a) (Property Management), provide for professional management of the Mortgaged Property by a residential rental property manager satisfactory to Lender under a contract approved by Lender in writing;

(6) give written notice to Lender of, and, unless otherwise directed in writing by Lender, appear in and defend any action or proceeding purporting to affect any Mortgaged Property, Lender's security for the Advances, or Lender's rights under this Master Agreement; and

(7) upon Lender's written request, submit to Lender any contracts or work orders described in Section 13.02 (Administration Matters Regarding Reserves).

(bh) **Property Preservation.**

Borrower shall:

(1) not commit waste or abandon or (ordinary wear and tear excepted) permit impairment or deterioration of any Mortgaged Property;

(2) subject to the provisions of Section 6.02(f) (Alterations to any Mortgaged Property), except as otherwise permitted herein in connection with Repairs and Replacements, not remove, demolish, or alter any Mortgaged Property or any part of any Mortgaged Property (or permit any tenant or any other Person to do the same) except in connection with the replacement of tangible Personalty or Fixtures (provided such Personalty and Fixtures are replaced with items of equal or better function and quality, and provided further that Borrower shall be permitted to transfer to Sun Home Services any Manufactured Home that is no longer a Borrower Home);

(3) not engage in or knowingly permit, and shall take appropriate measures to prevent and abate or cease and desist, any illegal activities at any Mortgaged Property that could endanger tenants or visitors, result in damage to such Mortgaged Property, result in forfeiture of the Land or otherwise materially impair the lien created by the Security Instrument or Lender's interest in such Mortgaged Property;

(4) not permit any condition to exist on any Mortgaged Property that would invalidate any part of any insurance coverage required by this Master Agreement; or

(5) not subject any Mortgaged Property to any voluntary, elective, or non-compulsory tax lien or assessment (or opt in to any voluntary, elective, or non-compulsory special tax district or similar regime).

(bi) **Property Inspections.**

Borrower shall:

(1) permit Lender, its agents, representatives, and designees to enter upon and inspect the Mortgaged Properties (including in connection with any Replacement or Repair or to conduct any Environmental Inspection pursuant to the Environmental Indemnity Agreement), and shall cooperate and provide access to all areas of the Mortgaged Properties (subject to the rights of tenants under the Leases):

(A) during normal business hours;

(B) at such other reasonable time upon reasonable notice of not less than three (3) days;

(C) at any time when exigent circumstances exist; or

(D) at any time after an Event of Default has occurred and is continuing; and

(2) pay for reasonable costs or expenses incurred by Lender or its agents in connection with any such inspections.

(bj) **Compliance with Laws.**

Borrower shall:

(1) comply in all material respects with Applicable Law and all recorded lawful covenants and agreements relating to or affecting any Mortgaged Property, including all laws, ordinances, statutes, rules and regulations, and covenants pertaining to construction of improvements on the Land, fair housing, and requirements for equal opportunity, anti-discrimination, and Leases;

(2) procure and maintain all required permits, licenses, charters, registrations, and certificates necessary to comply with all zoning and land use statutes, laws, ordinances, rules and regulations, and all applicable health, fire, safety, and building codes and for the lawful use and operation of each Mortgaged Property, including certificates of occupancy, apartment licenses, or the equivalent;

(3) comply with all Applicable Law that pertain to the maintenance and disposition of tenant security deposits;

(4) at all times maintain records sufficient to demonstrate compliance with the provisions of this Section 6.02(e) (Compliance with Laws);

(5) promptly after receipt or notification thereof, provide Lender copies of any building code or zoning violation from any Governmental Authority with respect to any Mortgaged Property; and

(6) cooperate fully with Lender with respect to any proceedings before any court, board, or other Governmental Authority which may in any way affect the rights of Lender hereunder or any rights obtained by Lender under any of the other Loan Documents and, in connection therewith, permit Lender, at its election, to participate in any such proceedings.

(bk) **Alterations to any Mortgaged Property.**

No alteration, improvement, demolition, removal, or construction (collectively, “**Alterations**”) shall be made to any Mortgaged Property without the prior written consent of Lender if:

(1) such Alteration could reasonably be expected to adversely affect the value of such Mortgaged Property or its operation as a Multifamily Residential Property in substantially the same manner in which it is being operated on the date such property became Collateral;

(2) the construction of such Alteration could reasonably be expected to result in interference to the occupancy of tenants of such Mortgaged Property such that tenants in occupancy with respect to five percent (5%) or more of the tenants under the Leases would be displaced or permitted to terminate their Leases or to abate the payment of all or any portion of their rent; or

(3) such Alteration will be completed in more than twelve (12) months from the date of commencement or in the last year of the Term of this Master Agreement.

In addition, Borrower must obtain Lender’s prior written consent to construct Alterations with respect to any Mortgaged Property costing in excess of, with respect to any Mortgaged Property, the number of Sites in such Mortgaged Property multiplied by \$5,000, but in any event, costs in excess of \$500,000, Borrower must give prior written notice to Lender of its intent to construct Alterations at any time with respect to any Mortgaged Property costing in excess of \$250,000; provided, however, that the preceding requirements shall not be applicable to Alterations made, conducted, or undertaken by Borrower as part of Borrower’s routine maintenance and repair of the Mortgaged Properties as required by the Loan Documents (including any Repair or Replacement) or as provided in the Community Expansion Schedule.

Section . **Administration Matters Regarding the Property.**

(bl) **Property Management.**

From and after the Effective Date, each property manager and each property management agreement must be approved by Lender. In the event that the Management Agreement expires or is terminated (without limiting any obligation of Borrower to obtain Lender’s consent to any termination or modification of the Management Agreement in accordance with the terms and provisions of the Loan Documents), Borrower shall promptly enter into a replacement management agreement consented to in writing by Lender with a property manager that is approved in advance by Lender in writing. If Lender waives in writing the requirement that Borrower enter into a written contract for management of a Mortgaged Property, and Borrower later elects to enter into a written contract or change the management of such Mortgaged Property, such new property manager or the property management agreement must be approved by Lender. As a condition to any approval by Lender, Lender may require that Borrower and such new property manager enter into a collateral assignment of the property management agreement on a form approved by Lender. Notwithstanding the foregoing, Lender acknowledges that as of the Initial Effective Date, Borrower self-manages the Mortgaged Property and there is no property management agreement in place with respect to the Mortgaged Property.

(bm) **Subordination of Fees to Affiliated Property Managers.**

Any property manager that is a Borrower Affiliate to whom fees are payable for the management of a Mortgaged Property must enter into an assignment of management agreement or other agreement with Lender, in a form approved by Lender, providing for subordination of those fees and such other provisions as Lender may require.

(bn) **Property Condition Assessment.**

If, in connection with any inspection of any Mortgaged Property, Lender determines that the condition of such Mortgaged Property has deteriorated (ordinary wear and tear excepted) since the Effective Date that such Mortgaged Property was added to the Collateral Pool, Lender may obtain, at Borrower's expense, a property condition assessment of each Mortgaged Property. Lender's right to obtain a property condition assessment pursuant to this Section 6.03(c) (Property Condition Assessment) shall be in addition to any other rights available to Lender under this Master Agreement in connection with any such deterioration. Any such inspection or property condition assessment may result in Lender requiring Additional Lender Repairs or Additional Lender Replacements as further described in Section 13.02(a)(9)(B) (Additional Lender Replacements and Additional Lender Repairs).

ARTICLE 13

ARTICLE 14

LEASES AND RENTS

Section . **Representations and Warranties.**

The representations and warranties made by Borrower to Lender in this Section 7.01 (Leases and Rents - Representations and Warranties) are made as of each Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(bo) **Prior Assignment of Rents.**

Borrower has not executed any:

- (1) prior assignment of Rents (other than an assignment of Rents securing prior indebtedness that has been paid off and discharged or will be paid off and discharged with the proceeds of the Initial Advance or a Future Advance); or
- (2) instrument which would prevent Lender from exercising its rights under this Master Agreement or the Security Instrument.

(bp) **Prepaid Rents.**

Borrower has not accepted, and does not expect to receive prepayment of, any Rents for more than three (3) months prior to the due dates of such Rents.

Section . **Covenants.**

(bq) **Leases.**

Borrower shall:

- (1) comply with and observe Borrower's obligations under all Leases, including Borrower's obligations pertaining to the maintenance and disposition of tenant security deposits;
- (2) surrender possession of the applicable Mortgaged Property, including all Leases and all security deposits and prepaid Rents, immediately upon appointment of a receiver or Lender's entry upon and taking of possession and control of such Mortgaged Property, as applicable;
- (3) require that all Residential Leases have initial lease terms of not less than six (6) months and not more than twenty-four (24) months (however, if customary in the applicable market

for properties comparable to the applicable Mortgaged Property, Residential Leases with terms of less than six (6) months (but in no case less than one (1) month) may be permitted with Lender's prior written consent); and

(4) promptly provide Lender a copy of any non-Residential Lease at the time such Lease is executed (subject to Lender's consent rights for Material Commercial Leases in Section 7.02(b) (Commercial Leases)), and, upon Lender's written request, promptly provide Lender a copy of any Residential Lease then in effect.

(br) **Commercial Leases.**

(1) With respect to Material Commercial Leases, Borrower shall not:

(A) enter into any Material Commercial Lease except with the prior written consent of Lender; or
(B) modify the terms of, extend, or terminate any Material Commercial Lease (including any Material Commercial Lease in existence on the Effective Date) without the prior written consent of Lender.

(2) With respect to any non-Material Commercial Lease, Borrower shall not:

(A) enter into any non-Material Commercial Lease that materially alters the use and type of operation of the premises subject to the Lease in effect as of the Effective Date or reduces the number or size of residential units at a Mortgaged Property; or

(B) modify the terms of any non-Material Commercial Lease (including any non-Material Commercial Lease in existence on the Effective Date) in any way that materially alters the use and type of operation of the premises subject to such non-Material Commercial Lease in effect as of the Effective Date, reduces the number or size of residential units at a Mortgaged Property, or results in such non-Material Commercial Lease being deemed a Material Commercial Lease.

(3) With respect to any Material Commercial Lease or non-Material Commercial Lease, Borrower shall cause the applicable tenant to provide within thirty (30) days after a request by Borrower, a certificate of estoppel, **or if not provided by tenant within such thirty (30) day period, Borrower shall provide** such certificate of estoppel, certifying:

(A) that such Material Commercial Lease or non-Material Commercial Lease is unmodified and in full force and effect (or if there have been modifications, that such Material Commercial Lease or non-Material Commercial Lease is in full force and effect as modified and stating the modifications);

(B) the term of the Lease including any extensions thereto;

(C) the dates to which the Rent and any other charges hereunder have been paid by tenant;

(D) the amount of any security deposit delivered to Borrower as landlord;

(E) whether or not Borrower is in default (or whether any event or condition exists which, with the passage of time, would constitute an event of default) under such Lease;

(F) the address to which notices to tenant should be sent; and

(G) any other information as may be reasonably required by Lender.

(bs) **Payment of Rents.**

Borrower shall:

(1) pay to Lender upon demand all Rents after an Event of Default has occurred and is continuing;

(2) cooperate with Lender's efforts in connection with the assignment of Rents set forth in the Security Instrument; and

(3) not accept Rent under any Lease (whether a Residential Lease or a non-Residential Lease) for more than three (3) months in advance.

(bt) **Assignment of Rents.**

Borrower shall not:

- (1) perform any acts nor execute any instrument that would prevent Lender from exercising its rights under the assignment of Rents granted in the Security Instrument or in any other Loan Document; nor
- (2) interfere with Lender's collection of such Rents while an Event of Default has occurred and is continuing.

(bu) **Further Assignments of Leases and Rents.**

Borrower shall execute and deliver any further assignments of Leases and Rents as Lender may reasonably require.

(bv) **Options to Purchase by Tenants.**

No Lease (whether a Residential Lease or a non-Residential Lease) shall contain an option to purchase the Mortgaged Property, right of first refusal to purchase the Mortgaged Property or right of first offer to purchase, except as required by Applicable Law.

Section . **Administration Regarding Leases and Rents.**

(bw) **Material Commercial Lease Requirements.**

Each Material Commercial Lease, including any renewal or extension of any Material Commercial Lease in existence as of the Effective Date, shall provide, directly or pursuant to a subordination, non-disturbance and attornment agreement approved by Lender, that:

- (1) the tenant shall, upon written notice from Lender after the occurrence of an Event of Default, pay all Rents payable under such Lease to Lender;
- (2) such Lease and all rights of the tenant thereunder are expressly subordinate to the lien of the Security Instrument;
- (3) the tenant shall attorn to Lender and any purchaser at a Foreclosure Event (such attornment to be self-executing and effective upon acquisition of title to the Mortgaged Property by any purchaser at a Foreclosure Event or by Lender in any manner);
- (4) the tenant agrees to execute such further evidences of attornment as Lender or any purchaser at a Foreclosure Event may from time to time request; and
- (5) such Lease shall not terminate as a result of a Foreclosure Event unless Lender or any other purchaser at such Foreclosure Event affirmatively elects to terminate such Lease pursuant to the terms of the subordination, non-disturbance and attornment agreement.

(bx) **Residential Lease Form.**

All Residential Leases entered into from and after the Effective Date shall be on forms approved by Lender.

ARTICLE 15

ARTICLE 16

BOOKS AND RECORDS; FINANCIAL REPORTING

Section . **Representations and Warranties.**

The representations and warranties made by Borrower to Lender in this Section 8.01 (Books and Records; Financial Reporting - Representations and Warranties) are made as of each Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(by) **Financial Information.**

All financial statements and data, including statements of cash flow and income and operating expenses, that have been delivered to Lender in respect of the Mortgaged Properties:

- (1) are true, complete, and correct in all material respects; and
- (2) accurately represent the financial condition of the Mortgaged Properties and present fairly the financial condition of Borrower and Guarantor.

(bz) **No Change in Facts or Circumstances.**

All information in the Loan Application and in all financial statements, rent rolls, reports, certificates, and other documents submitted in connection with the Loan Application are complete and accurate in all material respects. There has been no material adverse change in any fact or circumstance that would make any such information incomplete or inaccurate.

Section . **Covenants.**

(ca) **Obligation to Maintain Accurate Books and Records; Access; Discussions with Officers and Accountants.**

(1) Borrower shall keep and maintain at all times at the Mortgaged Property or the property management agent's offices or Borrower's General Business Address and, upon Lender's written request, shall make available at the Land:

- (A) complete and accurate books of account and records (including copies of supporting bills and invoices) adequate to reflect correctly the operation of the Mortgaged Property; and
- (B) copies of all written contracts, Leases and other instruments that affect Borrower or the Mortgaged Property.

(2) To the extent permitted by Applicable Law and subject to the provisions of Section 6.02(d) (Property Inspections), Borrower shall permit Lender to:

- (A) inspect, make copies and abstracts of, and have reviewed, such of Borrower's books and records as may relate to the obligations of Borrower under this Master Agreement and the other Loan Documents or the Mortgaged Properties;
- (B) at any time discuss Borrower's affairs, finances, and accounts with Senior Management or property managers and independent public accountants;
- (C) discuss the Mortgaged Properties' conditions, operation, or maintenance with the Property Manager, the officers, and employees of Borrower, Guarantor, and Key Principal; and
- (D) receive any other information that Lender reasonably deems necessary or relevant in connection with any Loan Document or the obligations of Borrower under this Master Agreement from the officers and employees of such Borrower.

(3) Borrower shall promptly inform Lender in writing of:

- (A) the occurrence of any act, omission, change, or event that has, or would have, a Material Adverse Effect, subsequent to the date of the most recent financial statements of Borrower delivered to Lender pursuant to Section 8.02 (Books and Records; Financial Reporting - Covenants); and
- (B) any material change in Borrower's accounting policies or financial reporting practices.

(cb) **Items to Furnish to Lender.**

Borrower shall furnish to Lender the following, certified as true, complete, and accurate, in all material respects, by an individual having authority to bind Borrower (or Guarantor, as applicable), in such form and with such detail as Lender reasonably requires:

- (1) within forty-five (45) days after the end of each calendar quarter:
 - (A) a statement of income and expenses for Borrower, including Borrower's operation of the Mortgaged Property on a calendar quarter basis as of the end of each calendar quarter; and
 - (B) any public Securities and Exchange Commission filings with respect to Guarantor;

- (2) within one hundred twenty (120) days after the end of each calendar year:
 - (A) for any Borrower that is an entity, a statement of income and expenses and a statement of cash flows for such calendar year;
 - (B) for any Borrower and any Guarantor that is an individual, or a trust established for estate-planning purposes, a personal financial statement for such calendar year;
 - (C) when requested in writing by Lender, balance sheet(s) showing all assets and liabilities of Borrower and a statement of all contingent liabilities as of the end of such calendar year;
 - (D) if an energy consumption metric for the Mortgaged Property is required to be reported to any Governmental Authority, the Fannie Mae Energy Performance Metrics report, as generated by ENERGY STAR® Portfolio Manager, for the Mortgaged Property for such calendar year, which report must include the ENERGY STAR score, the Source Energy Use Intensity (EUI), the month and year ending period for such ENERGY STAR score and such Source Energy Use Intensity, and the ENERGY STAR Portfolio Manager Property Identification Number; provided that, if the Governmental Authority does not require the use of ENERGY STAR Portfolio Manager for the reporting of the energy consumption metric and Borrower does not use ENERGY STAR Portfolio Manager, then Borrower shall furnish to Lender the Source Energy Use Intensity for the Mortgaged Property for such calendar year;
 - (E) an Annual Certification (Borrower) in the form attached as Exhibit G;
 - (F) an Annual Certification (Guarantor) in the form attached as Exhibit H;
 - (G) an accounting of all security deposits held pursuant to all Leases, including the name of the institution (if any) and the names and identification numbers of the accounts (if any) in which such security deposits are held and the name of the person to contact at such financial institution, along with any authority or release necessary for Lender to access information regarding such accounts;
 - (H) written confirmation of:
 - (i) any changes occurring since the Effective Date (or that no such changes have occurred since the Effective Date) in (1) the direct owners of Borrower, (2) the indirect owners (and any non-member managers) of Borrower that Control Borrower or own a Restricted Ownership Interest in Borrower (excluding any Publicly-Held Corporations or Publicly-Held Trusts), or (3) the indirect owners of Borrower that hold twenty-five percent (25%) or more of the Ownership Interests in Borrower (excluding any Publicly-Held Corporations or Publicly-Held Trusts), and their respective interests (but excluding any such changes with respect to Guarantor that are shown in public filings with the Securities and Exchange Commission);
 - (i) the names of all officers and directors of (1) any Borrower which is a corporation, (2) any corporation which is a general partner of any Borrower which is a partnership, or (3) any corporation which is the managing member or non-member manager of any Borrower which is a limited liability company; and
 - (ii) the names of all managers who are not members of (1) any Borrower which is a limited liability company, (2) any limited liability company which is a general partner of any Borrower which is a partnership, or (3) any limited liability

company which is the managing member or non-member manager of any Borrower which is a limited liability company;

(1) if not already provided pursuant to Section 8.02(b)(2)(A) (Items to Furnish to Lender) above, a statement of income and expenses for Borrower's operation of the Mortgaged Property on a year-to-date basis as of the end of each calendar year;

(3) within fifty-five (55) days after the end of each calendar quarter, and at any other time upon Lender's written request, a rent schedule for the Mortgaged Property showing the name of each tenant and for each tenant, the space occupied, the lease expiration date, the rent payable for the current month, the date through which rent has been paid, and any related information requested by Lender; and

(4) upon Lender's written request (but, absent an Event of Default, no more frequently than once in any calendar year):

(A) any item described in Section 8.02(b)(1) or Section 8.02(b)(2) (Items to Furnish to Lender) for Borrower, certified as true, complete, and accurate by an individual having authority to bind Borrower;

(B) a property management or leasing report for the Mortgaged Property, showing the number of rental applications received from tenants or prospective tenants and deposits received from tenants or prospective tenants, and any other information requested by Lender;

(C) a statement of income and expenses for Borrower's operation of the Mortgaged Property on a year-to-date basis as of the end of each month for such period as requested by Lender, which statement shall be delivered within thirty (30) days after the end of such month requested by Lender;

(D) a statement of real estate owned directly or indirectly by Borrower for such period as requested by Lender, which statement shall be delivered within thirty (30) days after the end of such month requested by Lender; and

(E) a statement that identifies:

(i) the direct owners of Borrower and their respective interests;

(ii) the indirect owners (and any non-member managers) of Borrower that Control Borrower or own a Restricted Ownership Interest in Borrower (excluding any Publicly-Held Corporations or Publicly-Held Trusts) and their respective interests; and

(iii) the indirect owners of Borrower that hold twenty-five percent (25%) or more of the ownership interests in Borrower (excluding any Publicly-Held Corporations or Publicly-Held Trusts) and their respective interests.

(5) Borrower shall furnish to Lender within one hundred twenty (120) days after the end of each calendar year, or upon Lender's written request, an Officer's Certificate stating whether or not Borrower and its managing member, sole member, or general partner (as applicable) are in compliance with the representation, warranties and covenants set forth in Section 4.02(d) (Borrower Status - Covenants - Single Purpose Status) and, if not in compliance, setting forth the particulars of such noncompliance and the steps that Borrower and its managing member, sole member, or general partner (as applicable) have taken, are taking or intend to take to cure such noncompliance.

(cc) **Audited Financials.**

In the event Borrower receives or obtains any audited financial statements and such financial statements are required to be delivered to Lender under Section 8.02(b) (Items to Furnish to Lender), Borrower shall deliver or cause to be delivered to Lender the audited versions of such financial statements.

(cd) **Delivery of Books and Records.**

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

Section . **Administration Matters Regarding Books and Records and Financial Reporting.**

(ce) **Lender's Right to Obtain Audited Books and Records.**

Lender may require that Borrower's books and records be audited, at Borrower's expense, by an independent certified public accountant selected by Lender in order to produce or audit any statements, schedules, and reports of Borrower or the Mortgaged Property required by Section 8.02 (Books and Records; Financial Reporting - Covenants), if

(1) Borrower fails to provide in a timely manner the statements, schedules, and reports required by Section 8.02 (Books and Records; Financial Reporting - Covenants) and, thereafter, Borrower fails to provide such statements, schedules and reports within the cure period provided in Section 14.01(c) (Events of Default Subject to Extended Cure Period or Release);

(2) the statements, schedules, and reports submitted to Lender pursuant to Section 8.02 (Books and Records; Financial Reporting - Covenants) are not full, complete, and accurate in all material respects as determined by Lender and, thereafter, Borrower fails to provide such statements, schedules, and reports within the cure period provided in Section 14.01(c) (Events of Default Subject to Extended Cure Period or Release); or

(3) an Event of Default has occurred and is continuing.

Notwithstanding the foregoing, the ability of Lender to require the delivery of audited financial statements shall be limited to not more than once per Borrower's fiscal year so long as no Event of Default has occurred during such fiscal year (or any event which, with the giving of written notice or the passage of time, or both, would constitute an Event of Default has occurred and is continuing). Borrower shall cooperate with Lender in order to satisfy the provisions of this Section 8.03(a) (Lender's Right to Obtain Audited Books and Records). All related costs and expenses of Lender shall become due and payable by Borrower within ten (10) Business Days after demand therefor.

(cf) **Credit Reports; Credit Score.**

No more often than once in any twelve (12) month period, Lender is authorized to obtain a credit report (if applicable) on Borrower or Guarantor, the cost of which report shall be paid by Borrower. Lender is authorized to obtain a Credit Score (if applicable) for Borrower or Guarantor at any time at Lender's expense.

Section . **Representations and Warranties.**

The representations and warranties made by Borrower to Lender in this Section 9.01 (Insurance - Representations and Warranties) are made as of each Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(cg) **Compliance with Insurance Requirements.**

Borrower is in compliance with Lender's insurance requirements (or has obtained a written waiver from Lender for any non-compliant coverage) and has timely paid all premiums on all required insurance policies. With respect to each Mortgaged Property, Borrower has delivered to Lender certificates of insurance and duplicate original Insurance Policies currently in effect as of the date such Mortgaged Property was added to the Collateral Pool.

(ch) **Property Condition.**

(1) No Mortgaged Property has been damaged by fire, water, wind, or other cause of loss; or

(2) if previously damaged, any previous damage to any Mortgaged Property has been repaired and such

Mortgaged Property has been fully restored.

Section . **Covenants.**

(ci) **Insurance Requirements.**

As required by Lender and Applicable Law, and as may be modified from time to time, Borrower shall:

(1) keep the Improvements insured at all times against any hazards, which insurance shall include coverage against loss by fire and all other perils insured by the “special causes of loss” coverage form, general boiler and machinery coverage, business income coverage, and flood (if any of the Improvements are located in an area identified by the Federal Emergency Management Agency (or any successor) as an area having special flood hazards and to the extent flood insurance is available in that area), and may include sinkhole insurance, mine subsidence insurance, earthquake insurance, terrorism insurance, windstorm insurance and, if any Mortgaged Property does not conform to applicable building, zoning, or land use laws, ordinance and law coverage;

(2) maintain at all times commercial general liability insurance, workmen’s compensation insurance, and such other liability, errors and omissions, and fidelity insurance coverage; and

(3) maintain builder’s risk and public liability insurance, and other insurance in connection with completing the Repairs or Replacements, as applicable.

(cj) **Delivery of Policies, Renewals, Notices, and Proceeds.**

Borrower shall:

(1) cause all insurance policies (including any policies not otherwise required by Lender) which can be endorsed with standard non-contributing, non-reporting mortgagee clauses making loss payable to Lender (or Lender’s assigns) to be so endorsed;

(2) promptly deliver to Lender a copy of all renewal and other notices received by Borrower with respect to the policies and all receipts for paid premiums;

(3) deliver evidence, in form and content acceptable to Lender, that each Insurance Policy under this Article 9 (Insurance) has been renewed not less than five (5) days prior to the applicable expiration date, and (if such evidence is other than an original or duplicate original of a renewal policy) deliver the original or duplicate original of each renewal policy (or such other evidence of insurance as may be required by or acceptable to Lender) in form and content acceptable to Lender within ninety (90) days after the applicable expiration date of the original Insurance Policy;

(4) provide immediate written notice to the insurance company and to Lender of any event of loss;

(5) execute such further evidence of assignment of any insurance proceeds as Lender may require; and

(6) provide immediate written notice to Lender of Borrower’s receipt of any insurance proceeds under any Insurance Policy required by Section 9.02(a)(1) (Insurance Requirements) above and, if requested by Lender, subject to Section 9.03(b)(2) (Application of Proceeds on Event of Loss), deliver to Lender all of such proceeds received by Borrower to be applied by Lender in accordance with this Article 9 (Insurance).

Section . **Administration Matters Regarding Insurance.**

(ck) **Lender’s Ongoing Insurance Requirements.**

Borrower acknowledges that Lender’s insurance requirements may change from time to time. All insurance policies and renewals of insurance policies required by this Master Agreement shall be:

- (1) in the form and with the terms required by Lender;
- (2) in such amounts, with such maximum deductibles and for such periods required by Lender; and
- (3) issued by insurance companies satisfactory to Lender.

BORROWER ACKNOWLEDGES THAT ANY FAILURE OF BORROWER TO COMPLY WITH THE REQUIREMENTS SET FORTH IN Section 9.02(a) (Insurance Requirements) OR Section 9.02(b) (Delivery of Policies, Renewals, Notices, and Proceeds) ABOVE SHALL PERMIT LENDER TO PURCHASE THE APPLICABLE INSURANCE AT BORROWER'S COST. SUCH INSURANCE MAY, BUT NEED NOT, PROTECT BORROWER'S INTERESTS. THE COVERAGE THAT LENDER PURCHASES MAY NOT PAY ANY CLAIM THAT BORROWER MAKES OR ANY CLAIM THAT IS MADE AGAINST BORROWER IN CONNECTION WITH ANY Mortgaged Property. IF LENDER PURCHASES INSURANCE FOR ANY Mortgaged Property AS PERMITTED HEREUNDER, BORROWER WILL BE RESPONSIBLE FOR THE COSTS OF THAT INSURANCE, INCLUDING INTEREST AT THE DEFAULT RATE AND ANY OTHER CHARGES LENDER MAY IMPOSE IN CONNECTION WITH THE PLACEMENT OF THE INSURANCE UNTIL THE EFFECTIVE DATE OF THE CANCELLATION OR THE EXPIRATION OF THE INSURANCE. THE COSTS OF THE INSURANCE SHALL BE ADDED TO BORROWER'S TOTAL OUTSTANDING BALANCE OR OBLIGATION AND SHALL CONSTITUTE ADDITIONAL INDEBTEDNESS. THE COSTS OF THE INSURANCE MAY BE MORE THAN THE COST OF INSURANCE BORROWER MAY BE ABLE TO OBTAIN ON ITS OWN. BORROWER MAY LATER CANCEL ANY INSURANCE PURCHASED BY LENDER, BUT ONLY AFTER PROVIDING EVIDENCE THAT BORROWER HAS OBTAINED INSURANCE AS REQUIRED BY THIS MASTER AGREEMENT AND THE OTHER LOAN DOCUMENTS.

(cl) **Application of Proceeds on Event of Loss.**

(1) Upon an event of loss, Lender may, at Lender's option:

(A) hold such proceeds to be applied to reimburse Borrower for the cost of Restoration (in accordance with Lender's then-current policies relating to the restoration of casualty damage on similar multifamily residential properties); or

(B) apply such proceeds to the payment of the Indebtedness, whether or not then due; provided, however, Lender shall not apply insurance proceeds to the payment of the Indebtedness and shall require Restoration pursuant to Section 9.03(b)(1)(A) (Application of Proceeds on Event of Loss) if all of the following conditions are met:

- (i) no Potential Event of Default or Event of Default has occurred and is continuing;
- (ii) Lender determines that the combination of insurance proceeds and amounts provided by Borrower will be sufficient funds to complete the Restoration;
- (iii) Lender determines that after completion of the Restoration (1) the Net Operating Income from the applicable Mortgaged Property will be sufficient to support the Debt Service Coverage Ratio set forth in the definition of Individual Property Coverage and LTV Tests (on a pro forma basis), and (2) the Loan to Value Ratio of such Mortgaged Property will be no greater than the Loan to Value Ratio immediately prior to the event of loss, but in no event greater than ninety percent (90%);
- (iv) Lender determines that the Restoration will be completed before the earlier of (1) one year before the latest Maturity Date of any Advance Outstanding, or (2) one year after the date of the loss or casualty; and
- (v) Borrower provides Lender, upon written request, evidence of the availability during and after the Restoration of the insurance required to be maintained by Borrower pursuant to this Master Agreement.

After the completion of Restoration in accordance with the above requirements, as determined by Lender, the balance, if any, of such proceeds shall be returned to Borrower.

(2) Notwithstanding the foregoing, if any loss is estimated to be in an amount equal to or less than \$250,000, Lender shall not exercise its rights and remedies as power-of-attorney herein and shall allow Borrower to make proof of loss, to adjust and compromise any claims under policies of property damage insurance, to appear in and prosecute any action arising from such policies of property damage insurance, and to collect and receive the proceeds of property damage insurance; provided that each of the following conditions shall be satisfied:

- (A) Borrower shall immediately notify Lender of the casualty giving rise to the claim;
- (B) no Potential Event of Default or Event of Default has occurred and is continuing;
- (C) the Restoration will be completed before the earlier of (i) one year before the Termination Date, or (ii) one year after the date of the loss or casualty;
- (D) Lender determines that the combination of insurance proceeds and amounts provided by Borrower will be sufficient funds to complete the Restoration;
- (E) [intentionally deleted];
- (F) all proceeds of property damage insurance shall be applied to the Restoration;
- (G) Borrower shall deliver to Lender evidence satisfactory to Lender of completion of the Restoration and obtainment of all lien releases;
- (H) Borrower shall have complied to Lender's satisfaction with the foregoing requirements on any prior claims subject to this provision, if any; and
- (I) Lender shall have the right to inspect the applicable Mortgaged Property (subject to the rights of tenants under the Leases).

(3) If Lender elects to apply insurance proceeds to the Indebtedness in accordance with the terms of this Master Agreement, Borrower shall not be obligated to restore or repair the applicable Mortgaged Property. Rather, Borrower shall restrict access to the damaged portion of such Mortgaged Property and, at its expense and regardless of whether such costs are covered by insurance, clean up any debris resulting from the casualty event, and, if required or otherwise permitted by Lender, demolish or raze any remaining part of the damaged Mortgaged Property to the extent necessary to keep and maintain the Mortgaged Property in a safe, habitable and marketable condition. Nothing in this Section 9.03(b) (Application of Proceeds on Event of Loss) shall affect any of Lender's remedial rights against Borrower in connection with a breach by Borrower of any of its obligations under this Master Agreement or under any Loan Document, including any failure to timely pay Monthly Debt Service Payments or maintain the insurance coverage(s) required by this Master Agreement.

(cm) **Payment Obligations Unaffected.**

The application of any insurance proceeds to the Indebtedness shall not extend or postpone the Maturity Date, or the due date or the full payment of any Monthly Debt Service Payment, Monthly Replacement Reserve Deposit, or any other installments referred to in this Master Agreement or in any other Loan Document. Notwithstanding the foregoing, if Lender applies insurance proceeds to the Indebtedness in connection with a casualty of less than an entire Mortgaged Property, then Lender shall permit an adjustment to the Monthly Debt Service Payments that become due and owing thereafter, based on the Underwriting and Servicing Requirements.

(cn) **Foreclosure Sale.**

If a Mortgaged Property is transferred pursuant to a Foreclosure Event or Lender otherwise acquires title to a Mortgaged Property, Borrower acknowledges that Lender shall automatically succeed to all rights of Borrower in and to any insurance policies and unearned insurance premiums applicable to such Mortgaged

Property and in and to the proceeds resulting from any damage to such Mortgaged Property prior to such Foreclosure Event or such acquisition.

(co) **Appointment of Lender as Attorney-In-Fact.**

Borrower hereby authorizes and appoints Lender as attorney-in-fact pursuant to Section 14.03(c) (Appointment of Lender as Attorney-In-Fact).

ARTICLE 19

ARTICLE 20

CONDEMNATION

Section . **Representations and Warranties.**

The representations and warranties made by Borrower to Lender in this Section 10.01 (Condemnation - Representations and Warranties) are made as of each Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(cp) **Prior Condemnation Action.**

No part of any Mortgaged Property has been taken in connection with a Condemnation Action.

(cq) **Pending Condemnation Actions.**

Except with respect to a Release Mortgaged Property that is the subject of a Release Request, no Condemnation Action is pending nor, to Borrower's knowledge, is threatened for the partial or total condemnation or taking of any Mortgaged Property.

Section . **Covenants.**

(cr) **Notice of Condemnation.**

Borrower shall:

- (1) promptly notify Lender of any Condemnation Action of which Borrower has knowledge;
- (2) appear in and prosecute or defend, at its own cost and expense, any action or proceeding relating to any Condemnation Action, including any defense of Lender's interest in any Mortgaged Property tendered to Borrower by Lender, unless otherwise directed by Lender in writing; and
- (3) execute such further evidence of assignment of any condemnation award in connection with a Condemnation Action as Lender may require.

(cs) **Condemnation Proceeds.**

Borrower shall pay to Lender all awards or proceeds of a Condemnation Action promptly upon receipt.

Section . **Administration Matters Regarding Condemnation.**

(ct) **Application of Condemnation Awards.**

Lender may apply any awards or proceeds of a Condemnation Action, after the deduction of Lender's expenses incurred in the collection of such amounts, to:

- (1) the restoration or repair of the applicable Mortgaged Property, if applicable;
 - (2) the payment of the Indebtedness, with the balance, if any, paid to Borrower; or
 - (3) Borrower.
- (cu) **Payment Obligations Unaffected.**

The application of any awards or proceeds of a Condemnation Action to the Indebtedness shall not extend or postpone any Maturity Date, or the due date or the full payment of any Monthly Debt Service Payment, Monthly Replacement Reserve Deposit, or any other installments referred to in this Master Agreement or in any other Loan Document.

(cv) **Appointment of Lender as Attorney-In-Fact.**

Borrower hereby authorizes and appoints Lender as attorney-in-fact pursuant to Section 14.03(c) (Appointment of Lender as Attorney-In-Fact).

(cw) **Preservation of Mortgaged Property.**

If a Condemnation Action results in or from damage to any Mortgaged Property and Lender elects to apply the proceeds or awards from such Condemnation Action to the Indebtedness in accordance with the terms of this Master Agreement, Borrower shall not be obligated to restore or repair such Mortgaged Property. Rather, Borrower shall restrict access to any portion of the Mortgaged Property which has been damaged or destroyed in connection with such Condemnation Action and, at Borrower's expense and regardless of whether such costs are covered by insurance, clean up any debris resulting in or from the Condemnation Action, and, if required by any Governmental Authority or otherwise permitted by Lender, demolish or raze any remaining part of the damaged Mortgaged Property to the extent necessary to keep and maintain the Mortgaged Property in a safe, habitable, and marketable condition. Nothing in this Section 10.03(d) (Preservation of Mortgaged Property) shall affect any of Lender's remedial rights against Borrower in connection with a breach by Borrower of any of its obligations under this Master Agreement or under any Loan Document, including any failure to timely pay Monthly Debt Service Payments or maintain the insurance coverage(s) required by this Master Agreement.

Section . **Representations and Warranties.**

The representations and warranties made by Borrower to Lender in this Section 11.01 (Liens, Transfers, and Assumptions - Representations and Warranties) are made as of each Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(cx) **No Labor or Materialmen's Claims.**

All parties furnishing labor and materials on behalf of Borrower have been paid in full or shall be paid in full when due. There are no mechanics' or materialmen's liens (whether filed or unfiled) outstanding for work, labor, or materials (and no claims or work outstanding that under Applicable Law could give rise to any such mechanics' or materialmen's liens) affecting any Mortgaged Property, whether prior to, equal with, or subordinate to the lien of the Security Instrument.

(cy) **No Other Interests.**

No Person:

- (1) other than Borrower has any possessory ownership or interest in any Mortgaged Property or right to occupy the same except under and pursuant to the provisions of existing Leases, the material terms of all such Leases having been previously disclosed in writing to Lender; nor
- (2) has an option, right of first refusal, or right of first offer (except as required by Applicable Law) to purchase any Mortgaged Property, or any interest in any Mortgaged Property.

Section . **Covenants.**

(cz) **Liens; Encumbrances.**

Borrower shall not permit the grant, creation, or existence of any Lien, whether voluntary, involuntary, or by operation of law, on all or any portion of any Mortgaged Property (including any voluntary, elective, or non-compulsory tax lien or assessment pursuant to a voluntary, elective, or non-compulsory special tax district or similar regime) other than:

- (1) Permitted Encumbrances;
- (2) the creation of:
 - (A) any tax lien, municipal lien, utility lien, mechanics' lien, materialmen's lien, or judgment lien against any Mortgaged Property if bonded off, released of record, or otherwise remedied to Lender's satisfaction within sixty (60) days after the earlier of the date Borrower has actual notice or constructive notice of the existence of such lien; or
 - (B) any mechanics' or materialmen's liens which attach automatically under the laws of any Governmental Authority upon the commencement of any work upon, or delivery of any materials to, any Mortgaged Property and for which Borrower is not delinquent in the payment for any such work or materials; and
- (3) the lien created by the Loan Documents.

(da) **Transfers.**

(15) **Mortgaged Property.**

A Transfer as described in clause (b) of the definition of Transfer of all or any part of any Mortgaged Property (including any interest in any Mortgaged Property) shall not occur other than:

- (A) a Transfer to which Lender has consented in writing;
- (B) Leases permitted pursuant to the Loan Documents;
- (C) [reserved];
- (D) a Transfer of obsolete or worn out Personalty or Fixtures that are contemporaneously replaced by items of equal or better function and quality which are free of Liens (other than those created by the Loan Documents);
- (E) the grant of an easement, servitude, or restrictive covenant to which Lender has consented, and Borrower has paid to Lender, upon demand, all costs and expenses incurred by Lender in connection with reviewing Borrower's request;
- (F) a lien permitted pursuant to Section 11.02 (Liens, Transfers, and Assumptions - Covenants) of this Master Agreement; or
- (G) the conveyance of any Mortgaged Property following a Foreclosure Event.

(16) **No Transfers of Interests in Borrower, Key Principal, or Guarantor.**

Subject to the provisions of this Article 11 (Liens, Transfers, and Assumptions), a Transfer as described in clause (a) of the definition of Transfer, a change of Control, or a Transfer of the Restricted Ownership Interest shall not occur.

Notwithstanding the restrictions on Control and Restricted Ownership Interests, to the extent a Restricted Ownership Interest is held by a Publicly-Held Corporation or a Publicly-Held Trust, a Transfer of any Ownership Interests in such Publicly-Held Corporation or Publicly-Held Trust shall not be prohibited under this Master Agreement as long as (1) such Transfer does not result in a conversion of such Publicly-Held Corporation or Publicly-Held Trust to a privately held entity, and (2) Borrower provides written notice to Lender not later than thirty (30) days thereafter of any such Transfer that results in any Person owning ten percent (10%) or more of the Ownership Interests in such Publicly-Held Corporation or Publicly-Held Trust (provided such notice shall not be required for Transfers shown in public filings with the Securities and Exchange Commission).

(17) **Name Change or Entity Conversion.**

Lender shall consent to a Borrower changing its name, changing its jurisdiction of organization, or converting from one type of legal entity into another type of legal entity for any lawful purpose, provided that:

(A) Lender receives written notice at least thirty (30) days prior to such change or conversion, which notice shall include organizational charts that reflect the structure of such Borrower both prior to and subsequent to such name change or entity conversion;

(B) such Transfer is not otherwise prohibited under the provisions of Section 11.02(b)(2);

(C) Borrower executes an amendment to this Master Agreement and any other Loan Documents required by Lender documenting the name change or entity conversion;

(D) Borrower agrees and acknowledges, at Borrower's expense, that (i) Borrower will execute and record in the land records any instrument required by the Property Jurisdiction to be recorded to evidence such name change or entity conversion (or provide Lender with written confirmation from the title company (via electronic mail or letter) that no such instrument is required), (ii) Borrower will execute any additional documents required by Lender, including the amendment to this Master Agreement, and allow such documents to be recorded or filed in the land records of the Property Jurisdiction, (iii) Lender will obtain a "date down" endorsement to the Lender's Title Policy (or obtain a new Title Policy if a "date down" endorsement is not available in the Property Jurisdiction), evidencing title to the Mortgaged Property being in the name of the successor entity and the Lien of the Security Instrument against the Mortgaged Property, and (iv) Lender will file any required UCC-3 financing statement and make any other filing deemed necessary to maintain the priority of its Liens on the Mortgaged Property; and

(E) no later than ten (10) days subsequent to such name change or entity conversion, Borrower shall provide Lender (i) the documentation filed with the appropriate office in such Borrower's state of formation evidencing such name change or entity conversion, (ii) copies of the organizational documents of such Borrower, including any amendments, filed with the appropriate office in Borrower's state of formation reflecting the post-conversion Borrower name, form of organization, and structure, and (iii) if available, new certificates of good standing or valid formation for such Borrower.

(18) **No Delaware Statutory Trust or Series LLC Conversion.**

Notwithstanding any provisions herein to the contrary, no Borrower Entity shall convert to a Delaware Statutory Trust or a series limited liability company.

Notwithstanding the foregoing, Borrower shall provide Lender prompt notice of any name change or entity conversion of any other Borrower Entity or Identified Party.

(db) **No Other Indebtedness.**

Other than the Advances, Borrower shall not incur or be obligated at any time with respect to any loan or other indebtedness (except trade payables as otherwise permitted in this Master Agreement), including any indebtedness secured by a Lien on, or the cash flows from, the Mortgaged Property.

(dc) **No Mezzanine Financing or Preferred Equity.**

Neither Borrower nor any direct or indirect owner of Borrower shall: (1) incur any Mezzanine Debt other than Permitted Mezzanine Debt; (2) issue any Preferred Equity other than Permitted Preferred Equity; or (3) incur any similar indebtedness or issue any similar equity.

Section . **Administration Matters Regarding Liens, Transfers, and Assumptions.**

(dd) **Transfer of Collateral Pool.**

Lender shall consent to a Transfer of the entire Collateral Pool to and an assumption of the Loan Documents by a new borrower if each of the following conditions is satisfied prior to the Transfer:

(1) Borrower has submitted to Lender all information required by Lender to make the determination required by this Section 11.03(a) (Transfer of Collateral Pool);

(2) no Event of Default has occurred and is continuing, and no Potential Event of Default has occurred and is continuing;

(3) Lender determines that:

(A) the proposed new borrower, new key principal, and any other new guarantor fully satisfy all of Lender's then-applicable borrower, key principal, or guarantor eligibility, credit, management, and other loan underwriting standards, which shall include an analysis of (i) the previous relationships between Lender and the proposed new borrower, new key principal, new guarantor, and any Person in Control of them, and the organization of the new borrower, new key principal, and new guarantor (if applicable), and (ii) the operating and financial performance of the Mortgaged Property, including physical condition and occupancy;

(B) any proposed new borrower and its sole or managing member, manager, or general partner, as applicable, is a Single Purpose entity;

(C) none of the proposed new borrower, new key principal, and any new guarantor, or any owners of the proposed new borrower, new key principal, and any new guarantor, are a Prohibited Person; and

(D) none of the proposed new borrower, new key principal, and any new guarantor (if any of such are entities) shall have an organizational existence termination date that ends before the Termination Date;

(4) [reserved];

(5) the proposed new borrower has:

(A) executed an assumption agreement acceptable to Lender that, among other things, requires the proposed new borrower to assume and perform all obligations of Borrower (or any other transferor), and that may require that the new borrower comply with any provisions of any Loan Document which previously may have been waived by Lender for Borrower, subject to the terms of Section 11.03(g) (Further Conditions on Transfers Requiring Lender's Consent);

(B) if required by Lender, delivered to the Title Company for filing or recording in all applicable jurisdictions, all applicable Loan Documents including the assumption agreement to correctly evidence the assumption and the confirmation, continuation, perfection, and priority of the Liens created hereunder and under the other Loan Documents; and

(C) delivered to Lender a "date-down" endorsement to the Title Policy acceptable to Lender (or a new title insurance policy if a "date-down" endorsement is not available);

(6) one or more individuals or entities acceptable to Lender as new guarantors have executed and delivered to

Lender:

(A) an assumption agreement acceptable to Lender that requires the new guarantor to assume and perform all obligations of Guarantor under any Guaranty given in connection with the Loan Documents; or

(B) a substitute Non-Recourse Guaranty and other substitute guaranty in a form acceptable to Lender;

(7) Lender has reviewed and approved the Transfer documents;

(8) Lender shall be the servicer of the Loan Documents;

(9) Borrower has satisfied the applicable provision of Section 11.03(g) (Further Conditions on Transfers Requiring Lender's Consent) including Lender's receipt of the fees described in Section 11.03(g) (Further Conditions on Transfers Requiring Lender's Consent); and

(10) if any MBS is Outstanding, the Transfer shall not result in a "significant modification," as defined under applicable Treasury Regulations, of any Advance that has been securitized in an MBS.

(de) **Permitted Transfers of Ownership Interests.**

Notwithstanding the provisions of Section 11.02(b)(2) (No Transfers of Interests in Borrower, Key Principal, or Guarantor), the following Transfers are permitted without the consent of Lender ("**Permitted Transfers**"):

(1) a Transfer of any Ownership Interest in Borrower, Guarantor, Key Principal, or any Identified Party; provided, however, that no change of Control and no Transfer of the Restricted Ownership Interest occurs as the result of such Transfer;

(2) the issuance by Borrower, Guarantor, Key Principal, or any Identified Party of additional membership interests, partnership interests, or stock (including by creation of a new class or series of interests or stock), as the case may be, and the subsequent direct or indirect Transfer of such interests or stock; provided, however, that no change of Control and no Transfer of the Restricted Ownership Interest occurs as the result of such Transfer;

(3) the issuance of additional stock in, or redemption of stock in, Sun; provided, however, that no change of Control and no Transfer of the Restricted Ownership Interest occurs

(4) the issuance of additional limited partnership interests in, or redemption of limited partnership interests in, SCOLP; provided, however, that no change of Control and no Transfer of the Restricted Ownership Interest occurs;

(5) a merger with or acquisition of another entity by Key Principal or Guarantor, as applicable, provided that (A) such Key Principal or Guarantor, as applicable, is the surviving entity after such merger or acquisition, (B) no change of Control or Transfer of the Restricted Ownership Interest occurs, and (C) such merger or acquisition does not result in an Event of Default;

(6) a Transfer of any Ownership Interest in Borrower or any Identified Party to a subsidiary of Guarantor or Key Principal that is wholly owned and Controlled by Guarantor or Key Principal, provided that no Transfer of the Restricted Ownership Interest occurs;

(7) any conversion of Key Principal or Guarantor from one type of entity to another type of entity or any amendment, modification, or any other change in the Organizational Documents of Key Principal or Guarantor; provided, however, that

(A) no change of Control occurs as a result of any such Transfer;

(B) the decision-making powers and rights of the board of directors of Key Principal and the board of directors of Guarantor are not eliminated, materially impaired, or materially reduced as a result of such Transfer (provided, however, that the creation of new committees of the board of directors of Key Principal or the board of directors of Guarantor that are delegated certain powers and authority of the board of directors of Key Principal or the board of directors of Guarantor (as applicable) will not be deemed to be an elimination, material impairment, or material reduction of the decision-making powers of the board of directors of Key Principal or the board of directors of Guarantor, so long as the board of directors of Key Principal or the board of directors of Guarantor, as applicable, Controls the composition of any such committee and has the right to rescind any such delegation); and

(C) the board of directors of Key Principal and the board of directors of Guarantor continue to exist and Control the Key Principal or Guarantor, as applicable; and

(8) the grant of an easement solely for cable and internet services, provided such easement is a standard form of cable and internet service easement used by nationally recognized cable and internet service providers.

If the conditions set forth in this Section 11.03(b) (Permitted Transfers of Ownership Interests) are satisfied, the Transfer Fee shall be waived provided Borrower shall pay the Review Fee and out-of-pocket costs set forth in Section 11.03(g) (Further Conditions on Transfers Requiring Lender's Consent).

(df) **Estate Planning.**

Notwithstanding the provisions of Section 11.02(b)(2) (No Transfers of Interests in Borrower, Key Principal, or Guarantor), so long as (1) the Transfer does not cause a change of Control and (2) Key Principal and Guarantor, as applicable, maintain the same right and ability to Control Borrower as existed prior to the Transfer, Lender shall consent to Transfers of direct or indirect Ownership Interests in Borrower, and Transfers of direct or indirect Ownership Interests in an entity Key Principal or entity Guarantor to:

(A) Immediate Family Members of such transferor each of whom must have obtained the legal age of majority;

(B) United States domiciled trusts established for the benefit of the transferor or Immediate Family Members of the transferor; or

(C) partnerships or limited liability companies of which the partners or members, respectively, are comprised entirely of (i) such transferor and Immediate Family Members (each of whom must have obtained the legal age of majority) of such transferor, (ii) all Immediate Family Members (each of whom must have obtained the legal age of majority) of such transferor, or (iii) United States domiciled trusts established for the benefit of the transferor or Immediate Family Members of the transferor.

If the conditions set forth in this Section 11.03(c) (Estate Planning) are satisfied, the Transfer Fee shall be waived provided Borrower shall pay the Review Fee and out-of-pocket costs set forth in Section 11.03(g) (Further Conditions on Transfers Requiring Lender's Consent).

(dg) **Termination or Revocation of Trust.**

If any of Borrower, Guarantor, or Key Principal is a trust (other than a REIT), or if a Restricted Ownership Interest would be violated, or if Control of Borrower, Guarantor, or Key Principal would be Transferred due to the termination or revocation of a trust, the termination or revocation of such trust is an unpermitted Transfer; provided that the termination or revocation of the trust due to the death of an individual trustor shall not be considered an unpermitted Transfer so long as:

(1) Lender is notified within thirty (30) days of the death; and

(2) such Borrower, Guarantor, Key Principal, or other Person, as applicable, is replaced with an individual or entity acceptable to Lender, in accordance with the provisions of Section 11.03(a) (Transfer of Collateral Pool) within ninety (90) days of the date of the death causing the termination or revocation.

If the conditions set forth in this Section 11.03(d) (Termination or Revocation of Trust) are satisfied, the Transfer Fee shall be waived; provided Borrower shall pay the Review Fee and out-of-pocket costs set forth in Section 11.03(g) (Further Conditions on Transfers Requiring Lender's Consent).

(dh) **Death of Key Principal or Guarantor; Restricted Ownership Interest/Controlling Interest Transfer Due to Death.**

(1) If a Key Principal or Guarantor that is a natural person dies, or if a Transfer of the Restricted Ownership Interest or a change of Control occurs as a result of the death of a Person (except in the case of trusts which is addressed in Section 11.03(d) (Termination or Revocation of Trust)),

Borrower must notify Lender in writing within ninety (90) days in the event of such death. Unless waived in writing by Lender, the deceased shall be replaced by an individual or entity within one hundred eighty (180) days, subject to Borrower's satisfaction of the following conditions:

(A) Borrower has submitted to Lender all information required by Lender to make the determination required by this Section 11.03(e) (Death of Key Principal or Guarantor; Restricted Ownership Interest/Controlling Interest Transfer Due to Death);

(B) Lender determines that, if applicable:

(i) any proposed new key principal and any other new guarantor (or Person Controlling such new key principal or new guarantor) fully satisfies all of Lender's then-applicable key principal or guarantor eligibility, credit, management, and other loan underwriting standards (including any standards with respect to previous relationships between Lender and the proposed new key principal and new guarantor (or Person Controlling such new key principal or new guarantor) and the organization of the new key principal and new guarantor);

(ii) none of any proposed new key principal or any new guarantor, or any owners of the proposed new key principal or any new guarantor, is a Prohibited Person; and

(iii) none of any proposed new key principal or any new guarantor (if any of such are entities) shall have an organizational existence termination date that ends before the Maturity Date; and

(C) if applicable, one or more individuals or entities acceptable to Lender as new guarantors have executed and delivered to Lender:

(i) an assumption agreement acceptable to Lender that requires the new guarantor to assume and perform all obligations of Guarantor under any Guaranty given in connection with this Master Agreement; or

(ii) a substitute Non-Recourse Guaranty and other substitute guaranty in a form acceptable to Lender.

(2) In the event a replacement Key Principal, Guarantor, or other Person is required by Lender due to the death described in this Section 11.03(e) (Death of Key Principal or Guarantor; Restricted Ownership Interest/Controlling Interest Transfer Due to Death), and such replacement has not occurred within such period, the period for replacement may be extended by Lender to a date not more than one year from the date of such death; however, Lender may require as a condition to any such extension that:

(A) the then-current property manager be replaced with a property manager reasonably acceptable to Lender (or if a property manager has not been previously engaged, a property manager reasonably acceptable to Lender be engaged); or

(B) a lockbox agreement or similar cash management arrangement (with the property manager) reasonably acceptable to Lender during such extended replacement period be instituted.

If the conditions set forth in this Section 11.03(e) (Death of Key Principal or Guarantor; Restricted Ownership Interest/Controlling Interest Transfer Due to Death) are satisfied, the Transfer Fee shall be waived, provided Borrower shall pay the Review Fee and out-of-pocket costs set forth in Section 11.03(g) (Further Conditions on Transfers Requiring Lender's Consent).

(di) **[Intentionally Deleted.]**

(dj) **Further Conditions on Transfers Requiring Lender's Consent.**

(1) In connection with any Transfer for which Lender's approval is required under this Master Agreement including any Transfer under Section 11.02(b)(1)(A) (Liens, Transfers, and

Assumptions - Covenants - Transfers - Mortgaged Property) and Section 11.03(a) (Transfer of Collateral Pool), Lender may, as a condition to any such approval, require:

- (A) additional collateral, guaranties, or other credit support to mitigate any risks concerning the proposed transferee or the performance or condition of any Mortgaged Property;
- (B) amendment of the Loan Documents to delete or modify any specially negotiated terms or provisions previously granted for the exclusive benefit of original Borrower, Key Principal, or Guarantor and to restore the original provisions of the standard Fannie Mae form multifamily loan documents, to the extent such provisions were previously modified;
- (C) a modification to the amounts required to be deposited into the Reserve/Escrow Account pursuant to the terms of Section 13.02(a)(3)(B) (Adjustment of Deposits - Transfers);
- (D) in connection with any assumption of the Loan Documents, after giving effect to the assumption, the provisions of the General Conditions Schedule shall be satisfied;
- (E) delivery to the Title Company for filing or recording in all applicable jurisdictions, all applicable Loan Documents including assumption documents and any other appropriate documents in form and substance reasonably satisfactory to Lender in form proper for recordation as may be necessary in the opinion of Lender to correctly evidence the assumptions and the confirmation of Liens created hereunder; or
- (F) if any MBS is Outstanding, the Transfer shall not result in a “significant modification,” as defined under applicable Treasury Regulations, of any Advance that has been securitized in an MBS.

(2) In connection with any request by Borrower for consent to a Transfer, Borrower shall pay to Lender upon demand:

- (A) the Transfer Fee (to the extent charged by Lender);
- (B) the Review Fee (regardless of whether Lender approves or denies such request); and
- (C) all of Lender’s out-of-pocket costs (including reasonable attorneys’ fees) incurred in reviewing the Transfer request, regardless of whether Lender approves or denies such request.

(dk) **Additional Transfer Provisions.**

Notwithstanding anything to the contrary in this Article 11 (Liens, Transfers, and Assumptions), Lender shall consent to a Transfer of Ownership Interests in Borrower to an Approved Acquiring Person provided that each of the following conditions is satisfied prior to such Transfer:

- (1) Borrower notifies Lender, in writing, of the proposed Transfer no less than ten (10) days prior to the anticipated closing date of such Transfer;
- (2) Borrower complies with all of the requirements of Section 11.03(a) (Transfer of Collateral Pool) of this Master Agreement other than Section 11.03(a)(3)(A) and Section 11.03(a)(9); and
- (3) Borrower has paid to Lender:
 - (A) the Transfer Fee;
 - (B) the Review Fee; and

all of Lender’s out-of-pocket costs (including reasonable attorneys’ fees) incurred in reviewing and documenting the Transfer request.

Section . **Representations and Warranties.**

The representations and warranties made by Borrower to Lender in this Section 12.01 (Impositions - Representations and Warranties) are made as of each Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(dl) **Payment of Taxes, Assessments, and Other Charges.**

Borrower has:

- (1) paid (or with the approval of Lender, established an escrow fund sufficient to pay when due and payable) all amounts and charges relating to the Mortgaged Properties that have become due and payable before any fine, penalty interest, lien, or costs may be added thereto, including Impositions, leasehold payments, and ground rents;
- (2) paid all Taxes for the Mortgaged Properties that have become due before any fine, penalty interest, lien, or costs may be added thereto pursuant to any notice of assessment received by Borrower and any and all taxes that have become due against Borrower before any fine, penalty interest, lien, or costs may be added thereto;
- (3) no knowledge of any basis for any additional assessments which have not been paid;
- (4) no knowledge of any presently pending special assessments against all or any part of the Mortgaged Properties, or any presently pending special assessments against Borrower in excess of \$500; and
- (5) not received any written notice of any contemplated special assessment against any Mortgaged Property, or any contemplated special assessment against Borrower.

Section . **Covenants.**(dm) **Imposition Deposits, Taxes, and Other Charges.**

Borrower shall:

- (1) deposit the Imposition Deposits with Lender on each Payment Date (or on another day designated in writing by Lender) in amount sufficient, in Lender's discretion, to enable Lender to pay each Imposition before the last date upon which such payment may be made without any penalty or interest charge being added, plus an amount equal to no more than one-sixth (1/6) (or the amount permitted by Applicable Law) of the Impositions for the trailing twelve (12) months (calculated based on the aggregate annual Imposition costs divided by twelve (12) and multiplied by two (2));
- (2) deposit with Lender, within ten (10) days after written notice from Lender (subject to Applicable Law), such additional amounts estimated by Lender to be reasonably necessary to cure any deficiency in the amount of the Imposition Deposits held for payment of a specific Imposition;
- (3) except as set forth in Section 12.03(c) (Payment of Impositions; Sufficiency of Imposition Deposits) below, pay all Impositions, leasehold payments, ground rents, and Taxes when due and before any fine, penalty interest, lien, or costs may be added thereto;
- (4) promptly deliver to Lender a copy of all notices of, and invoices for, Impositions, and, if Borrower pays any Imposition directly, Borrower shall promptly furnish to Lender receipts evidencing such payments; and
- (5) promptly deliver to Lender a copy of all notices of any special assessments and contemplated special assessments against any Mortgaged Property or Borrower.

Section . **Administration Matters Regarding Impositions.**(dn) **Maintenance of Records by Lender.**

Lender shall maintain records of the monthly and aggregate Imposition Deposits held by Lender for the purpose of paying Taxes, insurance premiums, and each other obligation of Borrower for which Imposition Deposits are required.

(do) **Imposition Accounts.**

All Imposition Deposits shall be held in an institution (which may be Lender, if Lender is such an institution) whose deposits or accounts are insured or guaranteed by a federal agency and which accounts meet the standards for custodial accounts as required by Lender from time to time. Lender shall not be obligated to open additional accounts, or deposit Imposition Deposits in additional institutions, when the amount of the Imposition Deposits exceeds the maximum amount of the federal deposit insurance or guaranty. No interest, earnings, or profits on the Imposition Deposits shall be paid to Borrower unless Applicable Law so requires. Imposition Deposits shall not be trust funds, nor shall they operate to reduce the Indebtedness, unless applied by Lender for that purpose in accordance with this Master Agreement. For the purposes of §9-104(a)(3) of the UCC, Lender is the owner of the Imposition Deposits and shall be deemed a “customer” with sole control of the account holding the Imposition Deposits.

(dp) **Payment of Impositions; Sufficiency of Imposition Deposits.**

Lender may pay an Imposition according to any bill, statement, or estimate from the appropriate public office or insurance company without inquiring into the accuracy of the bill, statement, or estimate or into the validity of the Imposition. Imposition Deposits shall be required to be used by Lender to pay Taxes, insurance premiums and any other individual Imposition only if:

- (1) no Event of Default exists;
- (2) Borrower has timely delivered to Lender all applicable bills or premium notices that it has received; and
- (3) sufficient Imposition Deposits are held by Lender for each Imposition at the time such Imposition becomes due and payable.

Lender shall have no liability to Borrower or any other Person for failing to pay any Imposition if any of the conditions are not satisfied. If at any time the amount of the Imposition Deposits held for payment of a specific Imposition exceeds the amount reasonably deemed necessary by Lender to be held in connection with such Imposition, the excess may be credited against future installments of Imposition Deposits for such Imposition.

(dq) **Imposition Deposits Upon Event of Default.**

If an Event of Default has occurred and is continuing, Lender may apply any Imposition Deposits, in such amount and in such order as Lender determines, to pay any Impositions or as a credit against the Indebtedness.

(dr) **Contesting Impositions.**

Other than insurance premiums, Borrower may contest, at its expense, by appropriate legal proceedings, the amount or validity of any Imposition if:

- (1) Borrower notifies Lender of the commencement or expected commencement of such proceedings;
- (2) Lender determines that the applicable Mortgaged Property is not in danger of being sold or forfeited;
- (3) Borrower deposits with Lender (or the applicable Governmental Authority if required by Applicable Law) reserves sufficient to pay the contested Imposition, if required by Lender (or the applicable Governmental Authority);

(4) Borrower furnishes whatever additional security is required in the proceedings or is reasonably requested in writing by Lender; and

(5) Borrower commences, and at all times thereafter diligently prosecutes, such contest in good faith until a final determination is made by the applicable Governmental Authority.

(ds) **Release to Borrower.**

Upon payment in full of all sums secured by the Security Instrument and this Master Agreement and release by Lender of the lien of the Security Instrument, Lender shall disburse to Borrower the balance of any Imposition Deposits then on deposit with Lender.

ARTICLE 25

ARTICLE 26

REPLACEMENT RESERVE AND REPAIRS

Section . **Covenants.**

(dt) **Initial Deposits to Replacement Reserve Account and Repairs Escrow Account.**

On the Effective Date, Borrower shall pay to Lender:

(1) the Initial Replacement Reserve Deposit for deposit into the Replacement Reserve Account; and

(2) the Repairs Escrow Deposit for deposit into the Repairs Escrow Account.

(du) **Monthly Replacement Reserve Deposits.**

Borrower shall deposit the applicable Monthly Replacement Reserve Deposit into the Replacement Reserve Account on each Payment Date.

(dv) **Payment for Replacements and Repairs.**

Borrower shall:

(1) pay all invoices for the Replacements and Repairs, regardless of whether funds on deposit in the Replacement Reserve Account or the Repairs Escrow Account, as applicable, are sufficient, prior to any request for disbursement from the Replacement Reserve Account or the Repairs Escrow Account, as applicable (unless Lender has agreed to issue joint checks in connection with a particular Replacement or Repair);

(2) pay all applicable fees and charges of any Governmental Authority on account of the Replacements and Repairs, as applicable; and

(3) provide evidence satisfactory to Lender of completion of the Replacements and any Required Repairs (within the Completion Period or within such other period or by such other date set forth in the Required Repair Schedule and any Borrower Requested Repairs and Additional Lender Repairs (by the date specified by Lender for any such Borrower Requested Repairs or Additional Lender Repairs)).

(dw) **Assignment of Contracts for Replacements and Repairs.**

Borrower shall collaterally assign to Lender as additional security any contract or subcontract for Replacements or Repairs for which the consideration is in excess of \$250,000, upon Lender's written request, on a form of assignment approved by Lender.

(dx) **Indemnification.**

If Lender elects to exercise its rights under Section 14.03 (Additional Lender Rights; Forbearance) due to Borrower's failure to timely commence or complete any Replacements or Repairs, Borrower shall indemnify and hold Lender harmless for, from and against any and all actions, suits, claims, demands, liabilities, losses, damages, obligations, and costs or expenses, including litigation costs and reasonable attorneys' fees, arising from or in any way connected with the performance by Lender of the Replacements or Repairs or investment of the Reserve/Escrow Account Funds; provided that Borrower shall have no indemnity obligation if such actions, suits, claims, demands, liabilities, losses, damages, obligations, and costs or expenses, including litigation costs and reasonable attorneys' fees, arise as a result of the willful misconduct or gross negligence of Lender, Lender's agents, employees, or representatives as determined by a court of competent jurisdiction pursuant to a final non-appealable court order.

(dy) **Amendments to Loan Documents.**

Subject to Section 5.02 (Advances - Covenants) Borrower shall execute and deliver to Lender, upon written request, an amendment to this Master Agreement, the Security Instrument, any other Loan Document deemed necessary or desirable to perfect Lender's lien upon any portion of each Mortgaged Property for which Reserve/Escrow Account Funds were expended.

(dz) **Administrative Fees and Expenses.**

Borrower shall pay to Lender:

(1) by the date specified in the applicable invoice, the Repairs Escrow Account Administrative Fee and the Replacement Reserve Account Administration Fee for Lender's services in administering the Repairs Escrow Account and Replacement Reserve Account and investing the funds on deposit in the Repairs Escrow Account and the Replacement Reserve Account, respectively;

(2) upon demand, a reasonable inspection fee, not exceeding the Maximum Inspection Fee, for each inspection of a Mortgaged Property by Lender in connection with a Repair or Replacement, plus all other reasonable costs and out-of-pocket expenses relating to such inspections; and

(3) upon demand, all reasonable fees charged by any engineer, architect, inspector or other person inspecting a Mortgaged Property on behalf of Lender for each inspection of such Mortgaged Property in connection with a Repair or Replacement, plus all other reasonable costs and out-of-pocket expenses relating to such inspections.

Section . **Administration Matters Regarding Reserves.**

(ea) **Accounts, Deposits, and Disbursements.**

(19) **Custodial Accounts.**

(A) The Replacement Reserve Account shall be an interest-bearing account that meets the standards for custodial accounts as required by Lender from time to time. Lender shall not be responsible for any losses resulting from the investment of the Replacement Reserve Deposits or for obtaining any specific level or percentage of earnings on such investment. All interest, if any, earned on the Replacement Reserve Deposits shall be added to and become part of the Replacement Reserve Account; provided, however, if Applicable Law requires, and so long as no Event of Default has occurred and is continuing under any of the Loan Documents, Lender shall pay to Borrower the interest earned on the Replacement Reserve Account not less frequently than the Replacement Reserve Account Interest Disbursement Frequency. In no event shall Lender be obligated to disburse funds from the Reserve/Escrow Account if an Event of Default has occurred and is continuing.

(B) Lender shall not be obligated to deposit the Repairs Escrow Deposits into an interest-bearing account.

(20) **Disbursements by Lender Only.**

Only Lender or a designated representative of Lender may make disbursements from the Replacement Reserve Account and the Repairs Escrow Account. Except as provided in Section 13.02(a)(7) (Conditions to Disbursement), disbursements shall only be made upon Borrower request and after satisfaction of all conditions for disbursement.

(21) **Adjustment to Deposits.**

(A) **Mortgaged Properties in Collateral Pool over Ten (10) Years.**

If any Mortgaged Property is part of the Collateral Pool for ten (10) years or more, a property condition assessment shall be ordered by Lender for such Mortgaged Property at the expense of Borrower (which expense may be paid out of the Replacement Reserve Account if excess funds are available). The property condition assessment shall be performed no earlier than the sixth (6th) month and no later than the ninth (9th) month of the tenth (10th) year after such Mortgaged Property was added to the Collateral Pool (and of the twentieth (20th) year if applicable). After review of the property condition assessment, the amount of the Monthly Replacement Reserve Deposit may be adjusted by Lender for the remaining Facility Year by written notice to Borrower so that the Monthly Replacement Reserve Deposits are sufficient to fund the Replacements as and when required and/or the amount to be held in the Repairs Escrow Account may be adjusted by Lender so that the Repairs Escrow Deposit is sufficient to fund the Repairs as and when required.

(B) **Transfers.**

In connection with any Transfer of any Mortgaged Property in connection with an assumption, or any Transfer of Ownership Interest(s) in a Borrower Entity that requires Lender's consent, Lender may review the amounts on deposit, if any, in the Replacement Reserve Account or the Repairs Escrow Account, the amount of the Monthly Replacement Reserve Deposit for the applicable Mortgaged Property(ies) and the likely repairs and replacements required by such Mortgaged Property(ies), and the related contingencies which may arise during the remaining Term of this Master Agreement. Based upon that review, Lender may require an additional deposit to the Replacement Reserve Account or the Repairs Escrow Account, or an increase in the amount of the Monthly Replacement Reserve Deposit as a condition to Lender's consent to such Transfer.

(22) **Insufficient Funds.**

Lender may, upon thirty (30) days' prior written notice to Borrower, require an additional deposit(s) to the Replacement Reserve Account or Repairs Escrow Account, or an increase in the amount of the Monthly Replacement Reserve Deposit, if Lender determines that the amounts on deposit in either the Replacement Reserve Account or the Repairs Escrow Account are not sufficient to cover the costs for Required Repairs or Required Replacements or, pursuant to the terms of Section 13.02(a)(9) (Replacements and Repairs Other than Required Replacements or Required Repairs), not sufficient to cover the costs for Borrower Requested Repairs, Additional Lender Repairs, Borrower Requested Replacements, or Additional Lender Replacements. Borrower's agreement to complete the Replacements or Repairs as required by this Master Agreement shall not be affected by the insufficiency of any balance in the Replacement Reserve Account or the Repairs Escrow Account, as applicable.

(23) **Disbursements for Replacements and Repairs.**

(A) Disbursement requests may only be made after completion of the applicable Replacements and only to reimburse the applicable Borrower for the actual approved costs of the Replacements. Lender shall not disburse from the Replacement Reserve Account the costs of routine maintenance to any Mortgaged Property or for costs which are to be reimbursed from the Repairs Escrow Account or any similar account. Disbursement from the Replacement Reserve Account shall not be made more frequently than the Maximum Replacement Reserve Disbursement Interval for such Mortgaged Property. Other than in connection with a final request for disbursement, disbursements from the Replacement Reserve Account shall not be less than the Minimum Replacement Reserve Disbursement Amount for such Mortgaged Property.

(B) Disbursement requests may only be made after completion of the applicable Repairs and only to reimburse the applicable Borrower for the actual cost of the Repairs, up to the Maximum Repair Cost for such Mortgaged Property. Lender shall not disburse any amounts which would cause the funds remaining in the Repairs Escrow Account after any disbursement (other than with respect to the final disbursement) to be less than the Maximum Repair Cost of the then-current estimated cost of completing all remaining Repairs. Lender shall not disburse from the Repairs Escrow Account the costs of routine maintenance to any Mortgaged Property or for costs which are to be reimbursed from the Replacement Reserve Account or any similar account. Disbursement from the Repairs Escrow Account shall not be made more frequently than the Maximum Repair Disbursement Interval. Other than in connection with a final request for disbursement, disbursements from the Repairs Escrow Account shall not be less than the Minimum Repairs Disbursement Amount for such Mortgaged Property.

(24) **Disbursement Requests.**

Each request by Borrower for disbursement from the Replacement Reserve Account or the Repairs Escrow Account must be in writing, must specify the Replacement or Repair for which reimbursement is requested (provided that for any Borrower Requested Replacements, Borrower Requested Repairs, Additional Lender Replacements and Additional Lender Repairs, Lender shall have approved the use of the Reserve/Escrow Account Funds for such replacements or repairs pursuant to the terms of Section 13.02(a)(9) (Replacements and Repairs Other than Required Replacements or Required Repairs)), and must:

(A) if applicable, specify the quantity and price of the items or materials purchased, grouped by type or category;

(B) if applicable, specify the cost of all contracted labor or other services involved in the Replacement or Repair for which such request for disbursement is made;

(C) if applicable, include copies of invoices for all items or materials purchased and all contracted labor or services provided;

(D) include evidence of payment of such Replacement or Repair satisfactory to Lender (unless Lender has agreed to issue joint checks in connection with a particular Repair or Replacement as provided in this Master Agreement); and

(E) contain a certification by Borrower that the Repair or Replacement has been completed lien free and in a good and workmanlike manner, in accordance with any plans and specifications previously approved by Lender (if applicable) and in compliance with all Applicable Law, and otherwise in accordance with the provisions of this Master Agreement.

(25) **Conditions to Disbursement.**

Lender may require any or all of the following at the expense of Borrower as a condition to disbursement of funds from the Replacement Reserve Account or the Repairs Escrow Account

(provided that for any Borrower Requested Replacements, Borrower Requested Repairs, Additional Lender Replacements, and Additional Lender Repairs, Lender shall have approved the use of the Reserve/Escrow Account Funds for such replacements or repairs pursuant to the terms of Section 13.02(a)(9) (Replacements and Repairs Other than Required Replacements or Required Repairs)):

(A) an inspection by Lender of the applicable Mortgaged Property and the applicable Replacement or Repair;

(B) an inspection or certificate of completion by an appropriate independent qualified professional (such as an architect, engineer or property inspector, depending on the nature of the Repair or Replacement) selected by Lender;

(C) either:

(i) a search of title to the applicable Mortgaged Property effective to the date of disbursement;

or

(ii) a “date-down” endorsement to Lender’s Title Policy (or a new Lender’s Title Policy if a “date-down” is not available) extending the effective date of such policy to the date of disbursement, and showing no Liens other than (1) Permitted Encumbrances, (2) liens which Borrower is diligently contesting in good faith that have been bonded off to the satisfaction of Lender, or (3) mechanics’ or materialmen’s liens which attach automatically under the laws of any Governmental Authority upon the commencement of any work upon, or delivery of any materials to, the Mortgaged Property and for which Borrower is not delinquent in the payment for any such work or materials; and

(D) an acknowledgement of payment, waiver of claims, and release of lien for work performed and materials supplied from each contractor, subcontractor or materialman in accordance with the requirements of Applicable Law and covering all work performed and materials supplied (including equipment and fixtures) for the applicable Mortgaged Property by that contractor, subcontractor, or materialman through the date covered by the disbursement request (or, in the event that payment to such contractor, subcontractor, or materialman is to be made by a joint check, the release of lien shall be effective through the date covered by the previous disbursement).

(26) **Joint Checks for Periodic Disbursements.**

Lender may, upon Borrower’s written request, issue joint checks, payable to Borrower and the applicable supplier, materialman, mechanic, contractor, subcontractor or other similar party, if:

(A) the cost of the Replacement or Repair exceeds the Replacement Threshold or the Repair Threshold, as applicable, for such Mortgaged Property and the contractor performing such Replacement or Repair requires periodic payments pursuant to the terms of the applicable written contract;

(B) the contract for such Repair or Replacement requires payment upon completion of the applicable portion of the work;

(C) Borrower makes the disbursement request after completion of the applicable portion of the work required to be completed under such contract;

(D) the materials for which the request for disbursement has been made are on site at the applicable Mortgaged Property and are properly secured or installed;

(E) Lender determines that the remaining funds in the Replacement Reserve Account designated for such Replacement, or in the Repairs Escrow Account designated for such Repair, as applicable, are sufficient to pay such costs and the then-current estimated cost of completing all remaining Required Replacements or Required Repairs (at the Maximum Repair Cost), as applicable, and any other Borrower Requested Replacements, Borrower

Requested Repairs, Additional Lender Replacements, or Additional Lender Repairs that have been previously approved by Lender;

(F) each supplier, materialman, mechanic, contractor, subcontractor, or other similar party receiving payments shall have provided, if requested in writing by Lender, a waiver of liens with respect to amounts which have been previously paid to them; and

(G) all other conditions for disbursement have been satisfied.

(27) **Replacements and Repairs Other than Required Replacements or Required Repairs.**

(C) **Borrower Requested Replacements and Borrower Requested Repairs.**

Borrower may submit a disbursement request from the Replacement Reserve Account or the Repairs Escrow Account to reimburse Borrower for any Borrower Requested Replacement or Borrower Requested Repair. The disbursement request must be in writing and include an explanation for such request. Lender shall make disbursements for Borrower Requested Replacements or Borrower Requested Repairs if:

(i) they are of the type intended to be covered by the Replacement Reserve Account or the Repairs Escrow Account, as applicable;

(ii) the costs are commercially reasonable;

(iii) the amount of funds in the Replacement Reserve Account or Repairs Escrow Account, as applicable, is sufficient to pay such costs and the then-current estimated cost of completing all remaining Required Replacements or Required Repairs (at the Maximum Repair Cost), as applicable, and any other Borrower Requested Replacements, Borrower Requested Repairs, Additional Lender Replacements or Additional Lender Repairs that have been previously approved by Lender; and

(iv) all conditions for disbursement from the Replacement Reserve Account or Repairs Escrow Account, as applicable, have been satisfied.

Nothing in this Master Agreement shall limit Lender's right to require an additional deposit to the Replacement Reserve Account or an increase to the Monthly Replacement Reserve Deposit in connection with any such Borrower Requested Replacements, or an additional deposit to the Repairs Escrow Account for any such Borrower Requested Repairs.

(D) **Additional Lender Replacements and Additional Lender Repairs.**

Lender may require, as set forth in Section 6.02(b) (Property Maintenance), Section 6.03(c) (Property Condition Assessment), or otherwise from time to time, upon written notice to Borrower, that Borrower make Additional Lender Replacements or Additional Lender Repairs. Lender shall make disbursements from the Replacement Reserve Account for Additional Lender Replacements or from the Repairs Escrow Account for Additional Lender Repairs, as applicable, if:

(i) the costs are commercially reasonable;

(ii) the amount of funds in the Replacement Reserve Account or the Repairs Escrow Account, as applicable, is sufficient to pay such costs and the then-current estimated cost of completing all remaining Required Replacements or Required Repairs (at the Maximum Repair Cost), as applicable, and any other Borrower Requested Replacements, Borrower Requested Repairs, Additional Lender Replacements or Additional Lender Repairs that have been previously approved by Lender; and

(iii) all conditions for disbursement from the Replacement Reserve Account or Repairs Escrow Account, as applicable, have been satisfied.

Nothing in this Master Agreement shall limit Lender's right to require an additional deposit to the Replacement Reserve Account or an increase to the Monthly Replacement Reserve Deposit for any such Additional Lender Replacements or an additional deposit to the Repairs Escrow Account for any such Additional Lender Repair.

(28) **Excess Costs.**

In the event any Replacement or Repair exceeds the approved cost set forth on the Required Replacement Schedule for Replacements, or the Maximum Repair Cost for Repairs, Borrower may submit a disbursement request to reimburse Borrower for such excess cost. The disbursement request must be in writing and include an explanation for such request. Lender shall make disbursements from the Replacement Reserve Account or the Repairs Escrow Account, as applicable, if:

(A) the excess cost is commercially reasonable;

(B) the amount of funds in the Replacement Reserve Account or the Repairs Escrow Account, as applicable, is sufficient to pay such costs and the then-current estimated cost of completing all remaining Required Replacements or Required Repairs (at the Maximum Repair Cost), as applicable, and any other Borrower Requested Replacements, Borrower Requested Repairs, Additional Lender Replacements, or Additional Lender Repairs that have been previously approved by Lender; and

(C) all conditions for disbursement from the Replacement Reserve Account or the Repairs Escrow Account have been satisfied.

(29) **Final Disbursements.**

Upon completion of all Repairs in accordance with this Master Agreement and so long as no Event of Default has occurred and is continuing, Lender shall disburse to Borrower any amounts then remaining in the Repairs Escrow Account. Upon payment in full of the Indebtedness and release by Lender of the lien of the Security Instrument, Lender shall disburse to Borrower any and all amounts then remaining in the Replacement Reserve Account and the Repairs Escrow Account (if not previously released).

(eb) **Approvals of Contracts; Assignment of Claims.**

Lender retains the right to approve all contracts or work orders with materialmen, mechanics, suppliers, subcontractors, contractors, or other parties providing labor or materials in connection with the Replacements or Repairs in excess of \$250,000 with respect to any master contract. Notwithstanding Borrower's assignment (in the Security Instrument) of its rights and claims against all Persons supplying labor or materials in connection with the Replacement or Repairs, Lender will not pursue any such right or claim unless an Event of Default has occurred and is continuing or as otherwise provided in Section 14.03(c) (Appointment of Lender as Attorney-In-Fact).

(ec) **Delays and Workmanship.**

If any work for any Replacement or Repair has not timely commenced, has not been timely performed in a workmanlike manner, or has not been timely completed in a workmanlike manner, Lender may, without notice to Borrower:

(1) withhold disbursements from the Replacement Reserve Account or Repairs Escrow Account for such unsatisfactory Replacement or Repair, as applicable;

(2) proceed under existing contracts or contract with third parties to make or complete such Replacement or Repair;

(3) apply the funds in the Replacement Reserve Account or Repairs Escrow Account toward the labor and materials necessary to make or complete such Replacement or Repair, as applicable; or

(4) exercise any and all other remedies available to Lender under this Master Agreement or any other Loan Document, including any remedies otherwise available upon an Event of Default pursuant to the terms of Section 14.02 (Remedies).

To facilitate Lender's completion or making of such Replacements or Repairs, Lender shall have the right to enter onto each Mortgaged Property and perform any and all work and labor necessary to make or complete the Replacements or Repairs and employ watchmen to protect such Mortgaged Property from damage. All funds so expended by Lender shall be deemed to have been advanced to Borrower, shall be part of the Indebtedness and shall be secured by the Security Instrument and this Master Agreement.

(ed) **Appointment of Lender as Attorney-In-Fact.**

Borrower hereby authorizes and appoints Lender as attorney-in-fact pursuant to Section 14.03(c) (Appointment of Lender as Attorney-In-Fact).

(ee) **No Lender Obligation.**

Nothing in this Master Agreement shall:

- (1) make Lender responsible for making or completing the Replacements or Repairs;
- (2) require Lender to expend funds, whether from the Replacement Reserve Account, the Repairs Escrow Account or otherwise, to make or complete any Replacement or Repair;
- (3) obligate Lender to proceed with the Replacements or Repairs; or
- (4) obligate Lender to demand from Borrower additional sums to make or complete any Replacement or Repair.

(ef) **No Lender Warranty.**

Lender's approval of any plans for any Replacement or Repair, release of funds from the Replacement Reserve Account or Repairs Escrow Account, inspection of any Mortgaged Property by Lender or its agents, representatives, or designees, or other acknowledgment of completion of any Replacement or Repair in a manner satisfactory to Lender shall not be deemed an acknowledgment or warranty to any Person that the Replacement or Repair has been completed in accordance with applicable building, zoning or other codes, ordinances, statutes, laws, regulations or requirements of any Governmental Authority, such responsibility being at all times exclusively that of Borrower.

Section . **Events of Default.**

The occurrence of any one or more of the following in this Section 14.01 (Events of Default) shall constitute an Event of Default under this Master Agreement.

(eg) **Automatic Events of Default.**

Any of the following shall constitute an automatic Event of Default:

- (1) any failure by Borrower to pay or deposit when due any amount required by the Note, this Master Agreement or any other Loan Document;

- (2) any failure by Borrower to maintain the insurance coverage required by any Loan Document;
 - (3) any failure by Borrower to comply with the provisions of Section 4.02(d) (Borrower Status - Covenants - Single Purpose Status) relating to its single asset status;
 - (4) if any warranty, representation, certification, or statement of Borrower or Guarantor in this Master Agreement or any of the other Loan Documents is false, inaccurate, or misleading in any material respect when made;
 - (5) fraud, gross negligence, willful misconduct or material misrepresentation or material omission by or on behalf of Borrower, Guarantor or Key Principal or any of their officers, directors, trustees, partners, members, or managers in connection with:
 - (A) the application for, or creation of, the Indebtedness;
 - (B) any financial statement, rent roll, or other report or information provided to Lender during the Term of this Master Agreement; or
 - (C) any request for Lender's consent to any proposed action, including a request for disbursement of Reserve/Escrow Account Funds or Collateral Account Funds;
 - (6) the occurrence of any Transfer not permitted by the Loan Documents;
 - (7) the occurrence of a Bankruptcy Event;
 - (8) the commencement of a forfeiture action or proceeding, whether civil or criminal, which, in Lender's reasonable judgment, could result in a forfeiture of any Mortgaged Property or otherwise materially impair the lien created by this Master Agreement or the Security Instrument or Lender's interest in any Mortgaged Property;
 - (9) if Borrower, Guarantor or Key Principal is a trust (other than a REIT), or if a Transfer of the Restricted Ownership Interest or a change of Control occurs due to the termination or revocation of a trust, the termination or revocation of such trust, except as set forth in Section 11.03(d) (Termination or Revocation of Trust);
 - (10) any failure by Borrower to complete any Repair related to fire, life or safety issues in accordance with the terms of this Master Agreement within the Completion Period (or such other date set forth on the Required Repair Schedule or otherwise required by Lender in writing for such Repair);
 - (11) any exercise by the holder of any other debt instrument secured by a mortgage, deed of trust, or deed to secure debt on any Mortgaged Property of a right to declare all amounts due under that debt instrument immediately due and payable; or
 - (12) a dissolution or liquidation for any reason (whether voluntary or involuntary) of Borrower Entity or any general partner, managing member, or sole member of any Borrower Entity.
- (eh) **Events of Default Subject to a Specified Cure Period.**

Any of the following shall constitute an Event of Default subject to the cure period set forth in the Loan Documents:

- (1) if Key Principal or Guarantor is a natural Person, the death of such individual, unless all requirements of Section 11.03(e) (Death of Key Principal or Guarantor; Restricted Ownership Interest/Controlling Interest Transfer Due to Death) are met;
 - (2) [intentionally deleted;]
 - (3) any failure by Borrower, Key Principal, or Guarantor to comply with the provisions of Section 5.02(b) (Further Assurances) and Section 5.02(c) (Sale of Advances); and
 - (4) any failure by Borrower to perform any obligation under this Master Agreement or any Loan Document that is subject to a specified written notice and cure period, which failure continues beyond such specified written notice and cure period as set forth herein or in the applicable Loan Document.
- (ei) **Events of Default Subject to Extended Cure Period or Release.**

The following shall constitute an Event of Default if the existence of such condition or event, or such failure to perform or default in performance continues for a period of thirty (30) days after written notice by Lender to Borrower of the existence of such condition or event, or of such failure to perform or default in performance, provided, however, such period may be extended for up to an additional sixty (60) days if Borrower, in the discretion of Lender, is diligently pursuing a cure of such; provided, further, however, no such written notice, grace period or extension shall apply if, in Lender's discretion, immediate exercise by Lender of a right or remedy under this Master Agreement or any Loan Document is required to avoid harm to Lender or impairment of the Indebtedness, the Mortgaged Property or any other security given to secure the Indebtedness:

(1) any failure by Borrower to perform any of its obligations under this Master Agreement or any Loan Document (other than those specified in Section 14.01(a) (Automatic Events of Default) or Section 14.01(b) (Events of Default Subject to a Specified Cure Period)) as and when required.

Notwithstanding anything to the contrary herein or in any other Loan Document, if an Event of Default shall occur hereunder or under any other Loan Document because a representation, warranty, affirmative covenant, negative covenant, or other provision hereunder or thereunder shall be breached or violated that in Lender's sole and exclusive judgment is with respect to a particular Mortgaged Property (other than any misappropriation of funds collected in respect thereof) (each, a "**Property-Specific Event of Default**"), such Event of Default shall be deemed cured if Borrower shall satisfy all of the conditions set forth in Section 2.10(b) (Right to Obtain Releases of Mortgaged Property) of this Master Agreement relating to the Release of such Mortgaged Property from the Collateral Pool within thirty (30) days of Borrower acquiring knowledge of such Event of Default (the "**Release Cure Period**"). During the Release Cure Period, Lender agrees that it shall not have the right to exercise the remedy set forth in Section 14.02 (Remedies) of this Master Agreement; provided, however, that the foregoing shall not impair Lender's right to exercise the remedies available to Lender under any of the other Loan Documents or at law or in equity or under Section 14.03(b) (No Waiver of Rights or Remedies) during such Release Cure Period. If Lender shall elect to exercise any such remedies during such period, and if Borrower releases such Mortgaged Property pursuant to the provisions of the Mortgaged Property Release Schedule as described in the preceding sentence and at the time of such release no other Event of Default has occurred and is continuing, Lender shall cease exercising such remedies with respect to the applicable Property-Specific Event of Default and discontinue any proceedings it may have initiated in connection therewith, and the parties shall be restored to their former positions and rights hereunder; provided, however, that if Borrower shall fail to satisfy all of the conditions set forth in the Mortgaged Property Release Schedule relating to the release of such Mortgaged Property from the Collateral Pool during the Release Cure Period, Lender may thereafter exercise any and all remedies available to Lender under Article 14 (Defaults/Remedies) of this Master Agreement, including, without limitation, the remedies set forth in Section 14.02 (Remedies).

Section . **Remedies.**

(ej) **Acceleration; Foreclosure.**

(1) If an Event of Default has occurred and is continuing, the entire unpaid principal balance of the Advances Outstanding, any Accrued Interest, interest accruing at the Default Rate, the Prepayment Premium (if applicable), and all other Indebtedness, at the option of Lender, shall immediately become due and payable, without any prior written notice to Borrower, unless Applicable Law requires otherwise (and in such case, after any required written notice has been given). Lender may exercise this option to accelerate regardless of any prior forbearance. In addition, Lender shall have all rights and remedies afforded to Lender hereunder and under the other Loan Documents, including, foreclosure on and/or the power of sale of any or all of the Mortgaged Properties, as provided in the Security Instrument, and any rights and remedies available to Lender at law or in equity (subject to Borrower's statutory rights of reinstatement, if any). Any proceeds of a Foreclosure

Event may be held and applied by Lender as additional collateral for the Indebtedness pursuant to this Master Agreement. Notwithstanding the foregoing, the occurrence of any Bankruptcy Event of Borrower shall automatically accelerate the Indebtedness, which Indebtedness shall be immediately due and payable without written notice or further action by Lender.

(2) Lender may Accelerate any Note without the obligation, but the right to accelerate any other Note (if more than one). In the exercise of its rights and remedies under the Loan Documents, Lender may, except as provided in this Master Agreement, exercise and perfect any and all of its rights in and under the Loan Documents with regard to any Mortgaged Property without the obligation (but with the right) to exercise and perfect its rights and remedies with respect to any other Mortgaged Property. Any such exercise shall be without regard to the Allocable Facility Amount assigned to such Mortgaged Property. Lender may recover an amount equal to the full amount Outstanding in respect of any of the Notes in connection with such exercise. Any such amount shall be applied to the Obligations as determined by Lender.

(ek) **Loss of Right to Disbursements from Collateral Accounts.**

If an Event of Default has occurred and is continuing, Borrower shall immediately lose all of its rights to receive disbursements from the Reserve/Escrow Accounts and any Collateral Accounts. During the continuance of any such Event of Default, Lender may use the Reserve/Escrow Account Funds and any Collateral Account Funds (or any portion thereof) for any purpose, including:

(1) repayment of the Indebtedness, including principal prepayments and the Prepayment Premium applicable to such full or partial prepayment, as applicable (however, such application of funds shall not cure or be deemed to cure any Event of Default);

(2) reimbursement of Lender for all losses and expenses (including reasonable legal fees) suffered or incurred by Lender as a result of such Event of Default;

(3) completion of the Replacement or Repair or for any other replacement or repair to a Mortgaged Property; and

(4) payment of any amount expended in exercising (and the exercise of) all rights and remedies available to Lender at law or in equity or under this Master Agreement or under any of the other Loan Documents.

Nothing in this Master Agreement shall obligate Lender to apply all or any portion of the Reserve/Escrow Account Funds or Collateral Account Funds on account of any Event of Default by Borrower or to repayment of the Indebtedness or in any specific order of priority.

(el) **Remedies Cumulative.**

Each right and remedy provided in this Master Agreement is distinct from all other rights or remedies under this Master Agreement or any other Loan Document or afforded by Applicable Law, and each shall be cumulative and may be exercised concurrently, independently or successively, in any order. Lender shall not be required to demonstrate any actual impairment of its security or any increased risk of additional default by Borrower in order to exercise any of its remedies with respect to an Event of Default.

Section . **Additional Lender Rights; Forbearance.**

(em) **No Effect Upon Obligations.**

Lender may, but shall not be obligated to, agree with Borrower, from time to time, and without giving notice to, or obtaining the consent of, or having any effect upon the obligations of, Guarantor, Key Principal, or other third party obligor, to take any of the following actions:

(1) the time for payment of the principal of or interest on the Indebtedness may be extended, or the Indebtedness may be renewed in whole or in part;

(2) the rate of interest on or period of amortization of the Advances or the amount of the Monthly Debt Service Payments payable under the Loan Documents may be modified;

(3) the time for Borrower's performance of or compliance with any covenant or agreement contained in any Loan Document, whether presently existing or hereinafter entered into, may be extended or such performance or compliance may be waived;

(4) any or all payments due under this Master Agreement or any other Loan Document may be reduced;

(5) any Loan Document may be modified or amended by Lender and Borrower in any respect, including an increase in the principal amount of the Advances;

(6) any amounts under this Master Agreement or any other Loan Document may be released;

(7) any security for the Indebtedness may be modified, exchanged, released, surrendered, or otherwise dealt with, or additional security may be pledged or mortgaged for the Indebtedness;

(8) the payment of the Indebtedness or any security for the Indebtedness, or both, may be subordinated to the right to payment or the security, or both, of any other present or future creditor of Borrower; or

(9) any other terms of the Loan Documents may be modified.

(en) **No Waiver of Rights or Remedies.**

Any waiver of an Event of Default or forbearance by Lender in exercising any right or remedy under this Master Agreement or any other Loan Document or otherwise afforded by Applicable Law, shall not be a waiver of any other Event of Default or preclude the exercise or failure to exercise of any other right or remedy. The acceptance by Lender of payment of all or any part of the Indebtedness after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of Lender's right to require prompt payment when due of all other payments on account of the Indebtedness or to exercise any remedies for any failure to make prompt payment. Enforcement by Lender of any security for the Indebtedness shall not constitute an election by Lender of remedies so as to preclude the exercise or failure to exercise of any other right available to Lender. Lender's receipt of any insurance proceeds or amounts in connection with a Condemnation Action shall not operate to cure or waive any Event of Default.

(eo) **Appointment of Lender as Attorney-In-Fact.**

Borrower hereby irrevocably makes, constitutes, and appoints Lender (and any officer of Lender or any Person designated by Lender for that purpose) as Borrower's true and lawful proxy and attorney-in-fact (and agent-in-fact) in Borrower's name, place, and stead, with full power of substitution, to:

(1) use any of the funds in the Replacement Reserve Account or Repairs Escrow Account for the purpose of making or completing the Replacements or Repairs;

(2) make such additions, changes, and corrections to the Replacements or Repairs as shall be necessary or desirable to complete the Replacements or Repairs;

(3) employ such contractors, subcontractors, agents, architects, and inspectors as shall be required for such purposes;

(4) pay, settle, or compromise all bills and claims for materials and work performed in connection with the Replacements or Repairs, or as may be necessary or desirable for the completion of the Replacements or Repairs, or for clearance of title;

(5) adjust and compromise any claims under any and all policies of insurance required pursuant to this Master Agreement and any other Loan Document, subject only to Borrower's rights under this Master Agreement;

(6) appear in and prosecute any action arising from any insurance policies;

(7) collect and receive the proceeds of insurance, and to deduct from such proceeds Lender's expenses incurred in the collection of such proceeds;

(8) commence, appear in, and prosecute, in Lender's or Borrower's name, any Condemnation Action;

- (9) settle or compromise any claim in connection with any Condemnation Action;
- (10) execute all applications and certificates in the name of Borrower which may be required by any of the contract documents;
- (11) prosecute and defend all actions or proceedings in connection with any Mortgaged Property or the rehabilitation and repair of any Mortgaged Property;
- (12) take such actions as are permitted in this Master Agreement and any other Loan Documents;
- (13) execute such financing statements and other documents and to do such other acts as Lender may require to perfect and preserve Lender's security interest in, and to enforce such interests in, the collateral; and
- (14) carry out any remedy provided for in this Master Agreement and any other Loan Documents, including endorsing Borrower's name to checks, drafts, instruments, and other items of payment and proceeds of the collateral, executing change of address forms with the postmaster of the United States Post Office serving the address of Borrower, changing the address of Borrower to that of Lender, opening all envelopes addressed to Borrower, and applying any payments contained therein to the Indebtedness.

Borrower hereby acknowledges that the constitution and appointment of such proxy and attorney-in-fact are coupled with an interest and are irrevocable and shall not be affected by the disability or incompetence of Borrower. Borrower specifically acknowledges and agrees that this power of attorney granted to Lender may be assigned by Lender to Lender's successors or assigns as holder of the Note (and the other Loan Documents). The foregoing powers conferred on Lender under this Section 14.03(c) shall not impose any duty upon Lender to exercise any such powers and shall not require Lender to incur any expense or take any action. Borrower hereby ratifies and confirms all that such attorney-in-fact may do or cause to be done by virtue of any provision of this Master Agreement and any other Loan Documents.

Notwithstanding the foregoing provisions, Lender shall not exercise its rights as set forth in this Section 14.03(c) (Appointment of Lender as Attorney-In-Fact) unless: (A) an Event of Default has occurred and is continuing or (B) Lender determines, in its discretion, that exigent circumstances exist or that such exercise is necessary or prudent in order to protect and preserve the Mortgaged Property, or Lender's lien priority and security interest in the Mortgaged Property.

(ep) **Borrower Waivers.**

If more than one Person signs this Master Agreement as Borrower, each Borrower, with respect to any other Borrower, hereby agrees that Lender, in its discretion, may:

- (1) bring suit against Borrower, or any one or more of Borrower, jointly and severally, or against any one or more of them;
- (2) compromise or settle with any one or more of the persons constituting Borrower, for such consideration as Lender may deem proper;
- (3) release one or more of the persons constituting Borrower, from liability; or
- (4) otherwise deal with Borrower, or any one or more of them, in any manner, and no such action shall impair the rights of Lender to collect from any Borrower the full amount of the Indebtedness.

Section . **Waiver of Marshaling.**

Notwithstanding the existence of any other security interests in the Mortgaged Properties held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Mortgaged Properties (or any part thereof) shall be subjected to the remedies provided in this Master Agreement, any other Loan Document or Applicable Law. Lender shall have the right to determine the order in which all or any part of the Indebtedness is satisfied from the proceeds realized upon the exercise of such

remedies. Borrower and any party who now or in the future acquires a security interest in any Mortgaged Property and who has actual or constructive notice of this Master Agreement waives any and all right to require the marshaling of assets or to require that any of the Mortgaged Properties be sold in the inverse order of alienation or that any of the Mortgaged Properties be sold in parcels or as an entirety in connection with the exercise of any of the remedies permitted by Applicable Law or provided in this Master Agreement or any other Loan Documents.

Lender shall account for any moneys received by Lender in respect of any foreclosure on or disposition of collateral hereunder and under the other Loan Documents provided that Lender shall not have any duty as to any collateral, and Lender shall be accountable only for amounts that it actually receives as a result of the exercise of such powers. NONE OF LENDER OR ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR REPRESENTATIVES SHALL BE RESPONSIBLE TO BORROWER (a) FOR ANY ACT OR FAILURE TO ACT UNDER ANY POWER OF ATTORNEY OR OTHERWISE, EXCEPT IN RESPECT OF DAMAGES ATTRIBUTABLE SOLELY TO THEIR OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AS FINALLY DETERMINED PURSUANT TO A FINAL, NON-APPEALABLE COURT ORDER BY A COURT OF COMPETENT JURISDICTION, NOR (b) FOR ANY PUNITIVE, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES.

Section . **Severed Loan Documents.**

Lender shall have the right from time to time to sever the Note and the other Loan Documents into one or more separate notes, mortgages, and other security documents (the “**Severed Loan Documents**”) in such denominations as Lender shall determine in its discretion for purposes of evidencing and enforcing its rights and remedies provided hereunder, provided that:

- (a) the amount of Advances Outstanding immediately after the effective date of such modification equals the amount of Advances Outstanding immediately prior to such modification;
- (b) the weighted average of the interest rates for Advances Outstanding immediately after the effective date of such modification equals the weighted average of the interest rates for Advances Outstanding immediately prior to such modification (for the avoidance of doubt, the weighted average of the interest rates for Fixed Advances as of the date of such severance, for the Term of this Master Agreement, shall not change as a result of such severance);
- (c) each future principal payment shall be ratably allocated to each Advance based on the Outstanding principal balance of such Advance at the time of such modification and each future amortization payment shall be ratably paid in accordance with such allocation at all times;
- (d) there shall be no other change to the economic and/or other material terms, rights and obligations of Borrower under the Loan Documents; and
- (e) the Collateral and the revenue therefrom shall continue to secure, and be available to be applied against, the total Advances Outstanding.

Borrower shall execute and deliver to Lender from time to time, promptly after the request of Lender, a severance agreement and such other documents as Lender shall request in order to effect the severance described above, all in form and substance reasonably satisfactory to Lender. Borrower hereby absolutely and irrevocably appoints Lender as its true and lawful attorney, coupled with an interest, in its name and stead to make and execute all documents necessary or desirable to effect the aforesaid severance, Borrower ratifying all that its said attorney shall do by virtue thereof; *provided, however*, Lender shall not make or execute any such documents under such power until three (3) days after notice has been given to Borrower by Lender of Lender’s intent to exercise its rights under such power. Borrower shall be obligated to pay any costs or expenses incurred in connection with the preparation, execution, recording, or filing of the Severed Loan Documents, and the Severed Loan Documents shall not contain any representations, warranties, or

covenants not contained in the Loan Documents and any such representations and warranties contained in the Severed Loan Documents will be given by Borrower only as of the date last given.

ARTICLE 29

ARTICLE 30

MISCELLANEOUS

Section . **Choice of Law; Consent to Jurisdiction.**

Notwithstanding anything in the Notes, the Security Documents, or any of the other Loan Documents to the contrary, each of the terms and provisions, and rights and obligations of Borrower under this Master Agreement and the Notes and the other Loan Documents, shall be governed by, interpreted, construed, and enforced pursuant to and in accordance with the laws of the District of Columbia (excluding the law applicable to conflicts or choice of law) except to the extent of procedural and substantive matters relating only to the creation, perfection, and foreclosure of liens and security interests, and enforcement of the rights and remedies, against the Mortgaged Properties, which matters shall be governed by the laws of the jurisdiction in which a Mortgaged Property is located, the perfection, the effect of perfection and non-perfection and foreclosure of security interests on personal property, which matters shall be governed by the laws of the jurisdiction determined by the choice of law provisions of the Uniform Commercial Code in effect for the jurisdiction in which any Borrower is organized. Borrower agrees that any controversy arising under or in relation to the Notes, the Security Documents (other than the Security Instruments), or any other Loan Document shall be, except as otherwise provided herein, litigated in the District of Columbia. The local and federal courts and authorities with jurisdiction in the District of Columbia shall, except as otherwise provided herein, have jurisdiction over all controversies which may arise under or in relation to the Loan Documents, including those controversies relating to the execution, jurisdiction, breach, enforcement, or compliance with the Notes, the Security Documents (other than the Security Instruments), or any other issue arising under, relating to, or in connection with any of the Loan Documents. Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any litigation arising from the Notes, the Security Documents, or any of the other Loan Documents, and waives any other venue to which it might be entitled by virtue of domicile, habitual residence, or otherwise. Nothing contained herein, however, shall prevent Lender from bringing any suit, action, or proceeding or exercising any rights against Borrower and against the collateral in any other jurisdiction. Initiating such suit, action, or proceeding or taking such action in any other jurisdiction shall in no event constitute a waiver of the agreement contained herein that the laws of the District of Columbia shall govern the rights and obligations of Borrower and Lender as provided herein or the submission herein by Borrower to personal jurisdiction within the District of Columbia.

Section . **Waiver of Jury Trial.**

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH OF BORROWER AND LENDER (a) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS MASTER AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR THE RELATIONSHIP BETWEEN THE PARTIES AS BORROWER AND LENDER, THAT IS TRIABLE OF RIGHT BY A JURY AND (b) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL

Section . **Notice.**

(eq) **Process of Serving Notice.**

Except as otherwise set forth herein or in any other Loan Document, all notices under this Master Agreement and any other Loan Document shall be:

- (1) in writing and shall be:
 - (A) delivered, in person;
 - (B) mailed, postage prepaid, either by registered or certified delivery, return receipt requested;
 - (C) sent by overnight courier; or
 - (D) sent by electronic mail with originals to follow by overnight courier;

(2) addressed to the intended recipient at Borrower's Notice Address and Lender's Notice Address, as applicable; and

- (3) deemed given on the earlier to occur of:
 - (A) the date when the notice is received by the addressee; or
 - (B) if the recipient refuses or rejects delivery, the date on which the notice is so refused or rejected, as conclusively established by the records of the United States Postal Service or such express courier service.

(er) **Change of Address.**

Any party to this Master Agreement may change the address to which notices intended for it are to be directed by means of notice given to the other parties identified on the Summary of Master Terms in accordance with this Section 15.03 (Notice).

(es) **Default Method of Notice.**

Any required notice under this Master Agreement or any other Loan Document which does not specify how notices are to be given shall be given in accordance with this Section 15.03 (Notice).

(et) **Receipt of Notices.**

Neither Borrower nor Lender shall refuse or reject delivery of any notice given in accordance with this Master Agreement. Each party is required to acknowledge, in writing, the receipt of any notice upon request by the other party.

Section . **Successors and Assigns Bound; Sale of Advances.**

(eu) **Binding Agreement.**

This Master Agreement shall bind, and the rights granted by this Master Agreement shall inure to, the successors and assigns of Lender and the permitted successors and assigns of Borrower. However, a Transfer not permitted by this Master Agreement shall be an Event of Default and shall be void ab initio.

(ev) **Sale of Advances; Change of Servicer.**

Nothing in this Master Agreement shall limit Lender's (including its successors and assigns) right to sell or transfer the Advances or any interest in the Advances. The Advances or a partial interest in the Advances (together with this Master Agreement and the other Loan Documents) may be sold one or more times without prior written notice to Borrower. A sale may result in a change of the Loan Servicer.

Section . **Counterparts.**

This Master Agreement may be executed in any number of counterparts with the same effect as if the parties hereto had signed the same document and all such counterparts shall be construed together and shall constitute one instrument.

Section . **Intentionally Deleted.**

Section . **Relationship of Parties; No Third Party Beneficiary.**

(ew) **Solely Creditor and Debtor.**

The relationship between Lender and Borrower shall be solely that of creditor and debtor, respectively, and nothing contained in this Master Agreement shall create any other relationship between Lender and Borrower. Nothing contained in this Master Agreement shall constitute Lender as a joint venturer, partner, or agent of Borrower, or render Lender liable for any debts, obligations, acts, omissions, representations, or contracts of Borrower.

(ex) **No Third Party Beneficiaries.**

No creditor of any party to this Master Agreement and no other Person shall be a third party beneficiary of this Master Agreement or any other Loan Document or any account created or contemplated under this Master Agreement or any other Loan Document. Nothing contained in this Master Agreement shall be deemed or construed to create an obligation on the part of Lender to any third party nor shall any third party have a right to enforce against Lender any right that Borrower may have under this Master Agreement. Without limiting the foregoing:

- (1) any Servicing Arrangement between Lender and any Loan Servicer shall constitute a contractual obligation of such Loan Servicer that is independent of the obligation of Borrower for the payment of the Indebtedness;
- (2) Borrower shall not be a third party beneficiary of any Servicing Arrangement; and
- (3) no payment by the Loan Servicer under any Servicing Arrangement will reduce the amount of the Indebtedness.

Section . **Severability; Entire Agreement; Amendments.**

The invalidity or unenforceability of any provision of this Master Agreement or any other Loan Document shall not affect the validity or enforceability of any other provision of this Master Agreement or of any other Loan Document, all of which shall remain in full force and effect, including the Guaranty. This Master Agreement contains the complete and entire agreement among the parties as to the matters covered, rights granted and the obligations assumed in this Master Agreement. This Master Agreement may not be amended or modified except by written agreement signed by the parties hereto.

Section . **Construction.**

- (a) The captions and headings of the sections of this Master Agreement and the Loan Documents are for convenience only and shall be disregarded in construing this Master Agreement and the Loan Documents.
- (b) Any reference in this Master Agreement to an "Exhibit" or "Schedule" or a "Section" or an "Article" shall, unless otherwise explicitly provided, be construed as referring, respectively, to an Exhibit or Schedule attached to this Master Agreement or to a Section or Article of this Master Agreement.
- (c) Any reference in this Master Agreement to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time.
- (d) Use of the singular in this Master Agreement includes the plural and use of the plural includes the singular.
- (e) As used in this Master Agreement, the term "including" means "including, but not limited to" or "including, without limitation," and is for example only and not a limitation.
- (f) Whenever Borrower's knowledge is implicated in this Master Agreement or the phrase "to Borrower's knowledge" or a similar phrase is used in this Master Agreement, Borrower's knowledge or such phrase(s) shall be interpreted to mean to the best of Borrower's knowledge after reasonable and diligent inquiry and investigation.
- (g) Unless otherwise provided in this Master Agreement, if Lender's approval, designation, determination, selection, estimate, action, or decision is required, permitted, or contemplated hereunder, such approval, designation, determination, selection, estimate, action, or decision shall be made in Lender's sole and absolute discretion.

(h) All references in this Master Agreement to a separate instrument or agreement shall include such instrument or agreement as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(i) "Lender may" shall mean at Lender's discretion, but shall not be an obligation.

Section . **Loan Servicing.**

All actions regarding the servicing of the Advances, including the collection of payments, the giving and receipt of notice, inspections of the Mortgaged Properties, inspections of books and records, and the granting of consents and approvals, may be taken by the Loan Servicer unless Borrower receives notice to the contrary. If Borrower receives conflicting notices regarding the identity of the Loan Servicer or any other subject, any such notice from Lender shall govern. The Loan Servicer may change from time to time (whether related or unrelated to a sale of the Advances). If there is a change of the Loan Servicer, Borrower will be given notice of the change.

Section . **Disclosure of Information.**

Lender may furnish information regarding Borrower, Key Principal or Guarantor or the Mortgaged Properties to third parties with an existing or prospective interest in the servicing, enforcement, evaluation, performance, purchase, or securitization of the Advances, including trustees, master servicers, special servicers, rating agencies, and organizations maintaining databases on the underwriting and performance of multifamily mortgage loans. Borrower irrevocably waives any and all rights it may have under Applicable Law to prohibit such disclosure, including any right of privacy.

Section . **Waiver; Conflict.**

No specific waiver of any of the terms of this Master Agreement shall be considered as a general waiver. If any provision of this Master Agreement is in conflict with any provision of any other Loan Document, the provision contained in this Master Agreement shall control.

Section . **[Intentionally Deleted.]**

Section . **No Reliance.**

Borrower acknowledges, represents, and warrants that:

- (a) it understands the nature and structure of the transactions contemplated by this Master Agreement and the other Loan Documents;
- (b) it is familiar with the provisions of all of the documents and instruments relating to such transactions;
- (c) it understands the risks inherent in such transactions, including the risk of loss of all or any part of any Mortgaged Property;
- (d) it has had the opportunity to consult counsel; and
- (e) it has not relied on Lender for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by this Master Agreement or any other Loan Document or otherwise relied on Lender in any manner in connection with interpreting, entering into, or otherwise in connection with this Master Agreement, any other Loan Document, or any of the matters contemplated hereby or thereby.

Section . **Subrogation.**

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

Section . **Counting of Days.**

Except where otherwise specifically provided, any reference in this Master Agreement to a period of “days” means calendar days, not Business Days. If the date on which Borrower is required to perform an obligation under this Master Agreement is not a Business Day, Borrower shall be required to perform such obligation by the Business Day immediately preceding such date; provided, however, in respect of any Payment Date, or if the Maturity Date is other than a Business Day, Borrower shall be obligated to make such payment by the Business Day immediately following such date.

Section . **Revival and Reinstatement of Indebtedness.**

If the payment of all or any part of the Indebtedness by Borrower, Guarantor, or any other Person, or the transfer to Lender of any collateral or other property should for any reason subsequently be declared to be void or voidable under any state or federal law relating to creditors’ rights, including provisions of the Insolvency Laws relating to a Voidable Transfer, and if Lender is required to repay or restore, in whole or in part, any such Voidable Transfer, or elects to do so upon the advice of its counsel, then the amount of such Voidable Transfer or the amount of such Voidable Transfer that Lender is required or elects to repay or restore, including all reasonable costs, expenses, and attorneys’ fees incurred by Lender in connection therewith, and the Indebtedness shall be automatically revived, reinstated, and restored by such amount and shall exist as though such Voidable Transfer had never been made.

Section . **Time is of the Essence.**

Borrower agrees that, with respect to each and every obligation and covenant contained in this Master Agreement and the other Loan Documents, time is of the essence.

Section . **Final Agreement.**

THIS MASTER AGREEMENT ALONG WITH ALL OF THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Master Agreement and the other Loan Documents. This Master Agreement, the other Loan Documents, and any of their provisions may not be waived, modified, amended, discharged, or terminated except by an agreement in writing signed by the party against which the enforcement of the waiver, modification, amendment, discharge, or termination is sought, and then only to the extent set forth in that agreement.

Section . **Survival.**

The representations, warranties, and covenants made by Borrower in this Master Agreement shall survive the execution and delivery of this Master Agreement and other Loan Documents, regardless of any investigation made by Lender or Fannie Mae.

Section . **Assignments; Third-Party Rights.**

Lender may assign its rights and/or obligations under this Master Agreement separately or together, without Borrower’s consent, only to Fannie Mae. Upon assignment to Fannie Mae, Fannie Mae shall be permitted to further assign its rights under this Master Agreement separately or together, without Borrower’s consent. Fannie Mae shall have the right to hold, sell, or securitize the Advances made hereunder without Borrower’s consent.

Section . **Interpretation.**

The parties hereto acknowledge that each party and their respective counsel have participated in the drafting and revision of this Master Agreement and the Loan Documents. Accordingly, the parties agree that

any rule of construction that disfavors the drafting party shall not apply in the interpretation of this Master Agreement and the Loan Documents or any amendment or supplement or Exhibit hereto or thereto.

[Remainder of Page Intentionally Blank]

Master Credit Facility Agreement
Signature Page

Form 6001.MCFA
03-16

Page S-10
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IN WITNESS WHEREOF, Borrower and Lender have signed and delivered this Master Agreement under seal (where applicable) or have caused this Master Agreement to be signed and delivered under seal (where applicable) by their duly authorized representatives. Where Applicable Law so provides, Borrower and Lender intend that this Master Agreement shall be deemed to be signed and delivered as a sealed instrument.

BORROWER:

SUN APPLE CREEK LLC, a Michigan limited liability company

By: Sun FM2016 LLC, a Delaware limited liability company, its sole Member

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership, its sole Member

By: Sun Communities, Inc., a Maryland corporation, its General Partner

By: /s/ Karen J. Dearing (SEAL)
Name: Karen J. Dearing
Title: Executive Vice President

SUN BELL CROSSING LLC, a Michigan limited liability company

By: Sun FM2016 LLC, a Delaware limited liability company, its sole Member

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership, its sole Member

By: Sun Communities, Inc., a Maryland corporation, its General Partner

By: /s/ Karen J. Dearing (SEAL)
Name: Karen J. Dearing
Title: Executive Vice President

SUN BOULDER RIDGE LLC, a Michigan limited liability company

By: Sun FM2016 LLC, a Delaware limited liability company, its sole Member

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership, its sole Member

By: Sun Communities, Inc., a Maryland corporation, its General Partner

By: /s/ Karen J. Dearing (SEAL)

Name: Karen J. Dearing

Title: Executive Vice President

ASPEN-BRENTWOOD PROJECT, LLC, a Michigan limited liability company

By: Sun FM2016 LLC, a Delaware limited liability company, its sole Member

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership, its sole Member

By: Sun Communities, Inc., a Maryland corporation, its General Partner

By: /s/ Karen J. Dearing (SEAL)

Name: Karen J. Dearing

Title: Executive Vice President

SUN CAVE CREEK LLC, a Michigan limited liability company

By: Sun FM2016 LLC, a Delaware limited liability company, its sole Member

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership, its sole Member

By: Sun Communities, Inc., a Maryland corporation, its General Partner

By: /s/ Karen J. Dearing (SEAL)

Name: Karen J. Dearing

Title: Executive Vice President

SUN COUNTRYSIDE LAKE LANIER LLC, a Michigan limited liability company

By: Sun FM2016 LLC, a Delaware limited liability company, its sole Member

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership, its sole Member

By: Sun Communities, Inc., a Maryland corporation, its General Partner

By: /s/ Karen J. Dearing (SEAL)

Name: Karen J. Dearing

Title: Executive Vice President

SUN CUTLER ESTATES LLC, a Michigan limited liability company

By: Sun FM2016 LLC, a Delaware limited liability company, its sole Member

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership, its sole Member

By: Sun Communities, Inc., a Maryland corporation, its General Partner

By: /s/ Karen J. Dearing (SEAL)

Name: Karen J. Dearing

Title: Executive Vice President

ASPEN-GRAND PROJECT, LLC, a Michigan limited liability company

By: Sun FM2016 LLC, a Delaware limited liability company, its sole Member

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership, its sole Member

By: Sun Communities, Inc., a Maryland corporation, its General Partner

By: /s/ Karen J. Dearing (SEAL)

Name: Karen J. Dearing

Title: Executive Vice President

SUN HAMLIN LLC, a Michigan limited liability company

By: Sun FM2016 LLC, a Delaware limited liability company, its sole Member

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership, its sole Member

By: Sun Communities, Inc., a Maryland corporation, its General Partner

By: /s/ Karen J. Dearing (SEAL)

Name: Karen J. Dearing

Title: Executive Vice President

SUN HAWAIIAN HOLLY LLC, a Michigan limited liability company

By: Sun FM2016 LLC, a Delaware limited liability company, its sole Member

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership, its sole Member

By: Sun Communities, Inc., a Maryland corporation, its General Partner

By: /s/ Karen J. Dearing (SEAL)

Name: Karen J. Dearing

Title: Executive Vice President

HOLIDAY WEST VILLAGE MOBILE HOME PARK, LLC, a Michigan limited liability company

By: Sun FM2016 LLC, a Delaware limited liability company, its sole Member

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership, its sole Member

By: Sun Communities, Inc., a Maryland corporation, its General Partner

By: /s/ Karen J. Dearing (SEAL)

Name: Karen J. Dearing

Title: Executive Vice President

SUN MEADOWBROOK FL LLC, a Michigan limited liability company

By: Sun FM2016 LLC, a Delaware limited liability company, its sole Member

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership, its sole Member

By: Sun Communities, Inc., a Maryland corporation, its General Partner

By: /s/ Karen J. Dearing (SEAL)

Name: Karen J. Dearing

Title: Executive Vice President

SUN OAKCREST LLC, a Michigan limited liability company

By: Sun FM2016 LLC, a Delaware limited liability company, its sole Member

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership, its sole Member

By: Sun Communities, Inc., a Maryland corporation, its General Partner

By: /s/ Karen J. Dearing (SEAL)

Name: Karen J. Dearing

Title: Executive Vice President

SUN PINE RIDGE LLC, a Michigan limited liability company

By: Sun FM2016 LLC, a Delaware limited liability company, its sole Member

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership, its sole Member

By: Sun Communities, Inc., a Maryland corporation, its General Partner

By: /s/ Karen J. Dearing (SEAL)

Name: Karen J. Dearing

Title: Executive Vice President

SUN SCIO FARMS LLC, a Michigan limited liability company

By: Sun FM2016 LLC, a Delaware limited liability company, its sole Member

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership, its sole Member

By: Sun Communities, Inc., a Maryland corporation, its General Partner

By: /s/ Karen J. Dearing (SEAL)

Name: Karen J. Dearing

Title: Executive Vice President

SUN VILLA MHC LLC, a Michigan limited liability company

By: Sun FM2016 LLC, a Delaware limited liability company, its sole Member

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership, its sole Member

By: Sun Communities, Inc., a Maryland corporation, its General Partner

By: /s/ Karen J. Dearing (SEAL)

Name: Karen J. Dearing

Title: Executive Vice President

WAVERLY SHORES VILLAGE MOBILE HOME PARK, LLC, a Michigan limited liability company

By: Sun FM2016 LLC, a Delaware limited liability company, its sole Member

By: Sun Communities Operating Limited Partnership, a Michigan limited partnership, its sole Member

By: Sun Communities, Inc., a Maryland corporation, its General Partner

By: /s/ Karen J. Dearing (SEAL)

Name: Karen J. Dearing

Title: Executive Vice President

LENDER:

REGIONS BANK, a state banking corporation organized under the laws of the State of Alabama

By: /s/ John Zielke (SEAL)
Name: John Zielke
Title: Managing Director

Master Credit Facility Agreement
Schedule 1 (Definitions Schedule)

Form 6001.MCFA
03-16

Page 33
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**SCHEDULE 1 TO
MASTER CREDIT FACILITY AGREEMENT**

Definitions Schedule

Capitalized terms used in this Master Agreement have the meanings given to such terms in this Definitions Schedule.

“Accrued Interest” means unpaid interest, if any, on the Advances Outstanding that has not been added to the unpaid principal balance of the Advances pursuant to Section 2.03(b) (Capitalization of Accrued But Unpaid Interest) of this Master Agreement.

“Acquiring Person” means a “person” or “group of persons” within the meaning of Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended.

“Addition” has the meaning set forth in Section 2.10(c) (Right to Add Additional Mortgaged Properties as Collateral).

“Addition Request” means a written request, substantially in the form of Exhibit D to this Master Agreement, to add Additional Mortgaged Properties to the Collateral Pool as set forth in Section 2.10(c) (Right to Add Additional Mortgaged Properties as Collateral).

“Additional Borrower” means the owner of an Additional Mortgaged Property, which entity has been approved by Lender and becomes a Borrower under this Master Agreement and the applicable Loan Documents, and its permitted successors and assigns, which owner must demonstrate to the satisfaction of Lender that:

(a) Additional Borrower is a Single Purpose entity;

(b) the general partner or sole member or managing member (as applicable) of the Additional Borrower is a Single Purpose entity (provided that the same Single Purpose entity may serve as the general partner or sole member or managing member (as applicable) of all Borrowers);

(c) Additional Borrower is directly or indirectly wholly-owned and Controlled by Guarantor; and

(d) Additional Borrower is not a Prohibited Person.

“Additional Due Diligence Fee Deposit” means the deposit made by Borrower to Lender with respect to each proposed Additional Mortgaged Property in an amount equal to \$20,000 per Additional Mortgaged Property. On or prior to the applicable Effective Date, Lender shall notify Borrower of the actual amount of the Additional Due Diligence Fees and Borrower shall, on the Effective Date, pay to Lender the remainder of such Additional Due Diligence Fees (if the actual amount of the Additional Due Diligence Fees exceeds the deposit and the other amounts previously paid to Lender by Borrower) or Lender shall promptly refund to Borrower any amounts paid to Lender by Borrower in excess of the Additional Due Diligence Fees (if the actual amount of the Additional Due Diligence Fees is less than the deposit and the other amounts previously paid to Lender by Borrower).

“Additional Due Diligence Fees” means with respect to each proposed Additional Mortgaged Property an amount equal to the actual costs of Lender’s due diligence for such Additional Mortgaged Properties, including but not limited to third party reports required by Lender **plus** a non-refundable \$10,000 processing fee per Additional Mortgaged Property payable by Borrower to Lender. Borrower shall pay the Additional Due Diligence Fee Deposit towards the Additional Due Diligence Fees.

“Additional Lender Repairs” means repairs of the type listed on the Required Repair Schedule but not otherwise identified thereon that are determined advisable by Lender to keep the Mortgaged Property in good order and repair (ordinary wear and tear excepted) and in good marketable condition or to prevent deterioration of the Mortgaged Property.

“Additional Lender Replacements” means replacements of the type listed on the Required Replacement Schedule but not otherwise identified thereon that are determined advisable by Lender to keep the Mortgaged Property in good order and repair (ordinary wear and tear excepted) and in good marketable condition or to prevent deterioration of the Mortgaged Property.

“Additional Mortgaged Property” means each Multifamily Residential Property owned by Borrower or an Additional Borrower (either in fee simple or as tenant under a ground lease meeting all of the Underwriting and Servicing Requirements) and added to the Collateral Pool after the Initial Effective Date in connection with an Addition or a Substitution pursuant to Section 2.10(c) (Right to Add Additional Mortgaged Properties as Collateral) or Section 2.10(d) (Right to Substitutions).

“Additional Origination Fee” means an origination fee equal to fifty (50) basis points (0.50%) multiplied by the Future Advance.

“Adjustable Rate” has the meaning set forth in the applicable Schedule of Advance Terms.

“Advance” means a Variable Advance and/or a Fixed Advance.

“Advance Year” has the meaning set forth in the applicable Schedule of Advance Terms.

“Affiliated Homes” mean any tenant-occupied Manufactured Homes now or hereafter owned by any Person Controlled by, under common Control with, or which Controls, any Borrower Entity.

“Aggregate Debt Service Coverage Ratio” means, for any specified period, the ratio (expressed as a percentage) of--

(a) the Net Operating Income for the Mortgaged Properties for the preceding number of months as determined pursuant to the Underwriting and Servicing Requirements;

to

(b) the Facility Debt Service for the specified period.

“**Aggregate Loan to Value Ratio**” means, for any specified date, the ratio (expressed as a percentage) of--

(a) the Advances Outstanding on the specified date,

to

(b) the sum of (i) the aggregate of the Valuations most recently obtained prior to the specified date for all of the Mortgaged Properties, plus (ii) any Substitution Deposit being held by Lender as of such specified date.

“**Allocable Facility Amount**” means the most recently determined amount of the then Advances Outstanding allocated to a particular Mortgaged Property by Lender in accordance with the Underwriting and Servicing Requirements and as required by this Master Agreement.

“**Alterations**” has the meaning set forth in Section 6.02(f) (Alterations to the Mortgaged Property).

“**Alternate Coverage and LTV Tests**” means, for any specified date, each of the following financial tests:

(a) The Aggregate Debt Service Coverage Ratio is not less than 1.55:1.0 with respect to the amount of the Fixed Advances, and 1.30:1.0 with respect to the amount of the Variable Advances.

(b) The Aggregate Loan to Value Ratio does not exceed fifty-five percent (55%).

“**Amortization Period**” means the period of thirty (30) years.

“**Amortization Type**” has the meaning set forth in the applicable Schedule of Advance Terms.

“**Applicable Index**” means (a) with respect to any Variable Structured ARM Advance, either One Month LIBOR or Three Month LIBOR as set forth in the applicable Schedule of Advance Terms, or (b) with respect to any other Variable Advance, the index pursuant to which the Adjustable Rate is determined, as set forth in the applicable Schedule of Advance Terms.

“**Applicable Law**” means (a) all applicable provisions of all constitutions, statutes, rules, regulations and orders of all governmental bodies, all Governmental Approvals and all orders, judgments and decrees of all courts and arbitrators, (b) all zoning, building, environmental and other laws, ordinances, rules, regulations and restrictions of any Governmental Authority affecting the ownership, management, use, operation, maintenance or repair of the Mortgaged Properties, including the Americans with Disabilities Act (if applicable), the Manufactured Housing Construction and Safety Standards Act of 1974, the Fair Housing Amendment Act of 1988 and Environmental Laws, (c) any building permits or any conditions, easements, rights-of-way, covenants, restrictions of record or any recorded or unrecorded agreement affecting or concerning any Mortgaged Property, planned development permits, condominium declarations, and reciprocal easement and regulatory agreements with any Governmental Authority affecting or concerning any Mortgaged Property, (d) all laws, ordinances, rules and regulations, whether in the form of rent control, rent stabilization or otherwise, that limit or impose conditions on the amount of rent that may be collected from the units of a Mortgaged Property, and (e) requirements of insurance companies or similar organizations, affecting the operation or use of any Mortgaged Property or the consummation of the transactions to be effected by this Master Agreement or any of the other Loan Documents.

“Appraisal” means an appraisal of Multifamily Residential Property conforming to the Underwriting and Servicing Requirements.

“Appraised Value” means the value set forth in an Appraisal.

“Approved Acquiring Person” means any Person who (a) has a net worth of at least \$500,000,000 and liquid assets of at least \$50,000,000, (b) owns, directly or indirectly, manufactured housing communities comprising at least a total of 15,000 manufactured home sites, and (c) within the immediately preceding ten (10) year period has not been the primary controlling party on a loan acquired in whole or in part by Lender where the borrower (i) has defaulted on the loan, (ii) filed a voluntary bankruptcy, (iii) contested a foreclosure or forfeiture proceeding initiated by Lender, or (iv) otherwise engaged in adversarial litigation with Lender; provided that an Approved Acquiring Person shall not be a Prohibited Person or any Person that is not in compliance with all applicable Economic Sanctions laws and regulations.

“Bank Secrecy Act” means the Bank Secrecy Act of 1970, as amended (e.g., 31 U.S.C. Sections 5311-5330).

“Bankruptcy Code” means Title 11 of the United States Code entitled “Bankruptcy” as now and hereafter in effect, or any successor statute.

“Bankruptcy Event” means any one or more of the following:

(a) the commencement, filing or continuation of a voluntary case or proceeding under one or more of the Insolvency Laws by any Borrower Entity or Identified Party seeking to take advantage of any other laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, debt adjustment, winding up or composition or adjustment of debts;

(b) the acknowledgment in writing by any Borrower Entity or Identified Party (other than to Lender in connection with a workout) that it is unable to pay its debts generally as they mature;

(c) the making of a general assignment for the benefit of creditors by any Borrower Entity or Identified Party;

(d) the commencement, filing or continuation of an involuntary case or proceeding under one or more Insolvency Laws against any Borrower Entity or Identified Party;

(e) the appointment of a receiver (other than a receiver appointed at the direction or request of Lender under the terms of the Loan Documents), liquidator, custodian, sequestrator, trustee or other similar officer who exercises Control over Borrower or any substantial part of the assets of any Borrower Entity or Identified Party; or

(f) any action by a Borrower Entity or Identified Party for the purpose of effecting any of the foregoing, provided, however, that any proceeding or case under (d) or (e) above shall not be a Bankruptcy Event until the ninetieth (90th) day after filing (if not earlier dismissed) so long as such proceeding or case occurred without the consent, encouragement, active participation or the failure to object in a timely and appropriate manner by any Borrower Entity or Identified Party (in which event such case or proceeding shall be a Bankruptcy Event immediately).

“Borrower” means individually (and jointly and severally if more than one), the Initial Borrower and any Additional Borrower becoming a party to this Master Agreement and any other Loan Documents, together with their permitted successors and assigns.

“Borrower Affiliate” means:

(a) any Person that owns any direct ownership interest in any Borrower Entity or Identified Party but excluding any Person directly or indirectly owning any public stock of Guarantor or limited partnership interests in Guarantor with no other direct or indirect ownership interest in Borrower, provided such Person has no right to Control Borrower or Guarantor;

(b) any Person that indirectly owns, with the power to vote, twenty percent (20%) or more of the ownership interests in any Borrower Entity or Identified Party;

(c) any Person Controlled by, under common Control with, or which Controls, any Borrower Entity or Identified Party;

(d) any entity in which any Borrower Entity or Identified Party directly or indirectly owns, with the power to vote, twenty percent (20%) or more of the ownership interests in such entity; or

(e) any other individual that is related (to the third degree of consanguinity) by blood or marriage to any Borrower Entity or Identified Party.

“Borrower Agent” means SCOLP.

“Borrower Entity” means, individually and collectively, Borrower, Guarantor and Key Principal.

“Borrower Requested Repairs” means repairs not listed on the Required Repair Schedule requested by Borrower to be reimbursed from the Repairs Escrow Account and determined advisable by Lender to keep the Mortgaged Property in good order and repair and in a good marketable condition or to prevent deterioration of the Mortgaged Property.

“Borrower Requested Replacements” means replacements not listed on the Required Replacement Schedule requested by Borrower to be reimbursed from the Replacement Reserve Account and determined advisable by Lender to keep the Mortgaged Property in good order and repair and in a good marketable condition or to prevent deterioration of the Mortgaged Property.

“Borrower’s General Business Address” has the meaning set forth in the Summary of Master Terms.

“Borrower’s Notice Address” has the meaning set forth in the Summary of Master Terms.

“Business Day” means any day other than (a) a Saturday, (b) a Sunday, (c) a day on which Lender is not open for business, or (d) a day on which the Federal Reserve Bank of New York is not open for business.

“Calendar Quarter” means, with respect to any year, any of the following three (3) month periods: (a) January-February-March; (b) April-May-June; (c) July-August-September; and (d) October-November-December.

“Calendar Year” means the twelve (12) month period from the first day of January to and including the last day of December, and each twelve (12) month period thereafter.

“Cap Security Agreement” means, individually and collectively, with respect to any Interest Rate Cap, a reserve, hedge assignment and security agreement between Borrower and Lender, for the benefit of Lender in the form required by Fannie Mae from time to time, which will be issued by Borrower to Lender concurrently with the funding of a Variable Advance requiring an Interest Rate Cap.

“**Capitalization Rate**” means, for each Mortgaged Property, a rate selected by Lender in accordance with the Underwriting and Servicing Requirements for use in determining the Valuations.

“**Cash Collateral Account**” means the cash collateral account established pursuant to the Cash Collateral Agreement.

“**Cash Collateral Agreement**” means a cash collateral pledge, security and custody agreement in the form approved by Fannie Mae by and among Fannie Mae, Borrower and a collateral agent for Fannie Mae, as the same may be amended, modified or supplemented from time to time.

“**Collateral**” means the Mortgaged Properties and other collateral from time to time or at any time encumbered by the Security Instruments, or any other property securing Borrower’s obligations under the Loan Documents.

“**Collateral Account**” means any account designated by Lender as such pursuant to a Collateral Agreement or as established pursuant to this Master Agreement, including the Reserve/Escrow Account and any Cash Collateral Account.

“**Collateral Account Funds**” means, collectively, the funds on deposit in any or all of the Collateral Accounts, including the Reserve/Escrow Account Funds and any funds in any Cash Collateral Account.

“**Collateral Agreement**” means any separate agreement between Borrower and Lender for the establishment of any other fund, reserve or account.

“**Collateral Event**” means, individually and collectively, a Release, Substitution, Addition, Future Advance, and/or Conversion.

“**Collateral Pool**” means all of the Collateral.

“**Completion Period**” has the meaning set forth in the Summary of Master Terms.

“**Compliance Certificate**” means a certificate of Borrower substantially in the form of Exhibit K to this Master Agreement.

“**Condemnation Action**” has the meaning set forth in the Security Instrument.

“**Confirmation of Environmental Indemnity Agreement**” means a confirmation of the Environmental Indemnity Agreement executed by Borrower in connection with any Request after the Initial Effective Date, substantially in the form of Exhibit J to this Master Agreement.

“**Confirmation of Guaranty**” means a confirmation of the Guaranty executed by Guarantor in connection with any Request after the Initial Effective Date, substantially in the form of Exhibit I to this Master Agreement.

“**Confirmation of Obligations**” means a Confirmation of Obligations executed by Borrower and Guarantor in connection with any Request after the Initial Effective Date, pursuant to which Borrower and Guarantor confirm their obligations under the Loan Documents substantially in the form of Exhibit M to this Master Agreement.

“Contribution Agreement” means the Contribution Agreement by and among Initial Borrower and each Additional Borrower, required by Lender and satisfying Lender’s requirements, as the same may be amended, restated, modified or supplemented from time to time.

“Control” (including with correlative meanings, such as “Controlling,” “Controlled by” and “under common Control with”) means, as applied to any entity, the possession, directly or indirectly, of the power to direct or cause the direction of the management and operations of such entity, whether through the ownership of voting securities or other ownership interests, by contract or otherwise.

As used herein, a **“change of Control”** means:

- (a) Sun ceases to Control SCOLP or any Person that directly or indirectly Controls SCOLP;
- (b) SCOLP ceases to Control Sun SPE Member or any Person that directly or indirectly Controls Sun SPE Member;
- (c) Sun SPE Member ceases to control Borrower or any Person that directly or indirectly Controls Borrower; or
- (d) Acquiring Person (other than an Approved Acquiring Person) becomes (by acquisition, consolidation or merger), directly or indirectly, the beneficial owner of more than forty-nine percent (49%) of the total Voting Equity Capital (or of any other Securities or Ownership Interest) of any Borrower, Sun SPE Member, Sun, or SCOLP then outstanding.

“Conversion” means the conversion of all or a portion of a Variable Note to a Fixed Note pursuant to the Conversion Schedule.

“Conversion Amendment” means an amendment to this Master Agreement and the appropriate Schedules reflecting the Conversion of all or any portion of a Variable Note to a Fixed Note as set forth in Section 2.10(a) (Conversion from Variable Note to Fixed Note).

“Conversion Availability Period” means with respect to a Conversion of any applicable Variable Advance, subject to the provisions of Section 2.03(a)(5) (Maturity Dates), the date beginning on the first day of the month following twelve (12) complete months after the Effective Date of such Variable Advance and ending on the earlier of (a) the first day of the third month prior to the Maturity Date of such Variable Advance or (b) the first day of the month following the date ten (10) years after the Initial Effective Date.

“Conversion Documents” means the Conversion Amendment, together with an amendment to each Security Document if required by Lender and other applicable Loan Documents, in form and substance satisfactory to Lender, reflecting the Conversion of a Variable Note to a Fixed Note pursuant to Section 2.10(a) (Conversion from Variable Note to Fixed Note).

“Conversion Fee” means a fee in the amount of \$20,000 for each Conversion requested.

“Conversion Request” means a written request, substantially in the form of Exhibit B to this Master Agreement, to convert all or any portion of a Variable Note to a Fixed Note pursuant to Section 2.10(a) (Conversion from Variable Note to Fixed Note).

“Conversion Schedule” means Schedule 9 attached to this Master Agreement.

“Coverage and LTV Tests” means, for any specified date, each of the following financial tests:

(a) The Aggregate Debt Service Coverage Ratio is not less than 1.25:1.0 with respect to the amount of the Fixed Advances, and 1.00:1.0 with respect to the amount of the Variable Advances.

(b) The Aggregate Loan to Value Ratio does not exceed eighty percent (80%).

“**Credit Score**” means a numerical value or a categorization derived from a statistical tool or modeling system used to measure credit risk and predict the likelihood of certain credit behaviors, including default.

“**Current Index**” has the meaning set forth in applicable Schedule of Advance Terms.

“**Debt Service Amounts**” means the Monthly Debt Service Payments and all other amounts payable under this Master Agreement, the Note, the Security Instrument or any other Loan Document.

“**Debt Service Coverage Ratio**” means, for any Mortgaged Property for any specified period, the ratio (expressed as a percentage) of --

(a) the Net Operating Income for the specified period for the preceding number of months as determined pursuant to the Underwriting and Servicing Requirements;

to

(b) the Facility Debt Service for the specified period, assuming, for the purpose of calculating the Facility Debt Service of this definition, that Advances Outstanding shall be the Allocable Facility Amount, in each case, for the subject Mortgaged Property.

“**Default Rate**” means an interest rate equal to the lesser of:

(a) the sum of the Interest Rate plus four (4) percentage points; or

(b) the maximum interest rate which may be collected from Borrower under Applicable Law.

“**Definitions Schedule**” means this Schedule 1 (Definitions Schedule - General) to this Master Agreement.

“**Economic Sanctions**” means any economic or financial sanction administered or enforced by the United States Government (including, without limitation, those administered by OFAC at <http://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx>), the U.S. Department of Commerce, or the U.S. Department of State.

“**Effective Date**” means the Initial Effective Date and each date after the Initial Effective Date on which the funding or other transaction requested in a Request takes place.

“**Employee Benefit Plan**” means a plan described in Section 3(3) of ERISA, regardless of whether the plan is subject to ERISA.

“**Enforcement Costs**” has the meaning set forth in the Security Instrument.

“**Environmental Indemnity Agreement**” means that certain Environmental Indemnity Agreement dated as of the Effective Date made by Borrower to and for the benefit of Lender, as the same may be amended, restated, replaced, supplemented, or otherwise modified from time to time.

“**Environmental Inspections**” has the meaning set forth in the Environmental Indemnity Agreement.

“**Environmental Laws**” has the meaning set forth in the Environmental Indemnity Agreement.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended from time to time and the regulations promulgated thereunder.

“**ERISA Affiliate**” shall mean, with respect to Borrower, any entity that, together with Borrower, would be treated as a single employer under Section 414(b) or (c) of the Internal Revenue Code, or Section 4001(a)(14) of ERISA, or the regulations thereunder.

“**ERISA Plan**” means any employee pension benefit plan within the meaning of Section 3(2) of ERISA (or related trust) that is subject to the requirements of Title IV of ERISA, Sections 430 or 431 of the Internal Revenue Code, or Sections 302, 303, or 304 of ERISA, which is maintained or contributed to by Borrower or its ERISA Affiliates.

“**Event of Default**” means the occurrence of any event listed in Section 14.01 (Events of Default).

“**Exceptions to Representations and Warranties Schedule**” means that certain Schedule 16 (Exceptions to Representations and Warranties) to this Master Agreement.

“**Facility Debt Service**” means, as of any date, for all purposes other than determining the Strike Rate, the sum of the amount of interest and principal amortization that would be payable during the applicable period determined by Lender immediately succeeding the date of determination, except that:

(a) each Variable Structured ARM Advance to be obtained shall be deemed to require level monthly payments of principal and interest (at an interest rate equal to (1) the Applicable Index, plus (2) the Margin (or until rate locked, the indicative pricing, as determined pursuant to the Underwriting and Servicing Requirements), plus (3) a stressed underwriting margin of 300 basis points (3.00%) or such lower stressed underwriting margin determined pursuant to the Underwriting and Servicing Requirements, plus (4) any Monthly Cap Escrow Payment) in an amount necessary to fully amortize the original principal amount of the Variable Structured ARM Advance over the Amortization Period;

(b) each Variable Structured ARM Advance Outstanding shall be deemed to require level monthly payments of principal and interest (at an interest rate equal to (1) the Strike Rate applicable to such Advance based on the weighted average of the Strike Rate for all Outstanding Interest Rate Caps, plus (2) the Margin, plus (3) any Monthly Cap Escrow Payment) in an amount necessary to fully amortize the original principal amount of the Variable Structured ARM Advance over the Amortization Period;

(c) each Fixed Advance to be obtained or Variable Advance to be converted shall be deemed to require level monthly payments of principal and interest (at an interest rate equal to the sum of the base United States Treasury Index Rate for securities having a maturity substantially similar to the maturity of the Fixed Advance, plus the Fixed Fee (or until rate locked, the estimated Fixed Fee as determined pursuant to the Underwriting and Servicing Requirements)) in an amount necessary to fully amortize the original principal amount of the Fixed Advance over the Amortization Period; and

(d) each Fixed Advance Outstanding shall be deemed to require level monthly payments of principal and interest (at the Interest Rate for such Fixed Advance as set forth in the Schedule of Advance Terms) in an amount necessary to fully amortize the original principal amount of such Fixed Advance over the Amortization Period.

“**Facility Year**” means the twelve (12) month period from the first day of the first calendar month after the Initial Effective Date to and including the last day before the first anniversary of the Initial Effective Date, and each twelve (12) month period thereafter.

“**Fannie Mae**” means the corporation duly organized and existing under the laws of the United States.

“**First Anniversary**” means the date that is the first day of the month following the date one (1) year after the Initial Effective Date.

“**First Payment Date**” has the meaning set forth in the applicable Schedule of Advance Terms.

“**First Principal and Interest Payment Date**” has the meaning set forth in the applicable Schedule of Advance Terms.

“**Fixed Advance**” means a fixed rate loan made by Lender to Borrower under this Master Agreement evidenced by a Fixed Note.

“**Fixed Fee**” means for any Fixed Advance, the number of basis points per annum determined at the time of funding of such Fixed Advance by Lender as the Fixed Fee for such Fixed Advance.

“**Fixed Note**” means the promissory note (together with all schedules, riders, allonges, addenda, renewals, extensions, amendments and modifications thereto), which will be issued by Borrower to Lender, concurrently with the funding of each Fixed Advance, and which promissory note will be the same or substantially similar in form to the then current form of promissory note utilized by Fannie Mae for fixed rate loans with the applicable type of loan execution.

“**Fixed Monthly Principal Component**” has the meaning set forth in the applicable Schedule of Advance Terms.

“**Fixed Rate**” has the meaning set forth in the applicable Schedule of Advance Terms.

“**Fixtures**” has the meaning set forth in the Security Instrument.

“**Force Majeure**” shall mean acts of God, acts of war, civil disturbance, governmental action or inaction (including the revocation or refusal to grant licenses or permits, where such revocation or refusal is not due to the fault of Borrower), strikes, lockouts, fire, unavoidable casualties or any other causes beyond the reasonable control of Borrower (other than lack of financing), and of which Borrower shall have notified Lender in writing within ten (10) days after its occurrence.

“**Foreclosure Event**” means:

(a) foreclosure under the Security Instrument;

(b) any other exercise by Lender of rights and remedies (whether under the Security Instrument or under Applicable Law, including Insolvency Laws) as holder of the Note and/or the Security Instrument, as a result of which Lender (or its designee or nominee) or a third party purchaser becomes owner of a Mortgaged Property;

(c) delivery by Borrower to Lender (or its designee or nominee) of a deed or other conveyance of Borrower’s interest in a Mortgaged Property in lieu of any of the foregoing; or

(d) in Louisiana, any dation en paiement.

“Future Advance” means an Advance made after the Initial Effective Date pursuant to Section 2.02(c)(2) (Future Advances) including any refinance of an Advance.

“Future Advance Request” means a written request for a Future Advance, substantially in the form of Exhibit E to this Master Agreement.

“Future Advance Schedule” means Schedule 14 attached to this Master Agreement.

“GAAP” means generally accepted accounting principles in the United States in effect from time to time, consistently applied.

“General Conditions” means those conditions set forth on Schedule 7 attached hereto.

“General Conditions Schedule” means that certain Schedule 7 (General Conditions Schedule) to this Master Agreement.

“Geographical Diversification and Asset Concentration Requirements” means the requirement that:

(a) the percentage of Manufactured Home Sites in the Collateral Pool located within a flood zone, as delineated on the then-current National Flood Hazard Layer map, does not exceed twenty five percent (25%);

(b) the percentage of Borrower’s Homes together with all Affiliated Homes in the Collateral Pool does not exceed twenty five percent (25%);

(c) the percentage of Borrower’s Homes together with all Affiliated Homes at any Additional Mortgaged Property added to the Collateral Pool after the Initial Effective Date does not exceed thirty five percent (35%); and

(d) the aggregate Allocable Facility Amount for Mortgaged Properties located in the state of Michigan does not exceed fifty percent (50%) of the Advances Outstanding.

“Goods” has the meaning set forth in the Security Instrument.

“Governmental Approval” means an authorization, permit, consent, approval, license, registration or exemption from registration or filing with, or report to, any Governmental Authority.

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

“Gross Revenues” means, for any specified period, all income in respect of each Mortgaged Property as reflected on the certified operating statement for such specified period as adjusted to exclude unusual income (e.g. temporary or nonrecurring income), income not allowed by Lender pursuant to the Underwriting and Servicing Requirements (e.g. interest income, furniture income, etc.), and the value of any unreflected concessions.

“Guarantor” means, individually and collectively, any guarantor of the Indebtedness or any other obligation of Borrower under any Loan Document which must be a Key Principal.

“Guarantor’s General Business Address” has the meaning set forth in the Summary of Master Terms.

“Guarantor’s Notice Address” has the meaning set forth in the Summary of Master Terms.

“Guaranty” means, individually and collectively, any Payment Guaranty, Non-Recourse Guaranty or other guaranty executed by Guarantor in connection with this Master Agreement.

“Hedging Arrangement” means any interest rate swap, interest rate cap or other arrangement, contractual or otherwise, which has the effect of an interest rate swap or interest rate cap or which otherwise (directly or indirectly, derivatively or synthetically) hedges interest rate risk associated with being a debtor of variable rate debt or any agreement or other arrangement to enter into any of the above on a future date or after the occurrence of one or more events in the future.

“Identified Party” means, individually and collectively, (a) Borrower’s general partners, sole member, managing members and managers (if non-member managed), and (b) any Person Controlling Borrower, Guarantor, Key Principal or Borrower’s general partners, sole members, managing members or managers (if non-member managed) but excluding the individuals comprising the Board of Managers of Borrower or any Person Controlling Borrower and any Persons directly or indirectly owning any public stock of Guarantor or limited partnership interests in Guarantor with no other direct or indirect ownership interest in Borrower, provided such Person has no right to Control Borrower or Guarantor.

“Immediate Family Members” means a child, stepchild, grandchild, spouse, sibling, or parent, each of whom is not a Prohibited Person.

“Imposition Deposits” has the meaning set forth in the Security Instrument.

“Impositions” has the meaning set forth in the Security Instrument.

“Improvements” has the meaning set forth in the Security Instrument.

“Indebtedness” has the meaning set forth in the Security Instrument.

“Index” has the meaning set forth in the applicable Schedule of Advance Terms.

“Individual Property Coverage and LTV Tests” means each of the following tests:

(a) the Debt Service Coverage Ratio is not less than 1.25:1.0 with respect to any Fixed Advance and 1.00:1.0 with respect to any Variable Advance; and

(b) the Loan to Value Ratio does not exceed eighty percent (80%); provided, however, in connection with a Substitution, the Loan to Value Ratio does not exceed seventy-five percent (75%).

“Initial Adjustable Rate” for an Advance has the meaning set forth in the applicable Schedule of Advance Terms.

“Initial Advance” means the Fixed Advance and/or Variable Advance made on the Initial Effective Date in the aggregate amount of \$338,030,000.

“Initial Allocable Facility Amount” means the initial Allocable Facility Amount for each of the Initial Mortgaged Properties as set forth in [Exhibit A](#) to this Master Agreement.

“Initial Borrower” means each Borrower under this Master Agreement as of the Initial Effective Date.

“Initial Effective Date” means the date of this Master Agreement.

“Initial Monthly Debt Service Payment” has the meaning set forth in the applicable Schedule of Advance Terms.

“Initial Mortgaged Properties” means the Multifamily Residential Properties described on Exhibit A to this Master Agreement and which represent the Mortgaged Properties that are made part of the Collateral Pool on the Initial Effective Date.

“Initial Replacement Reserve Deposit” has the meaning set forth in the Summary of Master Terms.

“Initial Valuation” means, when used with reference to specified Collateral, the Valuation initially performed for the Collateral as of the date on which the Collateral was added to the Collateral Pool. The Initial Valuation for each of the Initial Mortgaged Properties is as set forth in Exhibit A to this Master Agreement.

“Insolvency Laws” means the Bankruptcy Code, together with any other federal or state law affecting debtor and creditor rights or relating to the bankruptcy, insolvency, reorganization, arrangement, moratorium, readjustment of debt, dissolution, liquidation or similar laws, proceedings, or equitable principles affecting the enforcement of creditors’ rights, as amended from time to time.

“Insolvent” means:

(a) that the sum total of all of a specified Person’s liabilities (whether secured or unsecured, contingent or fixed, or liquidated or unliquidated) is in excess of the value of such Person’s non-exempt assets, i.e., all of the assets of such Person that are available to satisfy claims of creditors (provided that for the purposes of determining liability for each Borrower under this definition, liability for the Advances Outstanding under this Master Agreement shall mean the then current Allocable Facility Amount attributable to the Mortgaged Property owned by each Borrower); or

(b) such Person’s inability to pay its debts as they become due (provided that for the purposes of determining debt for each Borrower under this definition, liability for the Advances Outstanding under this Master Agreement shall mean the then current Allocable Facility Amount attributable to the Mortgaged Property owned by each Borrower).

“Insurance Policy” means, with respect to any Mortgaged Property, the insurance coverage and insurance certificates evidencing such insurance required to be maintained pursuant to this Master Agreement.

“Intended Prepayment Date” means the date upon which Borrower intends to make a prepayment on an Advance, as set forth in the Prepayment Notice, which date must be a Permitted Prepayment Date.

“Interest Accrual Method” has the meaning set forth in the applicable Schedule of Advance Terms.

“Interest Only Term” has the meaning set forth in the applicable Schedule of Advance Terms.

“Interest Rate” means with respect to a Fixed Advance, the Fixed Rate, or with respect to a Variable Advance, the Initial Adjustable Rate and the Adjustable Rate, each as set forth in the applicable Schedule of Advance Terms.

“Interest Rate Cap” has the meaning set forth in Section 2.03(a)(2)(B)(vi) (Interest Accrual and Computation; Amortization; Interest Rate Cap).

“Interest Rate Cap Documents” means the Cap Security Agreement and any and all other documents required pursuant thereto or hereto or as Lender shall require from time to time in connection with Borrower’s obligation to maintain an Interest Rate Cap when a Variable Advance is Outstanding.

“Interest Rate Type” has the meaning set forth in the applicable Schedule of Advance Terms.

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended.

“Investor” means any Person to whom Lender intends to (a) sell, transfer, deliver or assign the Advances in the secondary mortgage market or (b) sell an MBS backed by the Advances.

“Issuer” means a financial institution satisfactory to Fannie Mae issuing a Letter of Credit.

“Key Principal” means, collectively:

(a) the natural Person(s) or entity that Controls Borrower that Lender determines is critical to the successful operation and management of Borrower and the Mortgaged Property, as identified as such in the Summary of Master Terms; or

(b) any natural Person or entity who becomes a Key Principal after the date of this Master Agreement and is identified as such in an assumption agreement, or another amendment or supplement to this Master Agreement.

“Key Principal’s General Business Address” has the meaning set forth in the Summary of Master Terms.

“Key Principal’s Notice Address” has the meaning set forth in the Summary of Master Terms.

“Land” means the land described in Exhibit A to the Security Instrument.

“Last Interest Only Payment Date” has the meaning set forth in the applicable Schedule of Advance Terms.

“Late Charge” means an amount equal to the delinquent amount then due under the Loan Documents multiplied by five percent (5%).

“Leases” has the meaning set forth in the Security Instrument.

“Lender” means the entity identified as “Lender” in the first paragraph of this Master Agreement and its transferees, successors and assigns, or any subsequent holder of the Note.

“Lender’s General Business Address” has the meaning set forth in the Summary of Master Terms.

“Lender’s Notice Address” has the meaning set forth in the Summary of Master Terms.

“Lender’s Payment Address” has the meaning set forth in the Summary of Master Terms.

“Letter of Credit” means a letter of credit issued by an Issuer satisfactory to Fannie Mae naming Fannie Mae as beneficiary, in form and substance approved by Lender and Fannie Mae.

“Letter of Credit Schedule” means Schedule 15 attached to this Master Agreement.

“LIBOR” means One Month LIBOR or Three Month LIBOR, as specified by the Current Index set forth in the applicable Schedule of Advance Terms.

“**Lien**” has the meaning set forth in the Security Instrument.

“**Loan Application**” means the application for the Advances submitted by Borrower to Lender.

“**Loan Document Taxes**” has the meaning set forth in Section 5.02(f) (Loan Taxes).

“**Loan Documents**” means the Note, this Master Agreement, the Security Instrument, the Environmental Indemnity Agreement, the Guaranty, all guaranties, all indemnity agreements, all Collateral Agreements, all O&M Plans, and any other documents now or in the future executed by Borrower, Guarantor, Key Principal, any other guarantor or any other Person in connection with the Advances, as such documents may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“**Loan Servicer**” means the entity that from time to time is designated by Lender to collect payments and deposits and receive notices under the Note, this Master Agreement, the Security Instrument and any other Loan Document, and otherwise to service the Advances for the benefit of Lender. Unless Borrower receives notice to the contrary, the Loan Servicer shall be Lender originally named on the Summary of Master Terms.

“**Loan to Value Ratio**” means, for a Mortgaged Property, for any specified date, the ratio (expressed as a percentage) of --

(a) the Allocable Facility Amount of the subject Mortgaged Property on the specified date,

to

(b) the Valuation most recently obtained prior to the specified date for the subject Mortgaged Property.

“**Management Agreement**” means any future management agreement approved by Lender.

“**Margin**” means the “Margin” set forth in the applicable Schedule of Advance Terms, which includes the Variable Fee.

“**Master Agreement**” means this Master Credit Facility Agreement, as it may be amended, restated, supplemented or otherwise modified from time to time, including all Recitals, Schedules and Exhibits to this Master Agreement, each of which is hereby incorporated into this Master Agreement by this reference.

“**Material Adverse Effect**” means, with respect to any circumstance, act, condition or event of whatever nature (including any adverse determination in any litigation, arbitration, or governmental investigation or proceeding), whether singularly or in conjunction with any other event or events, act or acts, condition or conditions, or circumstance or circumstances, whether or not related, a material adverse change in or a materially adverse effect upon any of

(a) the business, operations, property or condition (financial or otherwise) of any Borrower Entity, to the extent specifically referred to in the applicable provision of the applicable Loan Document;

(b) the present or future ability of Borrower to perform the obligations of Borrower under this Master Agreement and the other Loan Documents, or of Guarantor to perform its obligations under the Guaranty, as the case may be, to the extent specifically referred to in the applicable provision of the applicable Loan Document;

(c) the validity, priority, perfection or enforceability of this Master Agreement or any other Loan Document or the rights or remedies of Lender under any Loan Document; or

(d) the value of, or Lender's ability to have recourse against, any Mortgaged Property.

“Material Commercial Lease” means any Lease that is not a Residential Lease and which is:

- (a) a Lease comprising five percent (5%) or more of total gross income of any Mortgaged Property on an annualized basis;
- (b) a master Lease (which term “master Lease” shall include any master Lease to a single corporate tenant);
- (c) a cell tower Lease;
- (d) a solar (power) Lease;
- (e) a solar power purchase agreement; or
- (f) a Lease of oil, gas, or mineral rights.

“Maturity Date” for any Advance has the meaning set forth in the applicable Schedule of Advance Terms.

“Maximum Inspection Fee” has the meaning set forth in the Summary of Master Terms.

“Maximum Repair Cost” shall be the amount(s) set forth in the Required Repair Schedule, if any.

“Maximum Repair Disbursement Interval” has the meaning set forth in the Summary of Master Terms.

“Maximum Replacement Reserve Disbursement Interval” has the meaning set forth in the Summary of Master Terms.

“MBS” means an investment security that represents an undivided beneficial interest in a pool of mortgage loans or participation interests in mortgage loans held in trust pursuant to the terms of a governing trust document.

“Mezzanine Debt” means a loan to a direct or indirect owner of Borrower secured by a pledge of such owner's interest in an entity owning a direct or indirect interest in Borrower.

“Minimum Repairs Disbursement Amount” has the meaning set forth in the Summary of Master Terms.

“Minimum Replacement Reserve Disbursement Amount” has the meaning set forth in the Summary of Master Terms.

“Monthly Cap Escrow Payment” shall have the same meaning as the term “Monthly Deposit” in the Cap Security Agreement.

“Monthly Debt Service Payment” has the meaning set forth in the applicable Schedule of Advance Terms.

“Monthly Replacement Reserve Deposit” has the meaning set forth in the Summary of Master Terms.

“**Moody’s**” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, if such successors and assigns shall continue to perform the functions of a securities rating agency.

“**Mortgaged Property**” individually has the meaning set forth in the Security Instrument and collectively means the Initial Mortgaged Properties and the Additional Mortgaged Properties, but excluding each Release Mortgaged Property from and after the date of its Release from the Collateral Pool.

“**Mortgaged Property Addition Schedule**” means Schedule 11 attached to this Master Agreement.

“**Mortgaged Property Release Schedule**” means Schedule 10 attached to this Master Agreement.

“**Mult employer Plan**” shall mean a multiemployer plan within the meaning of Section 4001(a)(3) or Section 3(37) of ERISA (a) to which Borrower or any ERISA Affiliate is making or accruing an obligation to make contributions; (b) to which Borrower or any ERISA Affiliate has in the past made contributions; or (c) with respect to which Borrower or any ERISA Affiliate could incur liability.

“**Multifamily Project Address**” has the meaning set forth in the Summary of Master Terms.

“**Multifamily Residential Property**” means a manufactured housing community located in the United States and conforming to the Underwriting and Servicing Requirements.

“**National Flood Hazard Layer**” means the digital database that contains flood hazard mapping data published from time to time by the Federal Emergency Management Agency (FEMA).

“**Net Operating Income**” means, for any specified period determined by Lender with respect to any Mortgaged Property, the net income during such period equal to Gross Revenues during such period less the aggregate Operating Expenses during such period.

“**Non-Recourse Guaranty**” means, if applicable, that certain Guaranty of Non-Recourse Obligations of even date herewith executed by Guarantor to and for the benefit of Lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“**Note**” means, individually and collectively, each Fixed Note and/or each Variable Note.

“**O&M Plan**” has the meaning set forth in the Environmental Indemnity Agreement.

“**OFAC**” means the United States Treasury Department, Office of Foreign Assets Control, and any successor thereto.

“**One Month LIBOR**” means the ICE Benchmark Administration Limited (or any successor administrator) fixing of the London Inter-Bank Offered Rate for 1-month U.S. Dollar-denominated deposits as reported by Reuters through electronic transmission. If the Index is no longer available, or is no longer posted through electronic transmission, Lender will choose a new index that is based upon comparable information and provide notice thereof to Borrower.

“**Operating Expenses**” means, for any period, all expenses in respect of any Mortgaged Property, as determined pursuant to the Underwriting and Servicing Requirements.

“**Organizational Certificate**” means, collectively, certificates from Borrower and Guarantor to Lender, in the form of Exhibits L-1 and L-2 to this Master Agreement, certifying as to certain organizational matters with respect to each Borrower and Guarantor.

“**Organizational Documents**” means all certificates, instruments, other documents and any amendments thereto in effect on the Initial Effective Date and the applicable Effective Date pursuant to which any Person is organized, operates or is governed, including (a) with respect to a corporation, its articles of incorporation and bylaws, (b) with respect to a limited partnership, its limited partnership certificate and partnership agreement, (c) with respect to a general partnership or joint venture, its partnership or joint venture agreement, (d) with respect to a limited liability company, its articles of organization and operating agreement, in each case all amendments, supplements and modifications thereto, and (e) any other document that affects the Control of, or the ability to oversee the management and day-to-day operations of such Person.

“**Outstanding**” or “**outstanding**” means, when used in connection with promissory notes, other debt instruments or the Advances, for a specified date, promissory notes or other debt instruments which have been issued, or Advances which have been made, to the extent not repaid in full as of the specified date.

“**Ownership Interests**” means, with respect to any entity, any direct or indirect ownership interests in the entity and any economic rights (such as a right to distributions, net cash flow or net income) to which the owner of such ownership interests is entitled.

“**Ownership Interests Schedule**” means Schedule 13 attached to this Master Agreement.

“**Payment Change Date**” has the meaning set forth in the applicable Schedule of Advance Terms.

“**Payment Date**” means the First Payment Date and the first day of each month thereafter until the applicable Advance is fully paid.

“**Payment Guaranty**” means, if applicable, that certain Guaranty (Payment) of even date herewith executed by Guarantor to and for the benefit of Lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“**Permitted Encumbrance**” has the meaning set forth in the Security Instrument.

“**Permitted Mezzanine Debt**” means Mezzanine Debt incurred by a direct or indirect owner or owners of Borrower where the exercise of any of the rights and remedies by the holder or holders of the Mezzanine Debt would not in any circumstance cause (a) a change in Control in Borrower Entity, or (b) a Transfer of a direct or indirect Restricted Ownership Interest in Borrower Entity.

“**Permitted Preferred Equity**” means Preferred Equity that does not (a) require mandatory dividends, distributions, payments or returns (including at maturity or in connection with a redemption), but excluding Preferred Equity issued by Sun or SCOLP, or (b) provide the Preferred Equity owner with rights or remedies, the exercise of which would violate Article 11 (Liens, Transfers and Assumptions) of this Master Agreement.

“**Permitted Prepayment Date**” means the last Business Day of a calendar month.

“**Person**” means an individual, an estate, a trust, a corporation, a partnership, a limited liability company or any other organization or entity (whether governmental or private).

“**Personal Property**” means the Goods, accounts, choses of action, chattel paper, documents, general intangibles (including Software), payment intangibles, instruments, investment property, letter of credit

rights, supporting obligations, computer information, source codes, object codes, records and data, all telephone numbers or listings, claims (including claims for indemnity or breach of warranty), deposit accounts and other property or assets of any kind or nature related to the Land or the Improvements, including operating agreements, surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Land or the Improvements, and all other intangible property and rights relating to the operation of, or used in connection with, the Land or the Improvements, including all governmental permits relating to any activities on the Land.

“**Personalty**” has the meaning set forth in the Security Instrument.

“**Potential Event of Default**” means any event or circumstance that, with the giving of notice or the passage of time, or both, would constitute an Event of Default.

“**Preferred Equity**” means a direct or indirect equity ownership interest in, economic interests in, or rights with respect to, Borrower that provide an equity owner preferred dividend, distribution, payment, or return treatment relative to other equity owners.

“**Prepayment Lockout Period**” for any Advance has the meaning set forth in the applicable Schedule of Advance Terms.

“**Prepayment Notice**” means the written notice that Borrower is required to provide to Lender in accordance with Section 2.04 (Prepayment; Prepayment Lockout; Prepayment Premium) in order to make a prepayment on an Advance, which shall include, at a minimum, the Intended Prepayment Date.

“**Prepayment Premium**” means, individually, the amount payable by Borrower in connection with a prepayment of an Advance, as provided in Section 2.04 (Prepayment; Prepayment Lockout; Prepayment Premium) and calculated in accordance with the Prepayment Premium Schedule applicable to such Advance for such Advance, and, collectively, all amounts payable pursuant to all Prepayment Premium Schedules.

“**Prepayment Premium Period End Date**” or “**Yield Maintenance Period End Date**” for any Advance has the meaning set forth in the applicable Schedule of Advance Terms.

“**Prepayment Premium Period Term**” or “**Yield Maintenance Period Term**” for any Advance has the meaning set forth in the applicable Schedule of Advance Terms.

“**Prepayment Premium Schedule**” means, individually and collectively, Schedule 4 (Prepayment Premium) to this Master Agreement for each Advance.

“**Prepayment Premium Term**” for any Advance has the meaning set forth in the applicable Schedule of Advance Terms.

“**Prohibited Person**” means:

(a) any Person with whom Lender or Fannie Mae is prohibited from doing business pursuant to any law, rule, regulation, judicial proceeding or administrative directive; or

(b) any Person identified on the United States Department of Housing and Urban Development’s “Limited Denial of Participation, HUD Funding Disqualifications and Voluntary Abstentions List,” or on the General Services Administration’s “System for Award Management (SAM)” exclusion list, each of which may be amended from time to time, and any successor or replacement thereof; or

(c) any Person that is determined by Fannie Mae to pose an unacceptable credit risk due to the aggregate amount of debt of such Person owned or held by Fannie Mae; or

(d) any Person that has caused any unsatisfactory experience of a material nature with Fannie Mae or Lender, such as a default, fraud, intentional misrepresentation, litigation, arbitration or other similar act.

“**Property Delivery Deadline**” has the meaning set forth in the Mortgaged Property Addition Schedule.

“**Property Jurisdiction**” has the meaning set forth in the Security Instrument.

“**Property Manager**” means any property manager approved by Lender.

“**Property-Related Documents**” has the meaning set forth on Schedule 8 attached to this Master Agreement.

“**Property-Related Documents Schedule**” means Schedule 8 attached to this Master Agreement.

“**Publicly-Held Corporation**” means a corporation, the outstanding voting stock of which is registered under Sections 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended.

“**Publicly-Held Trust**” means a real estate investment trust, the outstanding voting shares or beneficial interests of which are registered under Sections 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended.

“**Rate Change Date**” has the meaning set forth in the applicable Schedule of Advance Terms.

“**Release**” has the meaning set forth in Section 2.10(b) (Right to Obtain Releases of Mortgaged Property).

“**Release Documents**” mean instruments releasing the applicable Security Instrument as a Lien on a Mortgaged Property, and UCC-3 Termination Statements terminating the UCC-1 Financing Statements, and such other documents and instruments to evidence the Release of such Mortgaged Property from the Collateral Pool.

“**Release Fee**” means with respect to any Release effected in accordance with Section 2.10(b) (Right to Obtain Releases of Mortgaged Property), a fee in the amount of \$15,000 per Release Request.

“**Release Mortgaged Property**” means the Mortgaged Property to be released pursuant to Section 2.10(b) (Right to Obtain Releases of Mortgaged Property).

“**Release Price**” has the meaning set forth in the Mortgaged Property Release Schedule.

“**Release Request**” means a written request, substantially in the form of Exhibit C to this Master Agreement, to obtain a Release of Mortgaged Property from the Collateral Pool pursuant to Section 2.10(b) (Right to Obtain Releases of Mortgaged Property).

“**Remaining Amortization Period**” has the meaning set forth in the applicable Schedule of Advance Terms.

“**Remaining Mortgaged Properties**” has the meaning set forth in the Mortgaged Property Release Schedule.

“**Rent Roll**” means, with respect to any Mortgaged Property, a rent roll prepared and certified by the owner of such Mortgaged Property, on a form approved by Lender.

“**Rents**” has the meaning set forth in the Security Instrument.

“**Repair Threshold**” has the meaning set forth in the Summary of Master Terms.

“**Repairs**” means, individually and collectively, the Required Repairs, Borrower Requested Repairs, and Additional Lender Repairs.

“**Repairs Escrow Account**” means the account established by Lender into which the Repairs Escrow Deposit is deposited to fund the Repairs.

“**Repairs Escrow Account Administrative Fee**” has the meaning set forth in the Summary of Master Terms.

“**Repairs Escrow Deposit**” has the meaning set forth in the Summary of Master Terms.

“**Replacement Reserve Account**” means the account established by Lender into which the Replacement Reserve Deposits are deposited to fund the Replacements.

“**Replacement Reserve Account Administration Fee**” has the meaning set forth in the Summary of Master Terms.

“**Replacement Reserve Account Interest Disbursement Frequency**” has the meaning set forth in the Summary of Master Terms.

“**Replacement Reserve Deposits**” means the Initial Replacement Reserve Deposit, Monthly Replacement Reserve Deposits and any other deposits to the Replacement Reserve Account required by this Master Agreement.

“**Replacement Threshold**” has the meaning set forth in the Summary of Master Terms.

“**Replacements**” means, individually and collectively, the Required Replacements, Borrower Requested Replacements and Additional Lender Replacements.

“**Request**” means a Future Advance Request, an Addition Request, a Release Request, or a Conversion Request.

“**Request Opinion**” means a favorable opinion of counsel (including local counsel, as applicable) to Borrower, as to the due organization and qualification of Borrower, the due authorization, execution, delivery and enforceability of each Loan Document executed in connection with the applicable Request and such other matters as Lender may reasonably require, each dated as of the Effective Date for the Request, in form and substance satisfactory to Lender in all respects.

“**Required Repair Schedule**” means that certain Schedule 6 (Required Repair Schedule) to this Master Agreement.

“**Required Repairs**” means those items listed on the Required Repair Schedule.

“**Required Replacement Schedule**” means that certain Schedule 5 (Required Replacement Schedule) to this Master Agreement.

“**Required Replacements**” means those items listed on the Required Replacement Schedule.

“Rescinded Payment” has the meaning set forth in Section 3.12 (Preferences, Fraudulent Conveyances, Etc.) of this Master Agreement.

“Reserve/Escrow Account Funds” means, collectively, the funds on deposit in the Reserve/Escrow Accounts.

“Reserve/Escrow Accounts” means, together, the Replacement Reserve Account and the Repairs Escrow Account.

“Residential Lease” means a Lease of an individual Site and, for avoidance of doubt, shall not include any master Lease (which term “master Lease” includes any master Lease to a single corporate tenant).

“Restoration” means restoring and repairing the applicable Mortgaged Property to the equivalent of its physical condition immediately prior to the casualty or to a condition approved by Lender following a casualty.

“Restricted Ownership Interest” means:

(a) with respect to any Borrower and Sun SPE Member, the requirement that Sun and SCOLP, together, own directly or indirectly, at least:

(1) fifty-one percent (51%) of the voting interest of Borrower and Sun SPE Member; and

(2) forty percent (40%) of the equity, profits or other limited partnership interests or membership interests in, or Voting Equity Capital (or any other Securities or ownership interests) of Borrower and Sun SPE Member; and

(b) with respect to any Borrower, the requirement that Sun SPE Member own, directly or indirectly, one hundred percent (100%) of the Ownership Interests in Borrower.

“Re-Underwriting Fee” means a non-refundable fee of \$1,500 per Mortgaged Property then in the Collateral Pool in connection with any Request for a Future Advance under Section 2.02(c)(2)(B) (Making Advances).

“Review Fee” means the non-refundable fee of \$6,000 payable to Lender.

“S&P” means Standard & Poor’s Credit Markets Services, a division of The McGraw-Hill Companies, Inc., a New York corporation, and its successors and assigns, if such successors and assigns shall continue to perform the functions of a securities rating agency.

“Sanctioned Country” means a country subject to a comprehensive country-wide sanctions program administered and enforced by OFAC, which list is updated from time to time.

“Sanctioned Person” means (a) a Person named on the list of “Specially Designated Nationals and Blocked Persons” maintained by OFAC, available at <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>, or as otherwise published from time to time; (b) (1) an agency of the government of a Sanctioned Country, (2) an organization controlled by a Sanctioned Country, or (3) a Person resident in a Sanctioned Country, to the extent any Person described in clauses (1), (2) or (3) is the subject of a sanctions program administered by OFAC; and, (c) a Person whose property and interests in property are blocked pursuant to an Executive Order or regulations administered by OFAC consistent with the guidance issued by OFAC.

“**Schedule of Advance Terms**” means, individually and collectively as the context may require the Schedule(s) of Advance Terms attached to this Master Agreement as Schedule 3 as of the Initial Effective Date and as such Schedule shall be amended or supplemented with respect to any Future Advance.

“**SCOLP**” means Sun Communities Operating Limited Partnership, a Michigan limited partnership

“**Security**” or “**Securities**” means a “security” as set forth in Section 2(1) of the Securities Act of 1933, as amended.

“**Security Documents**” means the Security Instruments and any other documents executed by Borrower or Guarantor from time to time to secure any of Borrower’s or Guarantor’s obligations under the Loan Documents, as the same may be amended, restated, modified or supplemented from time to time.

“**Security Instrument**” means for each Mortgaged Property, a Multifamily Mortgage, Deed of Trust or Deed to Secure Debt, Assignment of Leases and Rents and Security Agreement given by a Borrower to or for the benefit of Lender to secure the obligations of Borrower under the Loan Documents. With respect to each Mortgaged Property owned by a Borrower, the Security Instrument shall be substantially in the form published by Fannie Mae for use in the state in which the Mortgaged Property is located. The amount secured by the Security Instrument shall be equal to the aggregate original principal amount of all Advances Outstanding in effect from time to time.

“**Selected Advance**” has the meaning set forth in Section (d) (Application of Release Price) of the Mortgaged Property Release Schedule.

“**Senior Management**” means (a) the Chief Executive Officer, Chairman of the Board, President, Chief Financial Officer and Chief Operating Officer of Sun, and (b) any other individuals with responsibility for any of the significant functions typically performed in a corporation by the officers described in clause (a)

“**Servicing Arrangement**” means any arrangement between Lender and the Loan Servicer for loss sharing or interim advancement of funds.

“**Single Purpose**” means compliance with Section 4.01(h) (Borrower Status - Representations and Warranties - Single Purpose Status) and Section 4.02(d) (Borrower Status - Covenants - Single Purpose Status) of this Master Agreement.

“**Staggered Substitution**” means a Substitution of Additional Mortgaged Property that occurs subsequent to the release of the Release Mortgaged Property.

“**Strike Rate**” means:

(a) In determining the Strike Rate for new Interest Rate Caps (other than replacement Interest Rate Caps) purchased in connection with Future Advances that are Variable Advances made under this Master Agreement, the Strike Rate shall be the lower of (x) the percentage approved by Lender and (y) the percentage derived by taking:

(1) the Net Operating Income for all Mortgaged Properties, minus

(A) the product of (i) 1.25 and (ii) the payment due on each Fixed Advance provided that:

(1) each Fixed Advance to be obtained shall be deemed to require level monthly payments of principal and interest (at an interest rate equal to (A) the base United States Treasury Index Rate for securities having a maturity substantially similar to the maturity of the Fixed Advance, plus (B) the Fixed Fee (or until rate locked, the estimated Fixed Fee as determined pursuant to the Underwriting and Servicing Requirements)) in an amount necessary to fully amortize the original principal amount of the Fixed Advance over the Amortization Period (provided, however, if there are no principal payments due on a Fixed Advance during the Interest Rate Cap term for which the Strike Rate is being calculated, then the payments relating to such Fixed Advance shall not be required to include principal amortization for purposes of this calculation);

(2) each Fixed Advance Outstanding shall be deemed to require level monthly payments of principal and interest as set forth in the Schedule of Advance Terms, (provided, however, if there are no principal payments due on a Fixed Advance during the Interest Rate Cap term for which the Strike Rate is being calculated, then the payments relating to such Fixed Advance shall not be required to include principal amortization for purposes of this calculation);

minus

(B) the product of (i) 1.00 and (ii) the payment due on each Variable Structured ARM Advance Outstanding, provided that each Variable Structured ARM Advance Outstanding shall be deemed to require monthly payments of principal and interest (at an interest rate equal to (1) the weighted average Strike Rate for all outstanding Interest Rate Caps plus (2) the principal component of the Variable Structured ARM Advance payment(s) equal to the Fixed Monthly Principal Component as set forth in the Schedule of Advance Terms plus (3) the Margin applicable to such non-replacement Interest Rate Caps plus (4) the Monthly Cap Escrow Payments, if any, for the succeeding twelve (12) month period) (provided, however, if there are no principal payments due on a Variable Structured ARM Advance during the Interest Rate Cap term for which the Strike Rate is being calculated, then the payments relating to such Variable Structured ARM Advance shall not be required to include principal amortization for purposes of this calculation). Notwithstanding the foregoing, if there are Variable Structured ARM Advances Outstanding for which there are no Interest Rate Caps outstanding at the time of the calculation, then such Variable Advances shall be included in (3) below;

divided by

(2) 1.00

divided by

(3) the total of all Variable Advances to be obtained or Variable Advances Outstanding, that were not included in (a)(1)(B), at the time of the calculation of the Strike Rate

minus

(4) the amortization factor for all Variable Advances to be obtained or Variable Advances Outstanding if principal is to be paid during the Interest Rate Cap term

minus

(5) the Margin (or for Variable Structured ARM Advances to be obtained, until rate locked, the indicative pricing as determined pursuant to the Underwriting and Servicing Requirements).

(b) In determining the Strike Rate for any replacement Interest Rate Cap purchased in connection with this Master Agreement pursuant to the Cap Security Agreement, the Strike Rate shall be the lower of (x) the percentage approved by Lender and (y) the percentage derived by taking:

(1) the Net Operating Income for all Mortgaged Properties, minus

(A) the product of (i) 1.25 and (ii) the payment due on each Fixed Advance provided that each Fixed Advance Outstanding shall be deemed to require level monthly payments of principal and interest (at the Interest Rate for such Fixed Advance as set forth in the Schedule of Advance Terms) in an amount necessary to fully amortize the original principal amount of such Fixed Advance over the Amortization Period, (provided, however, if there are no principal payments due on a Fixed Advance during the Interest Rate Cap term for which the Strike Rate is being calculated, then the payments relating to such Fixed Advance shall not be required to include principal amortization for purposes of this calculation)

minus

(B) the product of (i) 1.00 and (ii) the payment due on each Variable Structured ARM Advance Outstanding where the applicable Interest Rate Cap is not being replaced in connection with the calculation of the Strike Rate, provided that each Variable Structured ARM Advance Outstanding shall be deemed to require monthly payments of principal and interest (at an interest rate equal to (1) the weighted average Strike Rate for all outstanding Interest Rate Caps plus (2) the principal component of the Variable Structured ARM Advance payment(s) equal to the Fixed Monthly Principal Component as set forth in the Schedule of Advance Terms plus (3) the Margin applicable to such non-replacement Interest Rate Caps plus (4) the Monthly Cap Escrow Payments, if any, for the succeeding twelve (12) month period) (provided, however, if there are no principal payments due on a Variable Structured ARM Advance during the Interest Rate Cap term for which the Strike Rate is being calculated, then the payments relating to such Variable Structured ARM Advance shall not be required to include principal amortization for purposes of this calculation). Notwithstanding the foregoing, if there are Variable Structured ARM Advances Outstanding for which there are no Interest Rate Caps outstanding at the time of the calculation, then such Variable Advances shall be included in (3) below

divided by

(2) 1.00

divided by

(3) the total of all Variable Advances Outstanding, that were not included in (b)(1)(B), at the time of the calculation

minus

(4) the amortization factor for all Variable Advances to be obtained or Variable Advances Outstanding if principal is to be paid during the Interest Rate Cap term

minus

(5) the Margin (or for Variable Structured ARM Advances to be obtained, until rate locked, the indicative pricing as determined pursuant to the Underwriting and Servicing Requirements).

“**Substitution**” has the meaning set forth in Section 2.10(d) (Right to Substitutions).

“**Substitution Cost Deposit**” has the meaning set forth in the Mortgaged Property Release Schedule.

“**Substitution Costs**” has the meaning set forth in the Mortgaged Property Release Schedule.

“**Substitution Deposit**” has the meaning set forth in the Mortgaged Property Release Schedule.

“**Substitution Fee**” means with respect to any Substitution effected in accordance with Section 2.10(d) (Right to Substitutions), a fee in the amount which is 35 basis points (0.35%) multiplied by the Allocable Facility Amount of the Mortgaged Property being added in connection with the Substitution.

“**Summary of Master Terms**” means that certain Schedule 2 (Summary of Master Terms) to this Master Agreement.

“**Sun**” means Sun Communities, Inc., a Maryland corporation.

“**Sun SPE Member**” means Sun FM2016 LLC, a Delaware limited liability company.

“**Survey**” means the as-built survey of each Mortgaged Property prepared in accordance with the Underwriting and Servicing Requirements.

“**Taxes**” has the meaning set forth in the Security Instrument.

“**Term of this Master Agreement**” means the period beginning on the Initial Effective Date and ending on the Termination Date.

“**Termination Date**” means the earlier of (a) the date this Master Agreement is terminated pursuant to a Termination Request and (b) at any time during which Advances are Outstanding, the latest Maturity Date for any Advance Outstanding.

“**Termination Documents**” means the instruments releasing the Security Instruments as liens on the Mortgaged Properties, UCC-3 Termination Statements terminating the UCC-1 Financing Statements in favor of Lender, and such other documents and instruments necessary to evidence the release of the Collateral from any Lien securing the Indebtedness, and the Notes, all in connection with the termination of this Master Agreement pursuant to Section 2.11 (Termination of Master Agreement).

“**Termination Request**” means a written request, substantially in the form of Exhibit F to this Master Agreement, to terminate this Master Agreement pursuant to Section 2.11 (Termination of Master Agreement).

“**Three Month LIBOR**” means the ICE Benchmark Administration Limited (or any successor administrator) fixing of the London Inter-Bank Offered Rate for three (3) month U.S. Dollar-denominated deposits as

reported by Reuters through electronic transmission. If the Index is no longer available, or is no longer posted through electronic transmission, Lender will choose a new index that is based upon comparable information and provide notice thereof to Borrower.

“Title Company” means the title company which provides title insurance for the Mortgaged Property.

“Title Policy” means, individually and collectively, the mortgagee’s loan policies of title insurance issued by the Title Company from time to time in connection with the Advances and insuring the lien of the Security Instrument as set forth therein, as approved by Lender, including any endorsements attached thereto.

“Transfer” means:

(a) as used with respect to Ownership Interests, (1) a sale, assignment, pledge, grant or creation of a lien, encumbrance or security interest, transfer or other disposition (whether voluntary, involuntary, or by operation of law) in any right, title or interest in any Ownership Interest in a Borrower Entity or Identified Party, or (2) the issuance or other creation of new Ownership Interests in a Borrower Entity, or (3) a merger or consolidation of Borrower Entity or Identified Party into another entity or of another entity into Borrower Entity or Identified Party as the case may be, or (4) the conversion of a Borrower Entity or Identified Party from one type of entity to another type of entity, or (5) the amendment, modification or any other change in the governing instrument or instruments of Borrower Entity or Identified Party which has the effect of changing the relative powers, rights, privileges, voting rights or economic interests of the Ownership Interests in such Borrower Entity or Identified Party; or (6) the withdrawal, removal or involuntary resignation of any owner or manager of any Borrower Entity or Identified Party;

(b) as used with respect to a Mortgaged Property, (1) a sale, assignment, lease, pledge, transfer or other disposition (whether voluntary or by operation of law) other than Residential Leases, Material Commercial Leases or non-Material Commercial Leases permitted by this Master Agreement, or (2) a grant, pledge, creation or attachment of a lien (other than a Permitted Encumbrance), encumbrance or security interest (whether voluntary, involuntary, or by operation of law) in, any estate, rights, title or interest in the Mortgaged Property, or any portion thereof.

“Transfer Fee” means a fee equal to one percent (1%) of the unpaid principal balance of the Advances Outstanding (or such lesser amount as determined by Lender) payable to Lender.

“Treasury Regulations” means regulations, revenue rulings and other public interpretations of the Internal Revenue Code by the Internal Revenue Service, as such regulations, rulings and interpretations may be amended or otherwise revised from time to time.

“UCC” has the meaning set forth in the Security Instrument.

“UCC Collateral” has the meaning set forth in the Security Instrument.

“Underwriting and Servicing Requirements” means Lender’s overall requirements for Multifamily Residential Properties in connection with similar loans sold or anticipated to be sold to Fannie Mae, pursuant to Fannie Mae’s then current guidelines, including, requirements relating to appraisals, property condition assessments, environmental site assessments, and servicing and asset management, as such requirements may be amended, modified, updated, superseded, supplemented or replaced from time to time.

“Valuation” means, for any specified date, with respect to a Multifamily Residential Property, (a) if an Appraisal of the Multifamily Residential Property was more recently obtained by Lender than a Capitalization Rate for the Multifamily Residential Property, the Appraised Value of such Multifamily Residential Property,

or (b) if a Capitalization Rate for the Multifamily Residential Property was more recently obtained by Lender than an Appraisal of the Multifamily Residential Property, the value derived by dividing-

- (1) the Net Operating Income of such Multifamily Residential Property, by
- (2) the most recent Capitalization Rate determined by Lender.

Notwithstanding the foregoing, any Valuation for a Multifamily Residential Property calculated for a date occurring before the first anniversary of the date on which the Multifamily Residential Property becomes a part of the Collateral Pool shall equal the Appraised Value of such Multifamily Residential Property, unless Lender determines that changed market or property conditions warrant that the value be determined as set forth in the preceding sentence.

“Variable Advance” means any variable rate execution approved by Lender evidenced by a Variable Note.

“Variable Fee” means for any Variable Advance, the number of basis points per annum determined at the time of funding of such Variable Advance by Lender as the Variable Fee for such Variable Advance.

“Variable Note” means the promissory note (together with all schedules, riders, allonges, addenda, renewals, extensions, amendments and modifications thereto), which will be issued by Borrower to Lender, concurrently with the funding of each Variable Advance, and which promissory note will be the same or substantially similar in form to the then current form of promissory note utilized by Fannie Mae for variable rate loans with the applicable type of loan execution.

“Variable Structured ARM Advance” means a loan made by Lender to Borrower that is anticipated to be sold to Fannie Mae under the Fannie Mae Structured Adjustable Rate Mortgage Program.

“Voidable Transfer” means any fraudulent conveyance, preference or other voidable or recoverable payment of money or transfer of property.

“Voting Equity Capital” means Securities, partnership or member interests of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the board of directors (or Persons performing similar functions).

“Yield Maintenance Period End Date” or **“Prepayment Premium Period End Date”** for any Advance has the meaning set forth in the applicable Schedule of Advance Terms.

“Yield Maintenance Period Term” or **“Prepayment Premium Period Term”** for any Advance has the meaning set forth in the applicable Schedule of Advance Terms.

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**SCHEDULE 2 TO
MASTER CREDIT FACILITY AGREEMENT**

Summary of Master Terms

I.GENERAL PARTY AND MULTIFAMILY PROJECT INFORMATION

<p>Borrower</p>	<p>Sun Apple Creek LLC, a Michigan limited liability company</p> <p>Sun Bell Crossing LLC, a Michigan limited liability company</p> <p>Sun Boulder Ridge LLC, a Michigan limited liability company</p> <p>Aspen-Brentwood Project, LLC, a Michigan limited liability company</p> <p>Sun Cave Creek LLC, a Michigan limited liability company</p> <p>Sun Countryside Lake Lanier LLC, a Michigan limited liability company</p> <p>Sun Cutler Estates LLC, a Michigan limited liability company</p> <p>Aspen-Grand Project, LLC, a Michigan limited liability company</p> <p>Sun Hamlin LLC, a Michigan limited liability company</p> <p>Sun Hawaiian Holly LLC, a Michigan limited liability company</p> <p>Holiday West Village Mobile Home Park, LLC, a Michigan limited liability company</p> <p>Sun Meadowbrook FL LLC, a Michigan limited liability company</p> <p>Sun Oakcrest LLC, a Michigan limited liability company</p> <p>Sun Pine Ridge LLC, a Michigan limited liability company</p> <p>Sun Scio Farms LLC, a Michigan limited liability company</p> <p>Sun Villa MHC LLC, a Michigan limited liability company</p> <p>Waverly Shores Village Mobile Home Park, LLC, a Michigan limited liability company</p>
<p>Lender</p>	<p>Regions Bank, a state banking corporation organized under the laws of the State of Alabama</p>
<p>Key Principal</p>	<p>Sun Communities Operating Limited Partnership, a Michigan limited partnership</p> <p>Sun Communities, Inc., a Maryland corporation</p>
<p>Guarantor</p>	<p>Sun Communities Operating Limited Partnership, a Michigan limited partnership</p> <p>Sun Communities, Inc., a Maryland corporation</p>

<p>Multifamily Project</p>	<p>Apple Creek Bell Crossing Boulder Ridge Brentwood Cave Creek Countryside of Lake Lanier Cutler Estates Grand Hamlin Hawaiian Gardens & Holly Village Holiday West Village Meadowbrook Village Oak Crest Pine Ridge Scio Farms Sun Villa Estates Waverly Shores Village</p>
ADDRESSES	
Borrower's General Business Address	27777 Franklin Road, Suite 200, Southfield, MI 48034
Borrower's Notice Address	27777 Franklin Road, Suite 200, Southfield, MI 48034

<p>Multifamily Project Address</p>	<p><u>Apple Creek</u> 2191 State Route 125 Lot 57, Amelia, OH 45102</p> <p><u>Bell Crossing</u> 750 Dunlap Lane, Clarksville, TN, 37040</p> <p><u>Boulder Ridge</u> 3300 Killingsworth Lane, Pflugerville, TX 78660</p> <p><u>Brentwood</u> 201 60th Street SE, Kentwood, MI 49548</p> <p><u>Cave Creek</u> 3400 Sagebrush Boulevard, Evans, CO 80620</p> <p><u>Countryside of Lake Lanier</u> 4802 Lanier Islands Parkway, Buford, GA 30518</p> <p><u>Cutler Estates</u> 6471 Division Avenue S., Grand Rapids, MI 49548</p> <p><u>Grand</u> 6500 Division Avenue S., Grand Rapids, MI 49548</p> <p><u>Hamlin</u> 5325 and 5247 E. Van Orden Road, Webberville, MI 48892</p> <p><u>Hawaiian Gardens & Holly Village</u> 4261 and 4041 Grange Hall Road, Holly, MI 48442</p> <p><u>Holiday West Village</u> 3611 Butternut Drive, Holland, MI 49424</p> <p><u>Meadowbrook Village</u> 8920 Sheldon Road, Tampa, FL 33635</p> <p><u>Oak Crest</u> 7601 Daffan Lane, Austin TX 78724</p> <p><u>Pine Ridge</u> 400 Swift Street, Prince George, VA 23875</p> <p><u>Scio Farms</u> 6655 Jackson Road, Ann Arbor, MI 48103</p> <p><u>Sun Villa Estates</u> 91 Cabernet Parkway, Reno, NV 89512</p> <p><u>Waverly Shores Village</u> 11777 Riley Street, Holland, MI 49424</p>
<p>Key Principal's General Business Address</p>	<p>27777 Franklin Road, Suite 200, Southfield, MI 48034</p>
<p>Key Principal's Notice Address</p>	<p>27777 Franklin Road, Suite 200, Southfield, MI 48034</p>

Guarantor's General Business Address	27777 Franklin Road, Suite 200, Southfield, MI 48034
Guarantor's Notice Address	27777 Franklin Road, Suite 200, Southfield, MI 48034
Lender's General Business Address	1180 West Peachtree Street, NW, Suite 1400, Atlanta, GA 30309
Lender's Notice Address	1180 West Peachtree Street, NW, Suite 1400, Atlanta, GA 30309
Lender's Payment Address	Regions Bank c/o Berkadia Commercial Mortgage Lockbox # 9067 - P.O. Box 8500 Philadelphia, PA 19195-5310

II. RESERVE INFORMATION	
Completion Period	Within twelve (12) months after the Effective Date or as otherwise shown on the Required Repair Schedule (provided that life safety Repairs shall be completed prior to the Effective Date unless the Mortgaged Property is being acquired in an arm's-length transaction with an unrelated third party, in which case life safety Repairs shall be completed within one (1) month of the Effective Date).
Initial Replacement Reserve Deposit	As set forth on the Required Replacement Schedule
Maximum Inspection Fee	\$2,500
Maximum Repair Disbursement Interval	1 time per calendar month
Maximum Replacement Reserve Disbursement Interval	1 time per calendar month (deferred as of the Initial Effective Date)
Minimum Repairs Disbursement Amount	\$10,000
Minimum Replacement Reserve Disbursement Amount	\$5,000 (deferred as of the Initial Effective Date)
Monthly Replacement Reserve Deposit	As set forth on the Required Replacement Schedule
Repair Threshold	\$5,000
Repairs Escrow Account Administrative Fee	Reasonable and customary, per request
Repairs Escrow Deposit	As set forth on the Required Repair Schedule
Replacement Reserve Account Administration Fee	Reasonable and customary, per request
Replacement Reserve Account Interest Disbursement Frequency	Not applicable
Replacement Threshold	\$5,000

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**SCHEDULE 2-A TO
MASTER CREDIT FACILITY AGREEMENT**

**ADDENDA TO SCHEDULE 2 - SUMMARY OF MASTER TERMS
(Manufactured Housing Community)**

III.MANUFACTURED HOUSING COMMUNITY INFORMATION	
Mortgagee Property/Manufactured Community Name	Number of Sites
Apple Creek	176
Bell Crossing	237
Boulder Ridge	526
Brentwood	195
Cave Creek	447
Countryside of Lake Lanier	548
Cutler Estates	259
Grand	219
Hamlin	209
Hawaiian Gardens & Holly Village	425
Holiday West Village	341
Meadowbrook Village	257
Oak Crest	433
Pine Ridge	245
Scio Farms	913
Sun Villa Estates	324
Waverly Shores Village	326

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Master Credit Facility Agreement
Schedule 2-B (Addenda to Schedule 2 - Summary of
Master Terms - Replacement Reserve Deposits -
Deposits Partially or Fully Waived)

Form 6102.04 [modified]

Page 1

04-12

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**SCHEDULE 2-B TO
MASTER CREDIT FACILITY AGREEMENT**

**ADDENDA TO SCHEDULE 2 - SUMMARY OF MASTER TERMS
(Replacement Reserve Deposits - Deposits Partially or Fully Waived)**

IV.REPLACEMENT RESERVE - DEPOSITS PARTIALLY OR FULLY WAIVED	
Reduced Monthly Replacement Reserve Deposit	\$0

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**SCHEDULE 3.1 TO
 MASTER CREDIT FACILITY AGREEMENT**

Schedule of Advance Terms

V. INFORMATION FOR \$300,000,000 ADVANCE MADE JUNE 3, 2016	
Advance Amount	\$300,000,000
Advance Term	120 months
Advance Year	The period beginning on the Effective Date and ending on the last day of June, 2017, and each successive twelve (12) month period thereafter.
Amortization Type	Amortizing Full Term Interest Only Partial Interest Only
Effective Date	June 3, 2016.
First Payment Date	The first day of August 1, 2016.
Fixed Rate	3.69%
Interest Accrual Method	30/360 (computed on the basis of a three hundred sixty (360) day year consisting of twelve (12) thirty (30) day months). or Actual/360 (computed on the basis of a three hundred sixty (360) day year and the actual number of calendar days during the applicable month, calculated by multiplying the unpaid principal balance of the Advance by the Interest Rate, dividing the product by three hundred sixty (360), and multiplying the quotient obtained by the actual number of days elapsed in the applicable month).
Interest Only Term	0 months
Interest Rate	The Fixed Rate
Interest Rate Type	Fixed Rate
Maturity Date	The first day of July, 2026, or any earlier date on which the unpaid principal balance of the Advance becomes due and payable by acceleration or otherwise.
Monthly Debt Service Payment	\$1,379,152.69
Prepayment Lockout Period	0 year(s) from the Effective Date
Remaining Amortization Period	As of each Payment Date, the Amortization Period minus the number of scheduled Monthly Debt Service Payments that have elapsed since the Effective Date.

VI. YIELD MAINTENANCE/PREPAYMENT PREMIUM INFORMATION

Yield Maintenance Period End Date <i>or</i> Prepayment Premium Period End Date	The last day of June, 2025.
Yield Maintenance Period Term <i>or</i> Prepayment Premium Period Term	108 months

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Master Credit Facility Agreement
Schedule 3.2 (Schedule of Advance Terms)

Form 6001.MCFA
03-16

Page 2
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**SCHEDULE 3.2 TO
MASTER CREDIT FACILITY AGREEMENT**

Schedule of Advance Terms



V. INFORMATION FOR \$38,030,000 ADVANCE MADE JUNE 3, 2016	
Advance Amount	\$38,030,000
Advance Term	120 months
Advance Year	The period beginning on the Effective Date and ending on the last day of June, 2017, and each successive twelve (12) month period thereafter.
Amortization Type	Amortizing Full Term Interest Only Partial Interest Only
Effective Date	June 3, 2016.
First Payment Date	The first day of August 1, 2016.
Fixed Rate	3.67%
Interest Accrual Method	30/360 (computed on the basis of a three hundred sixty (360) day year consisting of twelve (12) thirty (30) day months). or Actual/360 (computed on the basis of a three hundred sixty (360) day year and the actual number of calendar days during the applicable month, calculated by multiplying the unpaid principal balance of the Advance by the Interest Rate, dividing the product by three hundred sixty (360), and multiplying the quotient obtained by the actual number of days elapsed in the applicable month).
Interest Only Term	0 months
Interest Rate	The Fixed Rate
Interest Rate Type	Fixed Rate
Maturity Date	The first day of July, 2026, or any earlier date on which the unpaid principal balance of the Advance becomes due and payable by acceleration or otherwise.
Monthly Debt Service Payment	\$174,400.95
Prepayment Lockout Period	0 year(s) from the Effective Date
Remaining Amortization Period	As of each Payment Date, the Amortization Period minus the number of scheduled Monthly Debt Service Payments that have elapsed since the Effective Date.

VI. YIELD MAINTENANCE/PREPAYMENT PREMIUM INFORMATION	
Yield Maintenance Period End Date <i>or</i>	The last day of June, 2025.
Prepayment Premium Period End Date	
Yield Maintenance Period Term <i>or</i>	108 months
Prepayment Premium Period Term	

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**SCHEDULE 4.1 TO
MASTER CREDIT FACILITY AGREEMENT**

**Prepayment Premium Schedule
(Standard Yield Maintenance - Fixed Rate)**

1. Defined Terms.

All capitalized terms used but not defined in this Prepayment Premium Schedule shall have the meanings assigned to them in the Master Agreement.

2. Prepayment Premium.

Any Prepayment Premium payable under Section 2.04 (Prepayment; Prepayment Lockout; Prepayment Premium) of the Master Agreement shall be computed as follows:

(a) If the prepayment is made at any time after the Effective Date and before the Yield Maintenance Period End Date, the Prepayment Premium shall be the greater of:

(1) one percent (1%) of the amount of principal being prepaid; or

(2) the product obtained by multiplying:

(A) the amount of principal being prepaid,

by

(B) the difference obtained by subtracting from the Fixed Rate on the Advance, the Yield Rate (as defined below) on the twenty-fifth (25th) Business Day preceding (i) the Intended Prepayment Date, or (ii) the date Lender accelerates the Advance or otherwise accepts a prepayment pursuant to Section 2.06 (Application of Collateral) of the Master Agreement,

by

(C) the present value factor calculated using the following formula:

$$\frac{1 - (1 + r)^{-n/12}}{r}$$

[r = Yield Rate

n = the number of months remaining between (i) either of the following: (x) in the case of a voluntary prepayment, the last day of the month in which the prepayment is made, or (y) in any other case, the date on which Lender accelerates the unpaid principal balance of the Advance and (ii) the Yield Maintenance Period End Date.

For purposes of this clause (2), the “Yield Rate” means the yield calculated by interpolating the yields for the immediately shorter and longer term U.S. “Treasury constant maturities” (as reported in the Federal Reserve Statistical Release H.15 Selected Interest Rates (the “Fed Release”) under the heading “U.S. government securities”)

closest to the remaining term of the Yield Maintenance Period Term, as follows (rounded to three (3) decimal places):

a = the yield for the longer U.S. Treasury constant maturity
 b = the yield for the shorter U.S. Treasury constant maturity
 x = the term of the longer U.S. Treasury constant maturity
 y = the term of the shorter U.S. Treasury constant maturity
 z = “n” (as defined in the present value factor calculation above) divided by twelve (12).

Notwithstanding any provision to the contrary, if “z” equals a term reported under the U.S. “Treasury constant maturities” subheading in the Fed Release, the yield for such term shall be used, and interpolation shall not be necessary. If publication of the Fed Release is discontinued by the Federal Reserve Board, Lender shall determine the Yield Rate from another source selected by Lender. Any determination of the Yield Rate by Lender will be binding absent manifest error.]

(b) If the prepayment is made on or after the Yield Maintenance Period End Date but before the last calendar day of the fourth (4th) month prior to the month in which the Maturity Date occurs, the Prepayment Premium shall be one percent (1%) of the amount of principal being prepaid.

(c) Notwithstanding the provisions of Section 2.04 (Prepayment; Prepayment Lockout; Prepayment Premium) of the Master Agreement, no Prepayment Premium shall be payable with respect to any prepayment made on or after the last calendar day of the fourth (4th) month prior to the month in which the Maturity Date occurs.

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**SCHEDULE 4.2 TO
MASTER CREDIT FACILITY AGREEMENT**

Prepayment Premium Schedule

**Prepayment Premium Schedule
(Standard Yield Maintenance - Fixed Rate)**

1. Defined Terms.

All capitalized terms used but not defined in this Prepayment Premium Schedule shall have the meanings assigned to them in the Master Agreement.

2. Prepayment Premium.

Any Prepayment Premium payable under Section 2.04 (Prepayment; Prepayment Lockout; Prepayment Premium) of the Master Agreement shall be computed as follows:

(a) If the prepayment is made at any time after the Effective Date and before the Yield Maintenance Period End Date, the Prepayment Premium shall be the greater of:

(1) one percent (1%) of the amount of principal being prepaid; or

(2) the product obtained by multiplying:

(A) the amount of principal being prepaid,

by

(B) the difference obtained by subtracting from the Fixed Rate on the Advance, the Yield Rate (as defined below) on the twenty-fifth (25th) Business Day preceding (i) the Intended Prepayment Date, or (ii) the date Lender accelerates the Advance or otherwise accepts a prepayment pursuant to Section 2.06 (Application of Collateral) of the Master Agreement,

by

(C) the present value factor calculated using the following formula:

$$\frac{1 - (1 + r)^{-n/12}}{r}$$

[r = Yield Rate

n = the number of months remaining between (i) either of the following: (x) in the case of a voluntary prepayment, the last day of the month in which the prepayment is made, or (y) in any other case, the date on which Lender accelerates the unpaid principal balance of the Advance and (ii) the Yield Maintenance Period End Date.

For purposes of this clause (2), the “**Yield Rate**” means the yield calculated by interpolating the yields for the immediately shorter and longer term U.S. “Treasury constant maturities” (as reported in the Federal Reserve Statistical Release H.15 Selected Interest Rates (the “**Fed Release**”) under the heading “U.S. government securities”) closest to the remaining term of the Yield Maintenance Period Term, as follows (rounded to three (3) decimal places):

a = the yield for the longer U.S. Treasury constant maturity

b = the yield for the shorter U.S. Treasury constant maturity

x = the term of the longer U.S. Treasury constant maturity

y = the term of the shorter U.S. Treasury constant maturity

z = “n” (as defined in the present value factor calculation above) divided by twelve (12).

Notwithstanding any provision to the contrary, if “z” equals a term reported under the U.S. “Treasury constant maturities” subheading in the Fed Release, the yield for such term shall be used, and interpolation shall not be necessary. If publication of the Fed Release is discontinued by the Federal Reserve Board, Lender shall determine the Yield Rate from another source selected by Lender. Any determination of the Yield Rate by Lender will be binding absent manifest error.]

(b) If the prepayment is made on or after the Yield Maintenance Period End Date but before the last calendar day of the fourth (4th) month prior to the month in which the Maturity Date occurs, the Prepayment Premium shall be one percent (1%) of the amount of principal being prepaid.

(c) Notwithstanding the provisions of Section 2.04 (Prepayment; Prepayment Lockout; Prepayment Premium) of the Master Agreement, no Prepayment Premium shall be payable with respect to any prepayment made on or after the last calendar day of the fourth (4th) month prior to the month in which the Maturity Date occurs.

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**SCHEDULE 5 TO
MASTER CREDIT FACILITY AGREEMENT**

Required Replacement Schedule

Mortgaged Property	Initial Replacement Reserve Deposit	Monthly Replacement Reserve Deposit*
Apple Creek	\$0	\$410.67
Bell Crossing	\$0	\$493.75
Boulder Ridge	\$0	\$1,972.50
Brentwood	\$0	\$455.00
Cave Creek	\$0	\$2,048.75
Countryside of Lake Lanier	\$0	\$1,735.33
Cutler Estates	\$0	\$733.83
Grand	\$0	\$456.25
Hamlin	\$0	\$679.25
Hawaiian Gardens & Holly Village	\$0	\$1,133.33
Holiday West Village	\$0	\$966.17
Meadowbrook Village	\$0	\$642.50
Oak Crest	\$0	\$1,659.83
Pine Ridge	\$0	\$1,470.00
Scio Farms	\$0	\$2,054.25
Sun Villa Estates	\$0	\$1,269.00
Waverly Shores Village	\$0	\$1,141.00

*See Schedule 2-B for Reduced Monthly Replacement Reserve Deposit

[See Attached.]

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**SCHEDULE 6 TO
MASTER CREDIT FACILITY AGREEMENT**

Required Repair Schedule

Mortgaged Property and Repair Description	Immediate Repairs		
	Estimated Cost	Maximum Repair Cost	Completion Date
Apple Creek			
Storm Drainage Solution: Evidence of significant ponding of storm water was noted at the corner of Jonathan Court and Cortland Drive. The ponding appears to occur for more than two days at a time and is related to poor drainage patterns in the topography.	\$7,500	\$7,500	180 days
Asphalt Pavement - Full Depth Repairs: The asphalt paving was observed to have areas of structural distress including alligatored cracking and minor pothole formation. These areas of distressed asphalt were noted throughout the Property and affect approximately 5% of the total asphalt paving.	\$15,000	\$15,000	180 days
Installation of ADA Van Accessible Parking: None available near leasing office.	\$350	\$350	180 days
Installation of ADA Restroom Door Hardware: Replace knob hardware.	\$150	\$150	180 days
Total Apple Creek	\$23,000	\$23,000	
Bell Crossing			
None	\$0	\$0	N/A
Boulder Ridge			
Asphalt pavement repair/replacement: Isolated areas of cracks or surface deterioration were observed.	\$20,000	\$20,000	180 days
Sanity sewer riser repair: Isolated pads with PVC riser damaged - as reported by management	\$1,000	\$1,000	180 days
Total Boulder Ridge	\$21,000	\$21,000	
Brentwood			
Asphalt pavement repair/replacement: Isolated areas of cracks or surface deterioration were observed.	\$15,000	\$22,500	180 days
Concrete parking replacement: Isolated areas of cracks or surface deterioration were observed.	\$10,000	\$10,000	180 days
Total Brentwood	\$25,000	\$25,000	
Cave Creek			
None	\$0	\$0	N/A
Countryside of Lake Lanier			
None	\$0	\$0	N/A
Cutler Estates Mobile Village			
Asphalt pavement repair/replacement: Isolated areas of cracks or surface deterioration were observed.	\$27,465	\$27,465	180 days
Irrigation system repair: At front Boulevard Entrance	\$3,000	\$3,000	180 days
Sanitary sewer riser repair: Isolated pads with PVD riser damaged - as reported by management.	\$1,500	\$1,500	180 days
Total Cutler Estates Mobile Village	\$31,965	\$31,965	
Grand Mobile Estates			
Asphalt pavement repair/replacement: Isolated areas of cracks or surface deterioration were observed.	\$25,565	\$25,565	180 days
Sanitary sewer riser repair: Isolated pads with PVC riser damaged - as reported by management.	\$2,000	\$2,000	180 days
Total Grand Mobile Estates	\$27,565	\$27,565	
Hamlin			

Asphalt pavement repairs to parking and drive lanes: Potholes, alligator cracking, and general deterioration noted throughout parking and drive areas is recommended to be repaired/replaced as an immediate need.	\$25,000	\$25,000	180 days
Total Hamlin	\$25,000	\$25,000	
Hawaiian Gardens & Holly Village			
Asphalt pavement repairs to parking and drive lanes: Potholes, alligator cracking, and general deterioration noted throughout parking and drive areas is recommended to be repaired/replaced as an immediate need.	\$18,750	\$18,750	360 days
Total Hawaiian Gardens & Holly Village	\$18,750	\$18,750	
Holiday West Village			
Asphalt pavement repair/replacement: Isolated areas of cracks or surface deterioration were observed.	\$17,785	\$17,785	180 days
Concrete pavement repair/replacement: Isolated areas of cracks or surface deterioration were observed.	\$6,000	\$6,000	180 days
Total Holiday West Village	\$23,785	\$23,785	
Meadowbrook Village			
Add van accessible parking space: Per ADA regulations	\$250	\$250	180 days
Add grab bars to leasing office bathroom: Per ADA regulations	\$500	\$500	180 days
Total Meadowbrook Village	\$750	\$750	
Oak Crest			
Damaged pavement repair: Repair isolated areas of damaged pavement throughout Property.	\$1,500	\$1,500	360 days
Total Oak Crest	\$1,500	\$1,500	
Pine Ridge			
None	\$0	\$0	N/A
Scio Farms			
Asphalt pavement repairs to parking and drive lanes: Potholes, alligator cracking, and general deterioration noted throughout parking and drive areas is recommended to be repaired/replaced as an immediate need.	\$30,000	\$30,000	180 days
Total Scio Farms	\$30,000	\$30,000	
Sun Villa Estates			
Well Closure: Decommission the seven ground water monitoring wells on the property	\$21,000	\$21,000	360 days
Waverly Shores Village			
Asphalt pavement repair/replacement: isolated areas of cracks or surface deterioration were observed.	\$10,000	\$10,000	180 days
Storm water drainage improvements: Management has budgeted \$8,000 to complete drainage improvements.	\$8,000	\$8,000	180 days
Pool deck and sidewalk repair: Management has budgeted \$10,000 for replacement of sections of the concrete pool deck and sidewalks.	\$10,000	\$10,000	180 days
Total Waverly Shores Village	\$28,000	\$28,000	
Total	\$277,315	\$277,315	

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**SCHEDULE 7 TO
MASTER CREDIT FACILITY AGREEMENT**

General Conditions Schedule

Borrower's right to close any transaction requested in a Request (other than a Termination Request) shall be subject to satisfaction of the following General Conditions precedent, in addition to any other applicable conditions precedent contained in this Master Agreement:

(a) **No Material Adverse Effect.**

There has been no Material Adverse Effect since the date of the most recent Compliance Certificate.

(b) **No Default.**

There shall exist no Event of Default or Potential Event of Default (that is not otherwise cured by the closing of such Request). The closing of such Request shall not result in an Event of Default or Potential Event of Default.

(c) **No Insolvency.**

Receipt by Lender on the Effective Date for the Request of evidence satisfactory to Lender that neither Borrower nor any general partner or sole member of Borrower is Insolvent or will be rendered Insolvent by the transactions contemplated by the Loan Documents or, after giving effect to such transactions, will be left with an unreasonably small capital with which to engage in its business or undertakings, or will have intended to incur, or believe that it has incurred, debts beyond its ability to pay such debts as they mature or will have intended to hinder, delay or defraud any existing or future creditor.

(d) **Representations and Warranties.**

All representations and warranties made by Borrower and Guarantor in the Loan Documents shall be true and correct on the Effective Date for the Request with the same force and effect as if such representations and warranties had been made on and as of the Effective Date for the Request.

(e) **Payment of Expenses.**

The payment by Borrower of Lender's and Fannie Mae's reasonable third party out-of-pocket fees and expenses payable in accordance with this Master Agreement, including the legal fees and expenses described in Section 4.02(g) (Payments of Costs, Fees, and Expenses) of this Master Agreement whether or not the Request closes; provided, however, if Borrower makes a Request and fails to close on a Request for any reason other than the default by Lender, then Borrower shall also pay to Lender and Fannie Mae all actual damages incurred by Lender and Fannie Mae in connection with the failure to close.

(f) **No Untrue Statements.**

The Loan Documents shall not contain any untrue or misleading statement of a material fact and shall not fail to state a material fact necessary to make the information contained therein not misleading.

(g) **Covenants.**

Borrower and Guarantor are in full compliance with each of the covenants contained in the Loan Documents, without giving effect to any notice and cure rights of Borrower and Guarantor.

(h) **Delivery of Closing Documents.**

The receipt by Lender of the following, each dated as of the Effective Date for the Request, in form and substance satisfactory to Lender in all respects:

(1) the Loan Documents relating to such Request including a Compliance Certificate and an Organizational Certificate; and

(2) such other documents, instruments, approvals (and, if requested by Lender, certified duplicates of executed copies thereof) and opinions as Lender may reasonably request.

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Master Credit Facility Agreement
Schedule 8 (Property-Related Documents Schedule)

Form 6001.MCFA
03-16

Page 3
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**SCHEDULE 8 TO
MASTER CREDIT FACILITY AGREEMENT**

Property-Related Documents Schedule

With respect to any Additional Mortgaged Property or Future Advance, it shall be a condition precedent that Lender receive from Borrower each of the documents and reports required by Lender in connection with the addition of such Mortgaged Property to the Collateral Pool or making of such Future Advance and, each of the following, each dated as of the applicable Effective Date, in form and substance satisfactory to Lender in all respects (the “**Property-Related Documents**”):

(a) a commitment for the Title Policy applicable to each Mortgaged Property being added and a pro forma Title Policy based on the commitment in the amount of title insurance afforded by the Title Policy for each Mortgaged Property being added to the Collateral Pool **(1)** if tie-in endorsements are available for all or a portion of the Mortgaged Properties, in an aggregate amount equal to the combined Allocable Facility Amounts for all of the Mortgaged Properties covered by the tie-in endorsements, not to exceed the amount of the aggregate original principal amount of all Advances Outstanding, or **(2)** if a tie-in endorsement is not available for any Mortgaged Property, then with respect to such Mortgaged Properties not subject to the tie-in endorsement an amount equal to one hundred twenty-five percent (125%) of the Valuation of such Mortgaged Property not subject to the tie-in endorsement (or such lesser amount that is the maximum allowed by law or regulation);

(b) a Security Instrument for each Additional Mortgaged Property. The amount secured by each Security Instrument shall be equal to the aggregate original principal amount of all Advances Outstanding in effect from time to time;

(c) a title instruction letter directing the Title Company to file and/or record in all applicable jurisdictions, all applicable Loan Documents required by Lender to be filed or recorded, including duly executed and delivered original copies of the Security Instruments covering the applicable Mortgaged Properties and UCC-1 Financing Statements covering the portion of the Collateral comprised of personal property, and other appropriate instruments, in form and substance satisfactory to Lender and in form proper for recordation, as may be necessary in the opinion of Lender to perfect the Liens created by the applicable Security Instruments and any other Loan Documents creating a Lien in favor of Lender, and the payment of all taxes, fees and other charges payable in connection with such execution, delivery, recording and filing;

(d) if the Title Policy for an Additional Mortgaged Property contains a tie-in endorsement (as available), an endorsement to each Title Policy for each Mortgaged Property in the Collateral Pool containing a tie-in endorsement, adding a reference to the Additional Mortgaged Property;

(e) if required by Lender, amendments to this Master Agreement, the Notes and the existing Security Instruments, reflecting any Addition, Substitution or Future Advance and increase in the secured

amount of each Security Instrument, if applicable, and, as to any Security Instrument or Note so amended or if Lender determines that such endorsement is necessary to maintain the priority of the Lien created in favor of Lender with respect to the Outstanding Indebtedness or to maintain the validity of any Title Policy, the receipt by Lender of an endorsement to each Title Policy insuring the amended Security Instruments, amending the effective date of each Title Policy to the Effective Date and showing no additional exceptions to coverage other than the exceptions shown on the initial Effective Date for such Mortgaged Property, Permitted Encumbrances and other exceptions approved by Lender, together with any reinsurance agreements required by Lender;

(f) clean UCC searches, judgment searches and tax lien searches on Borrower, Borrower's sole member, managing member, or general partner (as applicable), and Guarantor;

(g) the Insurance Policy (or a certified copy of the Insurance Policy) applicable to the Additional Mortgaged Property;

(h) unless waived by Lender, the Survey applicable to the Additional Mortgaged Property and approved by Lender (which shall be last revised no less than forty-five (45) days prior to the applicable Effective Date);

(i) either (1) (A) letters or other evidence with respect to the Additional Mortgaged Property from the appropriate Governmental Authority concerning applicable zoning and building laws, and (B) a zoning endorsement to the Title Policy or (2) a zoning opinion letter, in each case in substance satisfactory to Lender;

(j) a Guaranty or Confirmation of Guaranty by each party providing a Guaranty to Lender;

(k) a Contribution Agreement or an amendment thereto;

(l) an Environmental Indemnity Agreement, amendment thereto or Confirmation of Environmental Indemnity Agreement, as required by Lender;

(m) an Assignment of Management Agreement or an amendment thereto applicable to the Additional Mortgaged Property, on the standard form required by Lender;

(n) an assignment of leases and rents applicable to the Additional Mortgaged Property, if Lender determines one to be necessary or desirable;

(o) any required subordination, non-disturbance and attornment agreements and/or estoppel certificates with respect to any commercial leases, master leases and/or ground lease (if any) affecting the Additional Mortgaged Property; and

(p) such other documents, instruments and approvals (and if requested by Lender, certified duplicates of executed copies thereof) as Lender may reasonably request.

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**SCHEDULE 9 TO
MASTER CREDIT FACILITY AGREEMENT**

Conversion Schedule

The procedure for converting all or any portion of a Variable Note to a Fixed Note contained in this Conversion Schedule shall apply to all Conversion of Variable Notes to Fixed Notes which are permitted during the Conversion Availability Period.

(a) **Request.**

Borrower shall deliver a Conversion Request to Lender. Each Conversion Request shall designate the amount of the Variable Note Outstanding to be converted. Each Conversion Request shall be in the minimum amount of \$5,000,000 or such other amount permitted by Lender.

(b) **Underwriting and Terms of Conversion.**

(30) **Coverage and LTV Tests; Failure to Underwrite.**

After giving effect to the requested Conversion, the Coverage and LTV Tests shall be satisfied and the Geographical Diversification and Asset Concentration Requirements shall be satisfied. In the event that the Coverage and LTV Tests would not be satisfied after the proposed Conversion, if Borrower continues to elect the Conversion, Borrower shall prepay such Advances or a portion of an Advance to meet the Coverage and LTV Tests and shall pay all Prepayment Premiums and other fees associated with such prepayment.

(31) **Maturity Date of Converted Advances.**

Upon Conversion, such converted Note shall have a Maturity Date specified by Borrower, provided that such Maturity Date shall be no earlier than the date that is the first day of the month following the date five (5) years after the Effective Date of such Conversion and, subject to Section 2.03(a)(5) (Maturity Dates), not later than the first day of the month following the date fifteen (15) years after the Initial Effective Date.

(32) **Interest Rate for Converted Note; Guaranty and Servicing Fee.**

The Interest Rate for such converted Note shall be determined by Lender at the time of the Conversion. The guaranty and servicing fee applicable to such converted Note shall be determined by Lender prior to such Conversion.

(c) **Conditions Precedent.**

The Conversion of all or a portion of a Variable Note to a Fixed Note on the applicable Effective Date shall be subject to satisfaction of the following conditions precedent:

(1) satisfaction of the tests set forth in (b) (Underwriting and Terms of Conversion) of this Conversion Schedule;

(2) receipt by Lender of:

(A) if required by Lender, an endorsement to each Title Policy, amending the effective date of the Title Policy to the Effective Date and showing no additional exceptions to coverage other than the exceptions shown on the Effective Date when each Title Policy was issued, Permitted Encumbrances and other exceptions approved by Lender;

(B) clean UCC searches, judgment searches and tax lien searches on Borrower, Borrower's sole member, managing member, or general partner (as applicable), and Guarantor;

(C) the Conversion Fee;

(D) a Request Opinion; and

(E) one (1) or more executed, original counterparts of all Conversion Documents, dated as of the Effective Date, each of which shall be in full force and effect and in form and substance satisfactory to Lender in all respects; and

(3) satisfaction of all General Conditions.

(d) **Closing.**

The Effective Date shall occur during the Conversion Availability Period and in connection with a Variable Structured ARM Advance on a Rate Change Date. The Effective Date of a Conversion shall not be earlier than thirty (30) Business Days after Lender's receipt of the Conversion Request (or on such other

date as Borrower and Lender may agree). At the closing, Lender and Borrower shall execute and deliver, at the sole cost and expense of Borrower, in form and substance satisfactory to Lender, the Conversion Documents.

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**SCHEDULE 10 TO
MASTER CREDIT FACILITY AGREEMENT**

Mortgaged Property Release Schedule

Any Mortgaged Property released from the Collateral Pool pursuant to Section 2.10 (Collateral Events) of this Master Agreement shall be subject to the terms of this Master Agreement including this Mortgaged Property Release Schedule.

(a) **Request.**

(1) To obtain a Release of a Mortgaged Property from the Collateral Pool, Borrower shall deliver a Release Request to Lender. Borrower shall not be permitted to re-borrow any amounts that will be prepaid in connection with the Release and any prepayments associated with such release shall automatically result in a permanent reduction of the Advances Outstanding.

(2) In connection with a Substitution, Borrower shall simultaneously deliver to Lender both a completed and executed Release Request and Addition Request pursuant to the Mortgaged Property Addition Schedule (unless the substitute Additional Mortgaged Property has not been identified by Borrower, in which case Borrower shall submit the Addition Request not less than sixty (60) Calendar Days prior to the date on which Borrower desires to add such Additional Mortgaged Property, but not later than sixty (60) Calendar Days prior to the Property Delivery Deadline). The Release Request shall indicate whether Borrower is requesting a simultaneous Substitution or a Staggered Substitution (as described in Section (e)(2)(B) (Closing) of the Mortgaged Property Addition Schedule).

(b) **Underwriting.**

(1) Lender shall release a Released Mortgaged Property pursuant to a Release Request if all of the following conditions are satisfied:

(A) the resulting Collateral Pool satisfies the Coverage and LTV Tests;

(B) the Aggregate Debt Service Coverage Ratio will not be reduced and the Aggregate Loan to Value Ratio will not be increased as a result of such Release;

(C) the Geographical Diversification and Asset Concentration Requirements are satisfied.

(c) **Release Price.**

(1) The "Release Price" for each Release Mortgaged Property means the greater of

(A) one hundred percent (100%) of the Allocable Facility Amount for the Release Mortgaged Property; and

(B) one hundred percent (100%) of the amount, if any, of Advances Outstanding that are required to be repaid by Borrower to Lender in connection with the proposed Release of the Release Mortgaged Property from the Collateral Pool so that, immediately after the

Release, the provisions of Section (b) (Underwriting) of this Mortgaged Property Release Schedule shall be satisfied.

Notwithstanding the foregoing, at Borrower's option, the Release Price for a Release Mortgaged Property shall be one hundred percent (100%) of the amount, if any, of Advances Outstanding that are required to be repaid by Borrower to Lender in connection with the proposed Release of the Release Mortgaged Property from the Collateral Pool so that, immediately after the Release, the Collateral Pool satisfies the Alternate Coverage and LTV Tests; and in such case Section (b)(1)(B) (Underwriting) above shall not apply.

(2) In addition to the Release Price, Borrower shall pay to Lender all associated Prepayment Premiums and other amounts due under the Notes evidencing the Advances being repaid. In connection with a Staggered Substitution, Borrower shall post a Substitution Deposit (which shall include the Release Price) pursuant to the terms of this Mortgaged Property Release Schedule.

(d) **Application of Release Price.**

(1) The Release Price for the Release Mortgaged Property shall be applied in reduction of the principal amounts of the Advances Outstanding in the order selected by Borrower, provided that (A) any amount of the Note that Borrower elects to prepay must be prepaid in full or, if the Release Price is not sufficient to do so, the Note shall be the only Note partially prepaid; (B) prepayment is permitted under such Note; (C) any Prepayment Premium due and owing is paid; and (D) interest is paid through the end of the month. If Borrower does not give Lender direction with respect to the application of the Release Price or if the selected Note does not comply with the provisions of (A) and (B) above, then the Release Price shall be applied:

(i) first against any Variable Advances Outstanding so long as the prepayment is permitted under the Variable Note (and any Prepayment Premium due and owing is paid), until any Variable Advance is no longer Outstanding (provided that, in the event there are multiple Variable Advances Outstanding, Lender shall determine the order of application of the Release Price taking into account factors including the unpaid principal balances of the Variable Notes, and which Variable Note Outstanding has the lowest prepayment costs or highest interest rate);

(ii) then against any Fixed Advances Outstanding, so long as prepayment is permitted under the applicable Fixed Note (and any Prepayment Premium due and owing is paid) (provided that, in the event there are multiple Fixed Advances Outstanding, Lender shall determine the order of application of the Release Price taking into account factors including the unpaid principal balances of the Fixed Notes, and which Fixed Note Outstanding has the lowest prepayment costs or the highest interest rate).

The Note to be prepaid or partially prepaid as determined pursuant to this Section (d) (Application of Release Price), shall be referred to as the "**Selected Advance**".

(2) In connection with a Substitution, Borrower may substitute a Mortgaged Property that has an estimated Allocable Facility Amount that is less than the Allocable Facility Amount of the Release Mortgaged Property so long as Borrower pays the Release Price associated with the difference between such Allocable Facility Amounts.

(e) **Conditions Precedent.**

The Release of a Mortgaged Property from the Collateral Pool is subject to the satisfaction of the following conditions precedent on or before the Effective Date:

(1) the Selected Advance must be prepayable as of the Effective Date of the Release of such Mortgaged Property;

- (2) receipt by Lender of the fully executed Release Request;
- (3) immediately after giving effect to the requested Release, the provisions of Section (b) (Underwriting) of this Mortgaged Property Release Schedule are satisfied;
- (4) receipt by Lender of the Release Price and all amounts owing under Section (c) (Release Price) of this Mortgaged Property Release Schedule, or, in connection with a Staggered Substitution, receipt by Lender of the Substitution Deposit (inclusive of the Substitution Cost Deposit) to the extent necessary under Section (g)(1) (The Substitution Deposit) of this Mortgaged Property Release Schedule;
- (5) receipt by Lender of the Release Fee, or in connection with a Substitution, receipt by Lender of the Substitution Fee;
- (6) receipt by Lender of all legal fees and expenses in connection with a Release Request;
- (7) receipt by Lender of one (1) or more executed, original counterparts of all Release Documents, dated as of the Effective Date, each of which shall be in full force and effect, in form and substance satisfactory to Lender in all respects;
- (8) if required by Lender, amendments to this Master Agreement, the Notes and the Security Instruments, reflecting the release of the Release Mortgaged Property from the Collateral Pool and, as to any Security Instrument or Note so amended or if Lender determines that such endorsement is necessary to maintain the priority of the Lien created in favor of Lender with respect to the Outstanding Indebtedness or to maintain the validity of any Title Policy, the receipt by Lender of an endorsement to each Title Policy insuring the Security Instruments, amending the effective date of each Title Policy to the Effective Date and showing no additional exceptions to coverage other than the exceptions shown on the initial Effective Date for such Mortgaged Property, Permitted Encumbrances and other exceptions approved by Lender;
- (9) satisfaction of all applicable General Conditions;
- (10) if the Release Mortgaged Property is one phase of a project, and one or more other phases of the project are Mortgaged Properties which will remain in the Collateral Pool (“**Remaining Mortgaged Properties**”), the Remaining Mortgaged Properties must be able to be operated separately from the Release Mortgaged Property and any other phases of the project which are not Mortgaged Properties, taking into account any cross use agreements or easements, access, utilities, marketability, community services, ownership and operation of the Remaining Mortgaged Properties and any other relevant factors pursuant to the Underwriting and Servicing Requirements. Borrower shall deliver to Lender evidence satisfactory to Lender that this condition precedent is satisfied prior to the closing of the transaction that is the subject of the Request. Borrower acknowledges that none of the Initial Mortgaged Properties are part of a phase of a project;
- (11) after the Release no Borrower nor any remaining managing member, sole member or general partner of Borrower (as applicable) owns the Release Mortgaged Property or any portion thereof;
- (12) receipt by Lender of endorsements to the tie-in endorsements of the Title Policies, if deemed necessary by Lender, to reflect the Release. Notwithstanding anything to the contrary herein, no Release of any Mortgaged Property in the Collateral Pool shall be made unless Borrower has provided title insurance to Lender in respect of each of the remaining Mortgaged Properties in the Collateral Pool in an amount equal to one hundred twenty-five percent (125%) of the Initial Valuation of such Mortgaged Properties (which amount shall take into account the title insurance coverage provided by any “tie-in” endorsements); and
- (13) receipt by Lender on the Effective Date of a Confirmation of Obligations and a Confirmation of Guaranty.
- (f) **Closing.**

If all conditions precedent contained in this Master Agreement are satisfied, Lender shall cause the Release Mortgaged Property to be Released on an Effective Date selected by Lender, and occurring within

fifteen (15) days after Lender's receipt of the Release Request and all materials required by Lender to review and approve such Release Request (or on such other date as Borrower and Lender may agree), by executing and delivering, and causing all applicable parties to execute and deliver, all at the sole cost and expense of Borrower, the Release Documents. If approved by Lender, Borrower may prepare the Release Documents and submit them to Lender for its review.

(g) **Staggered Substitution Specific Terms.**

The following provisions are applicable to Staggered Substitutions only:

(1) **The Substitution Deposit.**

If a Substitution is a Staggered Substitution, on or before the Effective Date of the Release of the Release Mortgaged Property, Borrower shall deposit with Lender the "**Substitution Deposit**" described below in the form of cash in a non-interest bearing account held by Lender as additional Collateral. In lieu of (or in addition to) depositing cash for the Substitution Deposit, Borrower may post a Letter of Credit as additional Collateral issued by a financial institution reasonably acceptable to Lender in accordance with the Letter of Credit Schedule, with a face amount available to be drawn equal to the Substitution Deposit (less any amount deposit in cash) as additional Collateral.

(2) **Substitution Deposit Amount.**

(A) The "**Substitution Deposit**" for each proposed Staggered Substitution shall be an amount equal to the sum of:

- (i) the Release Price relating to the Release Mortgaged Property; plus
- (ii) any and all Prepayment Premiums, as applicable, for the Selected Advance determined in accordance with the conditions set forth in Section (d) (Application of Release Price) of this Mortgaged Property Release Schedule, as the Advance(s) that shall be prepaid if the Substitution fails to take place. The Prepayment Premium shall be calculated as of the end of the month in which the Property Delivery Deadline occurs, as if the Selected Advance were to be prepaid in such month; plus
- (iii) estimated costs, expenses and fees of Lender and Fannie Mae pertaining to the Substitution (such costs, fees and expenses, the "**Substitution Cost Deposit**");
- (iv) without duplication to any other amounts included in the definition of Substitution Deposit, in the event that (1) at the time of the Release no Note is prepayable (i.e. all Notes are subject to a lockout period) or (2) the Release Price is in excess of all Notes that are open to prepayment, all scheduled principal and interest due and owing through the end of the lockout period with respect to such Selected Advance.

The amount of the required Substitution Deposit shall be recalculated by Lender in the event the Property Delivery Deadline is extended pursuant to Section (e) (Closing) of the Mortgaged Property Addition Schedule, and in the event a Substitution is partially satisfied by the Addition of an Additional Mortgaged Property, as further set forth in Section (f)(2) (Substitution Deposit Disbursement and Recalculation) of the Mortgaged Property Addition Schedule.

(B) The Substitution Cost Deposit shall be used by Lender to cover all reasonable out-of-pocket costs and expenses incurred by Lender and Fannie Mae, including any out-of-pocket legal fees and expenses incurred by Fannie Mae and Lender in connection with such Substitution whether such Substitution actually closes (the "**Substitution Costs**").

(3) **Continued Obligations; Restriction on Borrowings.**

(A) Borrower shall continue to be obligated to make any regularly scheduled payments of principal and interest due under all Notes Outstanding during the Staggered

Substitution period. Until the completion of the Staggered Substitution, no Future Advances will be permitted unless and until the provisions of Section (f)(1) (Failure to Close Substitution) of the Mortgaged Property Addition Schedule are satisfied.

(B) In connection with a Staggered Substitution, until the Addition of the Additional Mortgaged Property to the Collateral Pool and closing of the Substitution occurs, no Future Advances or other Requests will be permitted, provided that a Termination Request shall be permitted subject to satisfaction of the conditions in Section 2.11 (Termination of Master Agreement), and a Conversion pursuant to a Conversion Request shall be permitted subject to satisfaction of the conditions in the Conversion Schedule; provided further, however, with respect to any Conversion, the Substitution Deposit shall be recalculated based on the provisions in Section (g) (Staggered Substitution Specific Terms) of this Mortgaged Property Release Schedule and Borrower shall deposit with Lender as additional Collateral all increases, if any, in such Substitution Deposit within five (5) days after receipt of notice of the same).

(C) Notwithstanding anything to the contrary in this Master Agreement, no Staggered Substitution shall be permitted unless immediately after the Release of the Release Mortgaged Property the requirements in Section 2.10(e) (Limitation on Collateral Events) are satisfied.

(h) **Release of Borrower and Guarantor.**

Upon the Release of a Mortgaged Property, Borrower that is the owner of such Release Mortgaged Property (assuming Borrower owns no other Mortgaged Property in the Collateral Pool) and Guarantor shall be released automatically of all obligations solely related to the Release Mortgaged Property as set forth in this Master Agreement and the other Loan Documents, except for any provisions of this Master Agreement and the other Loan Documents that are expressly stated to survive any release or termination or for any liabilities or obligations of such Borrower or Guarantor which arose prior to the Effective Date of such Release.

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SCHEDULE 11 TO
MASTER CREDIT FACILITY AGREEMENT
Mortgaged Property Addition Schedule

Any Mortgaged Property (including a Mortgaged Property added in connection with a Substitution) added to the Collateral Pool pursuant to Section 2.10 (Collateral Events) of this Master Agreement shall be subject to the terms of this Master Agreement including this Mortgaged Property Addition Schedule.

(a) **Request.**

(1) From time to time, Borrower may deliver to Lender an Addition Request to add one (1) or more Additional Mortgaged Properties to the Collateral Pool.

(2) Any Addition Request shall be accompanied by the Additional Due Diligence Fees and Additional Due Diligence Fee Deposits. Borrower shall provide Lender information similar to the property-related information required by Lender in connection with the Initial Advances made hereunder and any additional information Lender may reasonably request.

(b) **Underwriting.**

(1) The following tests shall be satisfied as of the Effective Date:

(A) the proposed Additional Mortgaged Property satisfies the Individual Property Coverage and LTV Tests;

(B) immediately after such Addition, the Collateral Pool satisfies the Coverage and LTV Tests;

(C) in connection with a Substitution, the Aggregate Debt Service Coverage Ratio of the Collateral Pool will not be less than the Aggregate Debt Service Coverage Ratio of the Collateral Pool immediately prior to the Release (taking into account any paydown Borrower may make in order to comply with such ratio, subject to the terms of this Master Agreement);

(D) in connection with a Substitution, the Aggregate Loan to Value Ratio of the Collateral Pool will not be greater than the Aggregate Loan to Value Ratio of the Collateral Pool immediately prior to the Release (taking into account any paydown Borrower may make in order to comply with such ratio, subject to the terms of this Master Agreement); and

(E) the Geographical Diversification and Asset Concentration Requirements shall be satisfied.

Notwithstanding anything to the contrary in this Master Agreement, no Collateral Event shall be permitted unless immediately after such Collateral Event the provisions of Section 2.10(e) (Limitation on Collateral Events) shall be satisfied.

(2) Lender shall evaluate the proposed Additional Mortgaged Property in accordance with the Underwriting and Servicing Requirements. Lender shall determine the Loan to Value Ratio of the proposed Additional Mortgaged Property and the Aggregate Loan to Value Ratio applicable to the Collateral Pool on the basis of the lesser of:

(A) the acquisition price of the proposed Additional Mortgaged Property, if purchased by Borrower within twelve (12) months of the related Addition Request, and

(B) a Valuation made with respect to the proposed Additional Mortgaged Property.

(3) After receipt of the Addition Request and all reports, certificates and documents required by Lender to determine compliance with this Mortgaged Property Addition Schedule, Lender shall notify Borrower whether the proposed Additional Mortgaged Property meets the requirements for Additions set forth in this Mortgaged Property Addition Schedule.

(4) If the proposed Additional Mortgaged Property meets the conditions set forth in this Mortgaged Property Addition Schedule, Lender shall notify Borrower of the Aggregate Debt Service Coverage Ratio, the Aggregate Loan to Value Ratio, and (in connection with any Future Advance made in connection with an Addition) the Advance amount that shall result from the Addition.

(c) **Additional Borrower.**

On the Effective Date of the Addition of an Additional Mortgaged Property, the owner of such Additional Mortgaged Property, if such owner is an Additional Borrower, shall become a party to the Contribution Agreement in a manner satisfactory to Lender. Any Additional Borrower shall join into this Master Agreement and other Loan Documents and shall execute and deliver to Lender an amendment adding such Additional Borrower as a party to this Master Agreement and revising the Schedules and Exhibits hereto, as applicable, to reflect the Additional Mortgaged Property and Additional Borrower, in each case satisfactory to Lender. Any Additional Borrower and any related general partner, sole member or managing member (as applicable) must comply with the provisions of this Master Agreement, including the Single Purpose requirements of Section 4.01(h) (Borrower Status - Representations and Warranties - Single Purpose Status) unless otherwise waived by Lender.

(d) **Conditions Precedent.**

The Addition of an Additional Mortgaged Property to the Collateral Pool on the applicable Effective Date is subject to the satisfaction of the following conditions precedent:

- (1) satisfaction of the provisions of Section (b) (Underwriting) of this Mortgaged Property Addition Schedule;
- (2) receipt by Lender of the Additional Due Diligence Fee and the Additional Due Diligence Fee Deposit;
- (3) satisfaction of all General Conditions;
- (4) receipt by Lender of all Property-Related Documents; and
- (5) receipt by Lender of a Request Opinion.

(e) **Closing.**

(1) **Additions.**

Other than in connection with a Substitution, if the proposed Additional Mortgaged Property meets the conditions set forth in this Mortgaged Property Addition Schedule, and Borrower timely elects to add the proposed Additional Mortgaged Property to a Collateral Pool, the proposed Additional Mortgaged Property shall be added to the Collateral Pool on an Effective Date selected by Lender, occurring within twenty (20) Business Days after all of the conditions for an Addition have been satisfied (or on such other date as Borrower and Lender may agree).

(2) **Substitutions.**

In connection with a Substitution, if the Additional Mortgaged Property satisfies the conditions set forth herein and Borrower timely elects to proceed with the Substitution, the proposed Additional Mortgaged Property shall be added in replacement of the Mortgaged Property being released on an Effective Date selected by Lender and occurring:

(A) if the Substitution of the proposed Additional Mortgaged Property is to occur simultaneously with the release of the Release Mortgaged Property, within sixty (60) days after Lender's receipt of Borrower's Release Request indicating there is to be a Substitution (or on such other date to which Borrower and Lender may agree); or

(B) if the Substitution is a Staggered Substitution, within ninety (90) days after the release of such Release Mortgaged Property (provided such date shall be extended an additional ninety (90) days if Borrower provides reasonable evidence of Borrower's diligent efforts in finding a suitable proposed Additional Mortgaged Property) (the "**Property Delivery Deadline**") in accordance with the terms of the Mortgaged Property Release Schedule and this Mortgaged Property Addition Schedule.

(f) **Staggered Substitutions.**

(1) **Failure to Close Substitution.**

If the Substitution of the proposed Additional Mortgaged Property does not occur by the Property Delivery Deadline, then such Borrower shall have irrevocably waived its right to substitute such Release Mortgaged Property with the proposed Additional Mortgaged Property, and the release of the Release Mortgaged Property shall be deemed to be a Release pursuant to the terms of the Mortgaged Property Release Schedule and shall trigger payment pursuant to the terms of the Mortgaged Property Release Schedule, plus the Release Fee.

(2) **Substitution Deposit Disbursement and Recalculation.**

(A) On or prior to the Effective Date of the Substitution, Lender shall notify Borrower of the actual amount of the Substitution Costs incurred by Lender and Fannie Mae in connection with the Substitution and Borrower shall, on or before the Effective Date of the Substitution, pay to Lender the remainder of such Substitution Costs (if the actual amount of

the Substitution Costs exceed the Substitution Cost Deposit (as defined in Section (g) (Staggered Substitution Specific Terms) of the Mortgaged Property Release Schedule) and the other amounts previously deposited with Lender by Borrower) or Lender shall promptly refund to Borrower any Substitution Cost Deposit deposited with Lender by Borrower in excess of the Substitution Costs (if the actual amount of the Substitution Costs is less than the Substitution Cost Deposit deposited with Lender by Borrower).

(B) At closing of the Substitution, Lender shall disburse or return the Substitution Deposit (as defined in Section (g) (Staggered Substitution Specific Terms) of the Mortgaged Property Release Schedule), as applicable (less any portion of the Substitution Cost Deposit used by Lender to cover all reasonable out-of-pocket costs and expenses incurred by Lender and Fannie Mae, including any out-of-pocket legal fees and expenses incurred by Fannie Mae and Lender in connection with such Substitution), directly to Borrower at such time as the conditions precedent for the Substitution have been satisfied, which must occur no later than the Property Delivery Deadline.

(C) If, pursuant to Section (b) (Underwriting) of this Mortgaged Property Addition Schedule, Borrower substitutes a Mortgaged Property that has an estimated Allocable Facility Amount that is less than the Allocable Facility Amount of the Release Mortgaged Property and Borrower notifies Lender that no further property will be substituted or Borrower fails to timely identify an additional replacement Mortgaged Property, then Lender shall disburse to Borrower that portion of the Substitution Deposit (less any portion of the Substitution Cost Deposit used by Lender to cover all reasonable out-of-pocket costs and expenses incurred by Lender and Fannie Mae, including any out-of-pocket legal fees and expenses incurred by Fannie Mae and Lender in connection with such Substitution) equal to the Allocable Facility Amount of such substitute Mortgaged Property and apply the remainder of the Substitution Deposit pursuant to Section (d) (Application of Release Price) of the Mortgaged Property Release Schedule.

(D) Notwithstanding the foregoing, in the event that (i) the Property Delivery Deadline is extended pursuant to Section (e)(2)(B) (Closing) of this Mortgaged Property Addition Schedule or (ii) Borrower adds an Additional Mortgaged Property to the Collateral Pool prior to the Property Delivery Deadline but the addition of such Additional Mortgaged Property has not in and of itself satisfied the requirements of this Mortgaged Property Addition Schedule, Lender shall recalculate the Substitution Deposit. Any reduction, if any, in the Substitution Deposit shall be returned to Borrower, or in the case of a Letter of Credit, such Letter of Credit shall be reduced by such reduction in the Substitution Deposit. Any increase, if any, in the Substitution Deposit shall be paid by Borrower to Lender within three (3) Business Days of notice from Lender.

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Master Credit Facility Agreement
Schedule 12 (Intentionally Deleted)

Form 6001.MCFA
03-16

Page 1
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**SCHEDULE 12 TO
MASTER CREDIT FACILITY AGREEMENT**

Intentionally Deleted

Master Credit Facility Agreement
Schedule 13 (Ownership Interests Schedule)

Form 6001.MCFA
03-16

Page 1
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**SCHEDULE 13 TO
MASTER CREDIT FACILITY AGREEMENT**

Ownership Interests Schedule

Master Credit Facility Agreement
Schedule 13 (Ownership Interests Schedule)

Form 6001.MCFA
03-16

Page 2
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Master Credit Facility Agreement
Schedule 14 (Future Advance Schedule)

Form 6001.MCFA
03-16

Page 3
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**SCHEDULE 14 TO
MASTER CREDIT FACILITY AGREEMENT**

Future Advance Schedule

Any Future Advance made under this Master Agreement shall be subject to the terms of this Master Agreement including this Future Advance Schedule.

(a) **Request.**

Borrower shall deliver a Future Advance Request to Lender. Any Future Advance Request for a Future Advance shall be in the minimum amount of \$5,000,000 or such other amount permitted by Lender.

(b) **Underwriting.**

Any Future Advance shall be subject to satisfaction of the following tests:

(1) if the Future Advance is being made in connection with:

(A) a Future Advance pursuant to Section 2.02(c)(2)(B) (Making Advances), the Coverage and LTV Tests would be satisfied and all of the Underwriting and Servicing Requirements shall be satisfied; or

(B) the Addition of an Additional Mortgaged Property, the conditions of Section (b) (Underwriting) of the Mortgaged Property Addition Schedule would be satisfied; and

(2) the Geographical Diversification and Asset Concentration Requirements are satisfied.

(c) **Conditions Precedent.**

The funding of any Future Advance on the applicable Effective Date is subject to the satisfaction of the following conditions precedent:

(1) satisfaction of the underwriting tests set forth in (b) (Underwriting) above;

(2) Lender's determination that the proposed borrower, key principal, and guarantor meet all of Lender's eligibility, credit, management and other standards customarily applied by Lender in connection with the origination or purchase of similar mortgage finance structures on similar Multifamily Residential Properties at the time of the Future Advance Request for the Future Advance;

(3) if required by Lender, if the Future Advance is a Variable Advance, receipt by Lender at least five (5) days prior to the applicable Effective Date of the confirmation of an Interest Rate Cap commitment, in accordance with the Cap Security Agreement, effective as of the Effective Date;

(4) if required by Lender, if the Future Advance is a Variable Advance, receipt by Lender, within fifteen (15) days after the applicable Effective Date, of Interest Rate Cap Documents, in accordance with the Cap Security Agreement, effective as of the Effective Date;

(5) if the Future Advance is a Fixed Advance, delivery of one or more Fixed Notes, duly executed by Borrower, in the amount and reflecting all of the terms of the Fixed Advance;

(6) if the Future Advance is a Variable Advance, delivery of one or more Variable Notes, duly executed by Borrower, in the amount and reflecting all of the terms of the Variable Advance;

(7) receipt by Lender of the completed Schedule of Advance Terms and Prepayment Premium Schedule, in each case applicable to the Future Advance, together with an amendment to this Master Agreement in form and substance acceptable to Lender incorporating such Schedules in their entirety to this Master Agreement;

(8) if the Future Advance is made in connection with the Addition of a Mortgaged Property, satisfaction of the conditions set forth in the Mortgaged Property Addition Schedule including payment receipt by Lender of all fees required pursuant to the Mortgaged Property Addition Schedule;

(9) receipt by Lender of the Additional Origination Fee;

(10) if the Future Advance is being made under Section 2.02(c)(2)(B) (Making Advances (re: Borrow Up)), receipt by Lender of the non-refundable Re-Underwriting Fee;

(11) receipt by Lender of any other costs and expenses including all legal fees incurred by Lender and Fannie Mae;

(12) satisfaction of all General Conditions;

(13) receipt by Lender of a Request Opinion; and

(14) receipt by Lender of all applicable Property-Related Documents, if applicable.

(d) **Closing of Future Advance.**

If the conditions set forth in Section 2.02 (Advances) for a Future Advance are satisfied, Lender shall make the requested Future Advance on an Effective Date selected by Lender (or on such other date as Borrower and Lender may agree).

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**SCHEDULE 15 TO
MASTER CREDIT FACILITY AGREEMENT**

Letter of Credit Schedule

Any Letter of Credit required or permitted pursuant to this Master Agreement shall be subject to the terms of this Master Agreement and this Letter of Credit Schedule. Any Letter of Credit must be issued by a financial institution satisfactory to Fannie Mae (“**Issuer**”).

(a) **Issuer; Letter of Credit Requirements.**

The Letter of Credit shall be in form and substance satisfactory to Lender and Lender shall be entitled (pursuant to Section (b) (Draws Under Letter of Credit) below) to draw under such Letter of Credit solely upon presentation of a sight draft to the Issuer. Any Letter of Credit shall be for a term of at least three

hundred sixty-four (364) days (provided that in connection with a Substitution, the term of any Letter of Credit shall be no earlier than the date ten (10) Business Days after the Property Delivery Deadline).

(b) **Draws Under Letter of Credit.**

Lender shall have the right to draw monies under the Letter of Credit:

- (1) upon the occurrence of an Event of Default;
- (2) if thirty (30) days prior to the expiration of the Letter of Credit, either the Letter of Credit has not been extended for a term of at least three hundred sixty-four (364) days (provided that in connection with a Substitution, the term of any Letter of Credit shall be at least until the date ten (10) Business Days after the Property Delivery Deadline) or Borrower has not replaced the Letter of Credit with substitute cash collateral in the amount required by Lender;
- (3) upon the downgrading of the ratings of the long-term or short-term debt obligations of the Issuer below a level satisfactory to Fannie Mae, the failure of Borrower within five (5) days after notice of such downgrading to deliver to Lender either (A) an acceptable replacement Letter of Credit or (B) substitute cash collateral in the amount required by Lender; or
- (4) upon the failure to close a Substitution pursuant to Section (f)(1) (Failure to Close Substitution) of the Mortgaged Property Addition Schedule.

(c) **Deposit to Cash Collateral Agreement.**

If Lender draws under the Letter of Credit pursuant to this Master Agreement or Section (b) (Draws Under Letter of Credit) above for reasons other than an Event of Default, Lender shall deposit such draw monies into a Cash Collateral Account until the earliest of the following events occurs:

- (1) Borrower presents an acceptable replacement Letter of Credit and Lender agrees to accept such Letter of Credit (provided that any agreement by Lender to accept a replacement Letter of Credit will be conditioned upon Borrower's payment of all administrative and legal costs incurred by Lender and Fannie Mae in connection with the replacement of the Letter of Credit);
- (2) the applicable provisions of this Master Agreement pursuant to which the Letter of Credit was provided are satisfied;
- (3) Borrower pays all amounts due and payable under the Loan Documents and Lender releases the liens of all Security Instruments;
- (4) Lender consents to Borrower's request to apply the funds to the principal balance of a Note specified by Borrower and to any Prepayment Premium due in connection with such application; or
- (5) an Event of Default occurs and Lender elects to apply the proceeds as described below in Section (d) (Default Draws) of this Letter of Credit Schedule.

(d) **Default Draws.**

If Lender draws under the Letter of Credit pursuant to Section (b) (Draws Under Letter of Credit) of this Letter of Credit Schedule as a result of an Event of Default, Lender shall have the right to use monies drawn under the Letter of Credit for any of the following purposes:

- (1) to pay any amounts required to be paid by Borrower under the Loan Documents (including, without limitation, any amounts required to be paid to Lender under this Master Agreement);
- (2) to prepay any Note (on Borrower's behalf, or on its own behalf, if Lender becomes the owner of any Mortgaged Property) in whole or in part, including any Prepayment Premium;
- (3) to deposit monies into the Cash Collateral Account; or
- (4) to exercise any other remedies available to Lender pursuant to this Master Agreement.

(e) **Legal Opinion.**

Prior to or simultaneous with the delivery of any new Letter of Credit (but not the extension of any existing Letter of Credit), Borrower shall cause the Issuer's counsel to deliver a legal opinion satisfactory in form and substance to Lender.

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Master Credit Facility Agreement
Schedule 16 (Exceptions to Representations and
Warranties Schedule)

Form 6001.MCFA
03-16

Page 1
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**SCHEDULE 16 TO
MASTER CREDIT FACILITY AGREEMENT**

Exceptions to Representations and Warranties Schedule

- Section 4.01(h)(3) - Borrower has been a party to financial obligations under or secured by mortgages, loan agreements, or other agreements or instruments or to which the Mortgaged Property is subject, and which have been paid off and discharged.
- Section 6.01(a)(4) - Borrower will obtain required permits, licenses, and certificates for the Expansion Mortgaged Property as and when required by Applicable Law.
- Section 6.01(e) and Section 6.01(f)(12) - Borrower owns no Manufactured Homes other than, as of the Initial Effective Date, a total of eleven (11) Manufactured Homes at the Mortgaged Properties commonly known as Sun Villa Estates, Scio Farms, Oak Crest, Meadowbrook Village, Hawaiian Gardens & Holly Village, Holiday West Village, Hamlin, Countryside of Lake Lanier, Cave Creek, Boulder Ridge, and Bell Crossing, which are occupied by employees of SCOLP in connection with the operation of the applicable Mortgaged Property.
- Section 6.01(e) and 4.02(d)(3) - Borrower uses ancillary assets in connection with the operation of the Mortgaged Property held in the name of Sun, SCOLP, or Borrower Affiliates, such as vehicles, office and maintenance equipment and software.
- Section 10.01(a) - The Mortgaged Property commonly known as Hawaiian Gardens & Holly Village is subject to telecommunications easements evidenced by (i) an Amended Notice of Supplemental Final Order and Judgment Pertaining to Oakland County, Michigan recorded in Liber 41917, Page 255 in the land records of Oakland County, Michigan and (ii) an Easement Deed by Court Order in Settlement of Landowner Action recorded in Liber 46240, Page 550 in the land records of Oakland County, Michigan.
- Section 10.01(a) - The Mortgaged Property commonly known as Countryside of Lake Lanier is subject to an easement for the widening and construction of State Route 347 evidenced by Declaration of Taking recorded in Book 6955, Page 125 in the land records of Hall County, Georgia.

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Master Credit Facility Agreement
Schedule 17 (Waiver of Imposition Deposits)

Form 6228 [modified]
03-16

Page 2
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**SCHEDULE 17 TO
MASTER CREDIT FACILITY AGREEMENT**

Waiver of Imposition Deposits

The foregoing Master Agreement is hereby modified as follows:

1. Capitalized terms used and not specifically defined herein have the meanings given to such terms in the Master Agreement.

2. The Definitions Schedule is hereby amended by adding the following new definitions in the appropriate alphabetical order:

“**Insurance Impositions**” means the premiums for maintaining all Required Insurance Coverage.

“**Required Insurance Coverage**” means the insurance coverage required pursuant to Article 9 (Insurance) of this Master Agreement and under any other Loan Document.

3. Section 12.02 (Imposition Deposits, Taxes, and Other Charges - Covenants) of the Master Agreement is hereby amended by adding the following provisions to the end thereof:

(b) Conditional Waiver of Collection of Imposition Deposits.

(1) Notwithstanding anything contained in this Section 12.02 (Imposition Deposits, Taxes, and Other Charges - Covenants) to the contrary, Lender hereby agrees to waive the collection of Imposition Deposits for Insurance Impositions, provided, that:

(A) Borrower shall pay such Insurance Impositions directly to the carrier or agent five (5) days prior to expiration or as necessary to prevent the Required Insurance Coverage from lapsing due to non-payment of premiums;

(B) Borrower shall provide Lender with proof of payment acceptable to Lender of all Insurance Impositions within five (5) days after the date such Insurance Impositions are paid; and

(C) Borrower shall cause its insurance agent to provide Lender with such certifications regarding the Required Insurance Coverage as Lender may request from time to time evidencing that the Insurance Impositions have been paid in a timely manner and that all of the Required Insurance Coverage is in full force and effect.

(2) Lender reserves the right to require Borrower to deposit the Imposition Deposits with Lender on each Payment Date for Insurance Impositions in accordance with this Section 12.02 (Imposition Deposits, Taxes, and Other Charges - Covenants) upon:

(A) Borrower’s failure to pay Insurance Impositions or to provide Lender with proof of payment of Insurance Impositions as required in this Section 12.02(b) (Conditional Waiver of Collection of Imposition Deposits);

(B) Borrower’s failure to maintain insurance coverage in accordance with the requirements of Article 9 (Insurance);

(C) the occurrence of any Transfer which is not permitted by the Loan Documents, or any Transfer which requires Lender’s consent; or

(D) the occurrence of an Event of Default under any of the other terms, conditions and covenants set forth in this Master Agreement or any of the other Loan Documents.

(3) Except as specifically provided in this Section 12.02(b) (Conditional Waiver of Collection of Imposition Deposits), the provisions of Article 9 (Insurance) shall remain in full force and effect.

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Master Credit Facility Agreement
Schedule 18 (Replacement Reserve Deposits - Deposits
Partially or Fully Waived)

Form 6220 [modified]

08-14

Page 1

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**SCHEDULE 18 TO
MASTER CREDIT FACILITY AGREEMENT**

Replacement Reserve - Deposits Partially or Fully Waived

The foregoing Master Agreement is hereby modified as follows:

4. Capitalized terms used and not specifically defined herein have the meanings given to such terms in the Master Agreement.

5. The Definitions Schedule is hereby amended by adding the following new definition in the appropriate alphabetical order:

“**Reduced Monthly Replacement Reserve Deposit**” has the meaning set forth in the Summary of Master Terms.

6. Section 13.01(b) (Monthly Replacement Reserve Deposits) of the Master Agreement is hereby amended by adding the following provisions to the end thereof:

(1) Partial or Full Waiver of Monthly Replacement Reserve Deposit.

Notwithstanding the foregoing or anything in this Master Agreement to the contrary, on the Effective Date, Lender has agreed to partially reduce, defer or fully waive Borrower’s obligation to make full Monthly Replacement Reserve Deposits. Subject to the provisions of Section 13.01(b)(2) (Reinstatement of Monthly Replacement Reserve Deposit), Borrower shall deposit the applicable Reduced Monthly Replacement Reserve Deposit into the Replacement Reserve Account on each Payment Date.

(2) Reinstatement of Monthly Replacement Reserve Deposit.

In the event that (A) at any time during the Term of this Master Agreement Lender provides written notice to Borrower that the Mortgaged Property is not being maintained in accordance with the requirements set forth in the Loan Documents, or (B) an Event of Default has occurred and is continuing under any of the Loan Documents, then upon the earlier of (i) the date specified by Lender in such written notice to Borrower or (ii) the first day of the first calendar month after the occurrence of such Event of Default, Borrower shall commence paying the full Monthly

Replacement Reserve Deposits throughout the remaining Term of this Master Agreement.

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Master Credit Facility Agreement
Schedule 19 (Manufactured Housing Community)

Form 6208 [modified]
01-16

Page 8
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Master Credit Facility Agreement
Schedule 19 (Manufactured Housing Community)

Form 6208 [modified]
01-16

Page 1
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**SCHEDULE 19 TO
MASTER CREDIT FACILITY AGREEMENT**

Manufactured Housing Community

The foregoing Master Agreement is hereby modified as follows:

1. Capitalized terms used and not specifically defined herein have the meanings given to such terms in the Master Agreement.
2. The Definitions Schedule is hereby amended by adding the following new definitions in the appropriate alphabetical order:

“**Borrower’s Homes**” or “**Borrower Home**” has the meaning set forth in the Security Instrument.

“**Community**” means the manufactured housing community known as the Manufactured Community Name, located on the Mortgaged Property, owned and operated by Borrower, consisting of approximately the Number of Sites, and related amenities, landscaping, roads and infrastructure.

“**Home Owner**” means a Person who owns a Manufactured Home located or to be located in the Community.

“**Manufactured Community Name**” has the meaning set forth in the Summary of Master Terms.

“**Manufactured Home**” has the meaning set forth in the Security Instrument.

“**Number of Sites**” has the meaning set forth in the Summary of Master Terms.

“**Reserve Determination Date**” means the eleventh (11th) day of each month during the Term of this Master Agreement.

“**Rules and Regulations**” means written rules and regulations governing tenant conduct for the Community.

“**Site**” has the meaning set forth in the Security Instrument.

3. Section 4.01(h) (Borrower Status - Representations and Warranties - Borrower Single Asset Status) of the Master Agreement is hereby amended by adding the following provision to the end thereof:

(17) does not engage in the retail sale or financing of Manufactured Homes and does not rent Manufactured Homes under Leases which provide that upon payment of the stipulated rent or a nominal charge, Borrower shall convey title to the Manufactured Home to the lessee.

4. Section 4.02(d) (Borrower Status - Covenants - Borrower Single Asset Status) of the Master Agreement is hereby amended by adding the following new language at the end thereof:

In particular, and without limiting the foregoing, Borrower is not and shall not engage in the retail sale or financing of Manufactured Homes. Borrower shall not rent Manufactured Homes under Leases which provide that upon payment of the stipulated rent or a nominal charge, Borrower shall convey title to the Manufactured Home to the lessee.

5. Section 6.01 (Property Use, Preservation and Maintenance - Representations and Warranties) of the Master Agreement is hereby amended by adding the following provisions to the end thereof:

(f) Manufactured Housing Community.

- (1) The Community is located on the Mortgaged Property and is owned and operated by Borrower;
- (2) construction of the Community is complete (subject to the Expansion Work described in the Community Expansion Schedule);
- (3) the Community complies with all local, state and federal laws and regulations governing Manufactured Homes and manufactured home communities;
- (4) all public and private utilities on the Mortgaged Property comply with local conditions and code requirements;
- (5) the Community has paved roads;
- (6) the Community consists of approximately the Number of Sites;
- (7) the Community has at least fifty (50) Sites;
- (8) a minimum of fifty percent (50%) of existing Sites accommodate double wide Manufactured Homes in compliance with local zoning and ordinances;
- (9) with respect to any Additional Mortgaged Property added to the Collateral Pool after the Initial Effective Date, the percentage of Borrower’s Homes together with all Affiliated Homes at such Mortgaged Property does not exceed thirty five percent (35%);

(10) the percentage of Borrower's Homes together with all Affiliated Homes in the Collateral Pool does not exceed twenty five percent (25%);

(11) all Rents are made payable to the order of Borrower and deposited by Borrower into an account titled in the name of Borrower;

(12) Borrower owns no Manufactured Homes except as disclosed on the Exceptions to Representations and Warranties Schedule;

(13) no Borrower's Home is subject to any Lien, claim (including condemnation proceedings or the total or partial taking of the Property, the Improvements, the Fixtures, the Personalty, or any other part of the Mortgaged Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof), or encumbrance other than Lender's lien and Permitted Liens;

(14) all Manufactured Homes in the Community conform to the requirements of the federal Manufactured Home Construction And Safety Standards of 1974 (42 U.S.C. chap. 70; 24 C.F.R. Part 3280);

(15) all Manufactured Homes are professionally skirted;

(16) hitches on all Manufactured Homes are concealed;

(17) the Community has a minimum of two (2) paved parking spaces per Site, which may be on or off-street, as permitted by local ordinance;

(18) the Community known as Hamlin has a septic system or a private treatment plant system that (A) has passed an inspection by a qualified engineer, (B) does not have a record of operating violations, (C) has required licensing, and (D) is not owned by a separate entity;

(19) with respect to the Communities known as Apple Creek, Bell Crossing, Boulder Ridge, Brentwood, Cave Creek, Countryside of Lake Lanier, Cutler Estates, Grand, Hawaiian Gardens & Holly Village, Holiday West Village, Meadowbrook Village, Oak Crest, Pine Ridge, Scio Farms, Sun Villa Estates, and Waverly Shores Village, applicable law requires public sewer hookup, and the applicable Borrowers have paid any applicable hook-up costs including tap fees; and

(20) with respect to the Communities known as Apple Creek, Bell Crossing, Boulder Ridge, Brentwood, Cave Creek, Countryside of Lake Lanier, Cutler Estates, Grand, Hawaiian Gardens & Holly Village, Holiday West Village, Meadowbrook Village, Oak Crest, Scio Farms, Sun Villa Estates, and Waverly Shores Village, applicable law requires public water hookup, and the applicable Borrowers have paid any applicable hook-up costs including tap fees, and with the Communities known as Hamlin and Pine Ridge have a private water well system that (A) has passed an inspection by a qualified engineer, (B) does not have a record of operating violations, (C) has required licensing, and (D) is not owned by a separate entity.

(g) Operation of the Community.

(1) Borrower does not engage in the retail sale or financing of Manufactured Homes;

(2) Borrower does not rent Manufactured Homes under Leases providing that upon payment of the stipulated rent or a nominal charge, Borrower shall convey title to the Manufactured Home to the lessee;

(3) the Community has Rules and Regulations that are appropriate and enforceable and maintain the viability and physical condition of the Community;

(4) each Lease arises from a bona fide lease of a Site to (A) a Home Owner or (B) a tenant of an Affiliated Home;

(5) there are no other agreements between Borrower and a Home Owner other than the Lease and the Rules and Regulations; and

(6) Borrower has complied with all laws and regulations applicable to (A) each Home Owner's application for a lease, (B) the advertising, making and servicing of each Lease, (C) the development, ownership and operation of the Community, including but not limited to the Federal Trade Commission Act and all rules and regulations promulgated thereunder; 24 C.F.R. Part 201 concerning manufactured home location standards; the Equal Credit Opportunity Act and all rules and regulations promulgated thereunder; the Fair Credit Reporting Act and all rules and regulations promulgated thereunder; the Fair Housing Act and all rules and regulations promulgated thereunder; the Real Estate Settlement Procedures Act, and all other applicable Federal, state, and local laws, regulations, rules, and ordinances, as any of the foregoing from time to time may be amended.

6. Section 6.02 (Property Use, Preservation and Maintenance - Covenants) of the Master Agreement is hereby amended by adding the following provision to the end thereof:

(g) Location of Mortgaged Property; Site Stability.

(1) Until all amounts owed under the Loan Documents are paid in full, the Borrower's Homes shall be located on the Mortgaged Property at the Multifamily Project Address;

(2) Borrower shall not move the Borrower's Homes from the Site without Lender's prior written permission;

(3) the Community shall be located on the Mortgaged Property and shall be owned and operated by Borrower;

(4) the Community shall comply with all local, state and federal laws and regulations governing Manufactured Homes and manufactured home communities;

(5) all public and private utilities on the Mortgaged Property shall comply with local conditions and code requirements;

(6) the Community shall have paved roads;

- (7) the Community shall consist of approximately the Number of Sites (subject to the Expansion Work described in the Community Expansion Schedule);
- (8) the Community shall have at least fifty (50) Sites;
- (9) a minimum of fifty percent (50%) of existing Sites shall accommodate double wide Manufactured Homes in compliance with local zoning and ordinances;
- (10) with respect to any Additional Mortgaged Property added to the Collateral Pool after the Initial Effective Date, the percentage of Borrower's Homes together with all Affiliated Homes at such Mortgaged Property shall not exceed thirty five percent (35%);
- (11) the percentage of Borrower's Homes together with all Affiliated Homes in the Collateral Pool shall not exceed twenty five percent (25%);
- (12) all Rents shall be made payable to the order of Borrower and deposited by Borrower into an account titled in the name of Borrower;
- (13) Borrower shall own no Manufactured Homes except as disclosed on the Exceptions to Representations and Warranties Schedule;
- (14) no Borrower's Home shall be subject to any Lien, claim (including condemnation proceedings or the total or partial taking of the Property, the Improvements, the Fixtures, the Personalty, or any other part of the Mortgaged Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof), or encumbrance other than Lender's lien and Permitted Liens;
- (15) all Manufactured Homes in the Community shall conform to the requirements of the federal Manufactured Home Construction And Safety Standards of 1974 (42 U.S.C. chap. 70; 24 C.F.R. Part 3280);
- (16) all Manufactured Homes shall be professionally skirted;
- (17) hitches on all Manufactured Homes shall be concealed;
- (18) the Community shall have a minimum of two (2) paved parking spaces per Site, which may be on or off-street, as permitted by local ordinance;
- (19) Borrower shall not engage in the retail sale or financing of Manufactured Homes;
- (20) Borrower shall not rent Manufactured Homes under Leases providing that upon payment of the stipulated rent or a nominal charge, Borrower shall convey title to the Manufactured Home to the lessee;
- (21) the Community shall have Rules and Regulations that are appropriate, enforceable, and shall maintain the viability and physical condition of the Community;

(22) there shall be no other agreements between Borrower and a Home Owner other than the Lease and the Rules and Regulations; and

(23) Borrower shall comply with all laws and regulations applicable to (A) each Home Owner's application for a lease, (B) the advertising, making and servicing of each Lease, (C) the development, ownership and operation of the Community, including but not limited to the Federal Trade Commission Act and all rules and regulations promulgated thereunder; 24 C.F.R. Part 201 concerning manufactured home location standards; the Equal Credit Opportunity Act and all rules and regulations promulgated thereunder; the Fair Credit Reporting Act and all rules and regulations promulgated thereunder; the Fair Housing Act and all rules and regulations promulgated thereunder; the Real Estate Settlement Procedures Act, and all other applicable Federal, state, and local laws, regulations, rules, and ordinances, as any of the foregoing from time to time may be amended.

7. Section 7.02(a)(3) and Section 7.02(a)(4) (Leases) of the Master Agreement are hereby deleted and restated in their entirety to read as follows:

(3) require that all Leases for Sites comply with applicable law and have initial lease terms of not less than six (6) months and not more than twenty-four (24) months (however, if customary in the applicable market for properties comparable to the Mortgaged Property, Leases for Sites with initial terms of less than six (6) months (but in no case less than one (1) month) may be permitted with Lender's prior written consent);

(4) not permit any Lease for a Site to contain an option to purchase the Mortgaged Property or right of first refusal to purchase or right of first offer to purchase (except when such option or right is required by applicable law); and

(5) promptly provide Lender a copy of any non-Residential Lease at the time such Lease is executed (subject to Lender's consent rights for Material Commercial Leases in Section 7.02(b)) and, upon Lender's written request, promptly provide Lender a copy of each Lease of a Site then in effect.

8. Section 7.03(b) (Residential Lease Form) of the Master Agreement is hereby deleted and restated in its entirety to read as follows:

(b) Residential Lease Form.

All Leases for Sites entered into from and after the Effective Date shall be on forms approved by Lender. Borrower shall give Lender thirty (30) days written notice of any material changes to the form of the Lease.

9. Section 14.01(a) (Events of Default - Automatic Events of Default) of the Master Agreement is hereby amended by adding the following provision as Section 14.01(a)(13):

(13) any change by Borrower in the occupancy requirements or leases on Sites in the Mortgaged Property regarding age restrictions.

10. Section 14.02(a) (Remedies - Acceleration; Foreclosure) of the Master Agreement is hereby amended by adding the following new language to the end thereof:

At Lender's option, Lender may repossess the Borrower's Homes peacefully without Borrower's permission, subject to the terms of the applicable tenant's Lease. At Lender's

option, Lender may (subject to the terms of the applicable tenant's Lease) detach and remove the Borrower's Homes from the Mortgaged Property, or Lender may take possession of it and leave it on the Mortgaged Property. Borrower agrees to cooperate with Lender if Lender exercises these rights. After Lender repossesses, Lender may then sell the Borrower's Homes and apply what Lender receives to Lender's reasonable repossession, repair, storage, and sale expenses, and then toward any other amounts Borrower owes under the Loan Documents, as allowed by law.

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Master Credit Facility Agreement
Schedule 20 (Community Expansion Schedule)

Form 6001.MCFA
03-16

Page Add-5
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**SCHEDULE 20 TO
MASTER CREDIT FACILITY AGREEMENT**

Community Expansion Schedule

The foregoing Master Agreement is hereby modified as follows:

1. Capitalized terms used and not specifically defined herein have the meanings given to such terms in the Master Agreement.
2. The Definitions Schedule is hereby amended by adding the following new definitions in the appropriate alphabetical order:

"Expansion Mortgaged Property" means, individually and collectively, the Mortgaged Properties commonly known as Boulder Ridge, Waverly Shores Village, Pine Ridge, and Hamlin.

"Expansion Work" means the repairs and improvements to the Expansion Mortgaged Property to be performed by Borrower in connection with the development of additional Sites on such Expansion Mortgaged Property.

"Waverly Expansion Parcel" means that certain parcel of real property adjacent to the Mortgaged Property commonly known as Waverly Shores Village to be acquired by Borrower.

"Waverly Mortgaged Property" means the Mortgaged Property commonly known as Waverly Shores Village

3. The following article is hereby added to the Master Agreement as Article 16 (Community Expansion):

ARTICLE 16 -COMMUNITY EXPANSION

Section 16.01 Special Provisions Regarding Community Expansion.

(a) Waverly Shores Village Expansion Property.

Borrower has the right to add the Waverly Expansion Parcel to be part of the Waverly Mortgaged Property, provided that Borrower shall have provided Lender with:

(1) a certification that no Event of Default shall occur as a result of Borrower's acquisition of the Waverly Expansion Parcel, and no Event of Default has occurred and is continuing;

(2) an endorsement to the Title Policy for the Waverly Mortgaged Property, insuring title to such Mortgaged Property, including the Waverly Expansion Parcel, in form acceptable to Lender;

(3) an amendment to the Security Instrument for the Waverly Mortgaged Property to include the Waverly Expansion Parcel as part of the Mortgaged Property secured by such Security Instrument, in form acceptable to Lender;

(4) amendments to any other Loan Documents that Lender may require to reflect the addition of the Waverly Expansion Parcel to the Waverly Mortgaged Property;

(5) clean UCC searches, judgment searches and tax lien searches on the Borrower owning the Waverly Mortgaged Property;

(6) the Insurance Policy (or certified copy of the Insurance Policy) applicable to the Waverly Mortgaged Property, including the Waverly Expansion Parcel;

(7) the Survey, in form acceptable to Lender, of the Waverly Expansion Parcel (which shall be last revised no less than forty-five (45) days prior to Borrower's acquisition of the Waverly Expansion Parcel);

(8) either (A) (i) letters or other evidence with respect to the Waverly Expansion Parcel from the appropriate Governmental Authority concerning applicable zoning and building laws, and (ii) a zoning endorsement to the Title Policy or (B) a zoning opinion letter, in each case in substance satisfactory to Lender;

(9) a Confirmation of Guaranty by each party providing a Guaranty to Lender;

(10) a Confirmation of Environmental Indemnity Agreement, as required by Lender; and

(11) such other documents, instruments and approvals (and if requested by Lender, certified duplicates of executed copies thereof) as Lender may reasonably request.

(b) Agreement to Complete Work.

Borrower has the right to elect to perform the Expansion Work for one or more of the Expansion Mortgaged Properties. Borrower shall elect to commence such Expansion Work by providing Lender not less than ten (10) days prior written notice of Borrower's intent to commence such Expansion Work, together with a certification that no Event of Default shall occur as a result of Borrower's commencement of the Expansion Work and no Event of Default has occurred and is continuing. After commencement of such Expansion Work, Borrower shall at all times thereafter diligently pursue the completion of all Expansion Work. Borrower and Lender hereby acknowledge that Borrower has commenced the Expansion Work with respect to the Mortgaged Property commonly known as Boulder Ridge.

(c) Payment for Expansion Work.

Borrower shall:

- (1) pay all invoices for the Expansion Work;
- (2) pay all applicable fees and charges of any Governmental Authority on account of the Expansion Work;
and
- (3) provide evidence satisfactory to Lender of completion of the Expansion Work.

(d) Date-Down Endorsements.

In connection with completion of the Expansion Work, or in order to protect Lender's interest in the Collateral, Lender may require any or all of the following at the expense of Borrower:

- (1) a search of title to the Mortgaged Property effective to the date of disbursement; or
- (2) a "date-down" endorsement to Lender's Title Policy extending the effective date of such policy to the date of completion of the Expansion Work, and showing no Liens other than (A) Permitted Encumbrances, (B) liens which Borrower is diligently contesting in good faith that have been bonded off or escrowed with sufficient funds to the Title Company, to the satisfaction of Lender, or (C) mechanics' or materialmen's liens which attach automatically under the laws of the Governmental Authority upon the commencement of any work upon, or delivery of any materials to, the Mortgaged Property but for which Borrower is not delinquent in the payment for any such services or materials.

(e) Indemnification.

If Lender elects to exercise its rights under Section 14.03 (Additional Lender Rights; Forbearance) due to Borrower's failure to timely commence or complete any Expansion Work

after such Expansion Work has commenced, Borrower shall indemnify and hold Lender harmless from and against any and all actions, suits, claims, demands, liabilities, losses, damages, obligations and costs or expenses, including litigation costs and reasonable attorneys' fees, arising from or in any way connected with the performance by Lender of the Expansion Work; provided that Borrower shall have no indemnity obligation if such actions, suits, claims, demands, liabilities, losses, damages, obligations and costs or expenses, including litigation costs and reasonable attorneys' fees, arise as a result of the willful misconduct or gross negligence of Lender, Lender's agents, employees or representatives as determined by a court of competent jurisdiction pursuant to a final non-appealable court order.

(f) Amendments to Loan Documents.

Subject to Section 5.02 (The Advances - Covenants), Borrower shall execute and deliver to Lender, upon written request, an amendment to this Master Agreement, the Security Instrument, and any other Loan Document deemed necessary or desirable to perfect Lender's lien upon any portion of the Mortgaged Property subject to the Expansion Work.

(g) No Lender Obligation.

Nothing in this Master Agreement shall:

- (1) make Lender responsible for making or completing the Expansion Work;
- (2) require Lender to expend funds to make or complete any Expansion Work;
- (3) obligate Lender to proceed with the Expansion Work; or
- (4) obligate Lender to demand from Borrower additional sums to make or complete any Expansion Work.

(h) No Lender Warranty.

Lender's approval of any plans for any Expansion Work, inspection of the Mortgaged Property by Lender or Lender's agents, or other acknowledgment of completion of any Expansion Work in a manner satisfactory to Lender shall not be deemed an acknowledgment or warranty to any person that the Expansion Work has been completed in accordance with applicable building, zoning or other codes, ordinances, statutes, laws, regulations or requirements of any governmental agency, such responsibility being at all times exclusively that of Borrower.

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MASTER LOAN AGREEMENT

THIS MASTER LOAN AGREEMENT (this "Agreement") is made as of June 9, 2016, by and among CAREFREE COMMUNITIES CA LLC, a Delaware limited liability company and NHC-CA101, LLC, a Delaware limited liability company (each an "Individual Borrower" and, collectively, "Borrowers"), whose mailing address is c/o Sun Communities, Inc., Attn: Karen J. Dearing or SVP Finance, 27777 Franklin Road, Suite 200, Southfield, Michigan 48034, and THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, a Wisconsin corporation ("Lender"), whose mailing address is 720 East Wisconsin Avenue, Milwaukee, Wisconsin 53202.

RECITALS

A. Lender has agreed to lend to the Borrowers a mortgage loan in the total aggregate amount of \$162,000,000.00 (the "Loan") to be secured by a first lien on eight (8) separate properties - two (2) all-age manufactured home community, one (1) designated age-restricted (55+) rv/park model community and five (5) designated age-restricted (55+) manufactured home communities (each, an "Initial Project" and, together, the "Initial Projects") located in the State of California (the "State"). The Initial Projects are grouped into one (1) portfolio identified on the Project Schedule attached as Exhibit "B" (the "Initial Project Portfolio") and as more particularly described on the attached Exhibits "A-1" through "A-8" (collectively the "Land").

B. Borrowers have executed and delivered to Lender a Promissory Note of even date herewith (as same may be amended, renewed and restated from time to time, the "Note"), in the original principal amount of ONE HUNDRED SIXTY-TWO MILLION DOLLARS and with a maturity date of June 15, 2026.

C. The Note is secured by eight (8) Deeds of Trust and Security Agreements (each, an "Initial Lien Instrument") of even date herewith, each encumbering an Initial Project, each executed by the Individual Borrower owning such Initial Project.

D. As further security for the Loan, each Individual Borrower has executed for the benefit of Lender eight (8) Absolute Assignments of Leases and Rents of even date herewith (each, a "Initial Absolute Assignment"), each encumbering an Initial Project.

E. Borrowers and Lender are entering into this Agreement concurrently with the execution and delivery of the Note, the Initial Lien Instruments, the Initial Absolute Assignments and the other Loan Documents (as hereinafter defined) to facilitate Borrowers' ability to release or transfer property and to set forth Borrowers' covenants which apply to the Note and all of the Lien Instruments (as hereinafter defined) and/or Absolute Assignments (as hereinafter defined).

AGREEMENT

In consideration of the foregoing and other good and valuable consideration, Borrowers and Lender agree as follows:

ARTICLE I

DEFINITIONS

1.1 Terms Defined. Each of the following terms is defined as follows:

"Absolute Assignment" means any Initial Absolute Assignment, as any such assignment may be amended, renewed and restated from time to time; "Absolute Assignments" means all of the Initial Absolute Assignments, as the same may be amended, renewed and restated from time to time.

"Affiliate" means, with respect to a particular entity, any person or entity which, directly or indirectly, controls, is controlled by, or is under common control with such entity. For the purpose of this definition, "control" (including, with correlative meanings, the terms "controlled by" or "under common control with") means the possession by any person or entity, directly or indirectly, of the power to direct or cause the direction of the management and policies of another person or entity, whether through the ownership of voting securities, by contract or otherwise.

"Allocated Loan Amount" means, with respect to a Project, the outstanding principal balance of the Note reasonably allocated to the Project by Lender at a given time.

"Borrowers" has the meaning ascribed to it above.

"Commitment" means that certain Loan Application dated March 23, 2016 from Borrowers to Lender and that certain acceptance letter issued by Lender dated April 28, 2016, and any amendments to said Loan Application.

"Condemnation Proceeds" has the meaning ascribed to it in Article VI hereof.

"Debt Service Coverage" means a number calculated by dividing Net Operating Income Available for Debt Service for a fiscal period by the debt service during the same fiscal period under all loans (including the Loan) secured by any portion of the Property. For purposes of the preceding sentence, "debt service" means the actual debt service based on annualized payments due under the Loan in accordance with the provisions of the Note. The term "Debt Service Coverage" is applicable only with respect to Article XVIII hereof entitled "Partial Releases".

"Default Rate" means the lower of (i) the sum of the Interest Rate or the Increased Rate then in effect plus five percent (5%), or (ii) the maximum rate permitted by law.

"Environmental Indemnity Agreement" means the Environmental Indemnity Agreement of even date herewith given by Borrowers and Principal in favor of Lender.

"Event of Default" means a default remaining uncured after written notice to Borrowers and the expiration of the applicable cure period as set forth in Article IX hereof.

"Improvements" means an aggregate of approximately 2,114 developed sites, landscaping, roadways, community clubhouses with swimming pools, paved walkways, driveways, parking areas, any existing private on-site water and sewer facilities, all to the extent existing at any

Project, and all other improvements on the Land; all fixtures and equipment of every description belonging to or leased by any of the Borrowers which are or may be placed or used upon, used on or about, or related to the Land or structures or improvements thereon, including, but not limited to, all engines, boilers, elevators and machinery, all heating apparatus, electrical equipment, air-conditioning and ventilating equipment, water and gas fixtures, all furniture and easily removable equipment, including, but not limited to all clubhouse or common area amenities including carpeting, draperies, ranges, microwave ovens, refrigerators, dishwashers, water and sewer equipment, fixtures, and facilities, now owned by any of the Borrowers or hereafter acquired by any of the Borrowers, in each case to the extent used on the Property and owned by any of the Borrowers. Lender's security interest shall not apply to (A) manufactured homes, park models and/or RVs, (B) other personal property items encumbered by a lease or a purchase money lien, or (C) model/inventory homes purchased directly by any of the Borrowers or its Affiliates (or any wholly owned subsidiary of Principal) for the purpose of resale to tenants or use by the community manager, or (D) installment sale contracts or promissory notes, loan agreements and other documents governing the sale of manufactured homes by Principal or an Affiliate. If requested by any of the Borrowers, Lender agrees to enter into an "Intercreditor Agreement" related to third-party liens on the referenced model/inventory homes, provided said form of Intercreditor Agreement is reasonably satisfactory to Lender. Borrowers shall pay Lender a service fee of \$1,500.00 for each requested Intercreditor Agreement.

"Increased Rate" has the meaning ascribed to it in Article II hereof.

"Indebtedness" means the indebtedness evidenced by the Note or otherwise owed Lender under the Loan Documents.

"Initial Absolute Assignment" has the meaning ascribed to it in Recital D above.

"Initial Lien Instrument" has the meaning ascribed to it in Recital C above.

"Initial Project" has the meaning ascribed to it in Recital A above.

"Initial Projects" has the meaning ascribed to it in Recital A above.

"Interest Rate" means 3.53%, as also ascribed in the Note.

"Land" has the meaning ascribed to it in Recital A above.

"Leases" means all existing and future leases of any portion of the Property, and "Lease" means any one of them.

"Lender" means The Northwestern Mutual Life Insurance Company.

"Lien Instrument" means any Initial Lien Instrument, as any such instrument may be amended, renewed and restated from time to time; "Lien Instruments" means all of the Initial Lien Instruments, as the same may be amended, renewed and restated from time to time.

"Loan" has the meaning ascribed to it in Recital A above.

"Loan Document" or "Loan Documents" means any or all, as the case may be, instruments or documents executed by any or all of the Borrowers and delivered to Lender in connection with the Loan (except the Environmental Indemnity Agreement), as the same may be amended, renewed and restated from time to time.

"Loan to Value Ratio" means, at any time, the ratio (expressed as a percentage) of (1) the outstanding principal balance of the Loan at such time, to (2) the Lender's current appraisal of the Property at such time.

"Monetary Default" has the meaning ascribed to it in Article IX hereof.

"Net Operating Income Available for Debt Service" means, net income (prior to giving effect to any capital gains or losses and any extraordinary items) from the Property, determined in accordance with generally accepted accounting principles, for a fiscal period, plus (to the extent deducted in determining net income from the Property):

- A) interest on debt secured by any portion of the Property for such fiscal period;
- B) depreciation, if any, of fixed assets at or constituting the Property for such fiscal period; and
- C) amortization of loan costs incurred in connection with any indebtedness secured by any portion of the Property and leasing commissions which have been prepaid;

less:

D) the amount, if any, by which actual gross income during such fiscal period exceeds that which would be earned from the rental of 98% occupancy of the manufactured home sites, park model and seasonal/annual sites at the Property;

E) the amount, if any, by which the actual management fee is less than 3.00% of gross revenue (as adjusted by Lender in (D) above) during such fiscal period;

F) the amount, if any, by which the actual real estate taxes are less than \$1,928,470.00 per annum; and

G) the amount, if any, by which total actual operating expenses, excluding management fees and real estate taxes are less than \$6,054,665.00 per annum.

All adjustments to net income referenced above shall be calculated in a manner reasonably satisfactory to Lender and shall be reasonably adjusted by Lender as a result of any partial releases.

"Non-Monetary Default" has the meaning ascribed to it in Article IX hereof.

"Note" has the meaning ascribed to it in Recital B above.

"Permitted Encumbrances" means all matters affecting title to the Property that have been approved or accepted by Lender in connection with the Loan.

"Person" means any individual, sole proprietorship, corporation, general partnership, limited partnership, limited liability company or partnership, joint venture, association, joint stock company, bank, trust, estate unincorporated organization, any federal, state, county or municipal government (or any agency or political subdivision thereof) endowment fund or any other form of entity.

"Principal" means Sun Communities Operating Limited Partnership, a Michigan limited partnership.

"Project" means any Initial Project which, at any point in time, is subject to a Lien Instrument; "Projects" means more than one Project.

"Projected Debt Service Coverage" means a number calculated by dividing Projected Operating Income Available for Debt Service for the first fiscal year following restoration of the Property by the debt service during the same fiscal year under all loans secured by any portion of the Property. For purposes of the preceding sentence, "debt service" means the greater of (x) debt service due under all such loans during the first fiscal year following completion of the restoration of the Property and (y) debt service that would be due and payable during such fiscal year if all such loans were amortized over thirty (30) years (whether or not amortization is actually required) and if interest on such loans were due as it accrues at the face rate shown on the notes therefor (whether or not such loans require interest payments based on such face rates).

"Projected Operating Income Available for Debt Service" means projected gross annual rent from the Approved Leases for the first full fiscal year following completion of the restoration of the Property less:

(A) The operating expenses of the Property for the last fiscal year preceding the casualty and

(B) the following:

(i) the amount, if any, by which actual gross income during such fiscal period exceeds that which would be earned from the rental of 98.00% occupancy of the manufactured home sites, park model and seasonal/annual sites at the Property;

(ii) the amount, if any, by which the actual management fee is less than 3.00% of gross revenue (as adjusted by Lender in (B)(i) above) during such fiscal period;

(iii) the amount, if any, by which the actual real estate taxes are less than \$1,928,470.00 per annum; and

(iv) the amount, if any, by which total operating expenses, excluding management fees, real estate taxes and replacement reserves, are less than \$6,054,665.00 per annum.

All projections referenced above shall be calculated in a manner satisfactory to Lender and shall be reasonably adjusted by Lender as a result of any partial releases.

"Property" means that portion of the Initial Projects, which, at any given point in time, is subject to the Lien Instrument.

"Release" has the meaning ascribed to it in Article XVIII hereof.

"Released Project" has the meaning ascribed to it in Article XVIII hereof.

"Trustee" means The Northwestern Mutual Life Insurance Company, a Wisconsin corporation.

ARTICLE II FINANCIAL STATEMENTS

2.1 Each Individual Borrower shall furnish to Lender:

(A) the following financial statements for each Project within ninety (90) days after the close of each fiscal year of each respective Individual Borrower (the "Property Financial Statements Due Date"):

- (i) an unaudited statement of operations for such fiscal year with a detailed line item break-down of all sources of income and expenses, including capital expenses broken down between, capital maintenance, common area renovation, and expansion; and
- (ii) a current rent roll identifying leased lot and current contract rent; and
- (iii) an operating budget for the current fiscal year; and

(B) the following unaudited financial statements (or audited made available to Lender) that Lender may, in Lender's sole discretion, require from time to time within thirty (30) days after receipt of a written request from Lender (the "Requested Financial Statements Due Date"):

(i) a balance sheet for each Project as of the last day of each respective Individual Borrower's most recently closed fiscal year; and

(ii) a balance sheet for each Individual Borrower (if not the same as (B)(i) above) as of the last day of such respective Individual Borrower's most recently closed fiscal year; and

(iii) a balance sheet for Principal as of the last day of Principal's most recently closed fiscal year, if available; if not available, then Borrowers shall deliver the most recent public filings of Sun Communities, Inc., a Maryland corporation ("Sun Communities") provided not less than 70% of the assets of Principal are owned and controlled, directly or indirectly, by Sun Communities; and

(iv) a statement of cash flows for each Project as of the last day of each respective Individual Borrower's most recently closed fiscal year; and

(v) a statement of cash flows for each Individual Borrower (if not the same as (B)(iv) above) as of the last day of each respective Individual Borrower's most recently closed fiscal year.

Furthermore, Borrowers shall furnish to Lender within twenty (20) days after receipt of a written request from Lender such reasonable financial and management information in the possession of, or accessible to, each Individual Borrower which Lender determines to be useful in Lender's monitoring of the value and condition of the Property, Borrowers, or Principal.

The Property Financial Statements Due Date and the Requested Financial Statements Due Date are each sometimes hereinafter referred to as a "Financial Statements Due Date".

Notwithstanding the foregoing, in no event shall a Financial Statements Due Date for a particular financial statement be prior to the 90th day following the close of the fiscal year covered by such financial statement.

If audited, the financial statements identified in sections (A)(i), (A)(ii), and (B)(i) through (B)(v), above, shall each be prepared in accordance with generally accepted accounting principles by a an independent nationally recognized certified public accounting firm. All unaudited statements shall contain a certification by a senior officer of Principal stating that they have been prepared in accordance with generally accepted accounting principles and that they are true and correct. The expense of preparing all of the financial statements required in (A) and (B) above, shall be borne by Borrowers.

Borrowers acknowledge that Lender requires the financial statements and information required herein to record accurately the value of the Property for financial and regulatory reporting.

Lender acknowledges that the financial statements and information delivered to Lender by Borrowers during the due diligence is in a format satisfactory to Lender for delivery going forward.

In addition to all other remedies available to Lender hereunder, at law and in equity, if any financial statement, additional information or proof of payment of property taxes and assessments is not furnished to Lender as required in this Article entitled "**Financial Statements**" and in the Article entitled "**Taxes/Deposits**", within thirty (30) days after Lender shall have given written notice to Borrowers that it has not been received as required,

(x) interest on the unpaid principal balance of the Indebtedness shall as of the applicable Financial Statements Due Date or the date such additional information or proof of payment of property taxes and assessments was due, accrue and become payable at a rate equal to the sum of the Interest Rate plus one percent (1%) per annum (the "Increased Rate"); and

(y) Lender may elect to obtain an independent appraisal and audit of the Property at Borrowers' expense, and Borrowers agree that they will, upon request, promptly make Borrowers' books and records regarding the Property available to Lender and the person(s) performing the appraisal and audit (which obligation Borrowers agree can be specifically enforced by Lender).

The amount of the payments due under the Note during the time in which the Increased Rate shall be in effect shall be changed to an amount which is sufficient to reflect the Increased Rate with no change in the amortization of the unpaid principal balance. Interest shall continue to accrue and be due and payable monthly at the Increased Rate until the date (the "Receipt Date") on which all of the financial statements, additional information and proof of payment of property taxes and assessments (as requested by Lender) shall be furnished to or made available to Lender as required. Commencing on the Receipt Date, interest on the unpaid principal balance of the Note shall again accrue at the Interest Rate with no change in amortization, and the payments due during the remainder of the term of the Note shall be changed to an amount which is sufficient to amortize the then unpaid principal balance at the Interest Rate. Notwithstanding the foregoing, Lender shall have the right to conduct an independent audit at its own expense at any time.

ARTICLE III PROHIBITION ON TRANSFER

3.1 The present ownership and management of the Property is a material consideration to Lender in making the Loan secured by the Lien Instruments, and Borrowers shall not (i) convey title to all or any part of the Property, (ii) enter into any ground lease or contract to convey (land contract/installment sales contract/contract for deed) title to all or any part of the Property which gives a purchaser possession of, or income from, the Property prior to a transfer of title to all or any part of the Property ("Contract to Convey") or (iii) cause or permit a Change in the Proportionate Ownership (as hereinafter defined) of either Individual Borrower. Any such conveyance, entering into a Contract to Convey or Change in the Proportionate Ownership of either Individual Borrower shall constitute a default under the terms of the Loan Documents.

"Change in the Proportionate Ownership" means in the case of a corporation, a change in, or the existence of a lien on, the direct or indirect ownership of the stock of either Individual Borrower; in the case of a trust, a change in the trustee, or a change in, or the existence of a lien on, the direct or indirect ownership of the beneficial interests of either Individual Borrower; in the case of a limited liability company, a change in, or the existence of a lien on, the direct or indirect ownership of the limited liability company interests of either Individual Borrower; or, in the case of a partnership, a change in, or the existence of a lien on, the direct or indirect ownership of the partnership interests of either Individual Borrower.

Notwithstanding the foregoing, the following transfers shall be permitted without Lender's consent, prior notice, payment of assumption fees or any other limitations or restrictions, except as expressly set forth below:

- (1) transfer, issuance or redemption of shares of stock, options or warrants of Sun Communities by any person, or any transfer, issuance or redemption by

any person of the stock, membership interests, partnership interests or other ownership interests of any shareholder, partner, member, manager or trust who is a direct or indirect legal or beneficial owner of any shares of stock of Sun Communities;

- (2) direct or indirect transfers of interests in said Individual Borrower among Sun Communities, Principal and their Affiliates, provided that no change in control of any such Individual Borrower is effected by such transfers;
- (3) any transfer, exchange, issuance or redemption of the limited partnership interests of Principal or of Carefree Communities Inc., a Delaware corporation, by any person, so long as not less than 70% of the partnership interests in Principal (which includes those partnership units that are convertible into shares of Sun Communities' stock) are owned, and Principal is controlled, by Sun Communities, or any transfer, exchange, issuance or redemption of the stock, membership interests, partnership interests or other ownership interests of any shareholder, partner, member, manager or trust who is a direct or indirect legal or beneficial owner of a limited partnership interest in Principal; and
- (4) any transfer, exchange, issuance or redemption of the direct or indirect ownership interests in such Individual Borrower which results in the elimination of such entity as a direct or indirect owner of such Individual Borrower, and/or the liquidation of Carefree Communities Inc., a Delaware corporation, so long as, in either such case, Principal owns, directly or indirectly, one hundred percent (100%) of the ownership interests in such Individual Borrower.

Notwithstanding the foregoing, provided there is no Event of Default under any Loan Document, upon the prior written request from Borrowers, Lender shall not withhold its consent to a change in the ownership in Principal and Sun Communities, due to a merger by or acquisition of Principal and the vast majority of its assets (not less than 80% of its assets) which results in an entity of greater size and financial wherewithal (the "Transfer"), provided:

- (A) after the Transfer, the replacement principal (the "Creditworthy Party") has a net worth determined in accordance with generally accepted accounting principles of not less than that of the existing Principal prior to the Transfer (in no event less than \$1,000,000,000.00 on a market value basis prior to the Transfer);
- (B) the Creditworthy Party is experienced in the ownership and management of high quality manufactured housing communities;
- (C) the Creditworthy Party and all persons and entities (i) owning (directly or indirectly) more than a 10% ownership interest in the Creditworthy Party, or (ii) which are in control of the Creditworthy Party, are not (and have never been): (a) subject to any bankruptcy, reorganization, or insolvency proceedings or any criminal charges or

proceedings, or (b) a litigant, plaintiff, or defendant in any suit brought against or by Lender;

- (D) the Creditworthy Party executes Lender's then current forms of Guarantee of Recourse Obligations and Environmental Indemnity Agreement, the Creditworthy Party executes a Fraudulent Conveyance Indemnity Agreement in the form previously executed by Principal as of the date hereof, and Lender receives a satisfactory enforceability opinion with respect to the foregoing from counsel approved by Lender;
- (E) an environmental report on the Property, which meets Lender's then current requirements and is updated to no earlier than ninety (90) days prior to the date of the Transfer, is provided to Lender at least thirty (30) days prior to the date of the Transfer and the results of said report are satisfactory to Lender at the time of the Transfer;
- (F) if required by Lender, Lender receives an endorsement to its policy of title insurance, satisfactory to Lender, insuring Lender's lien on the Property as a first and valid lien on the Property subject only to liens and encumbrances theretofore approved by Lender; and
- (G) the Property (including all Projects, subject to any partial releases) under the Loan shall be part of such Transfer such that the Creditworthy Party shall directly or indirectly own the Individual Borrower(s), which own the Property under the Loan.

If Borrowers shall make a Transfer pursuant to the above conditions, Lender shall be paid a fee equal to 0.75% of the then outstanding balance of the Note (\$25,000.00 non-refundable to be submitted with such request with the balance due at the closing of the Transfer). The fee shall be paid on or before the closing date of such one-time transfer. At the time of such Transfer, no modification of the interest rate or repayment terms of the Note will be required and support documentation shall be timely provided to Lender and in satisfactory form prior to the Transfer.

ARTICLE IV PROHIBITION AGAINST OTHER MORTGAGE LIENS AND RENT ASSIGNMENTS

4.1 Borrowers agree to keep the Property and any Personal Property (as defined in the Initial Lien Instruments) free from all other liens either prior or subsequent to the lien created by the Initial Lien Instrument, other than Permitted Encumbrances. The (i) creation of any other lien on any portion of the Property or on any Personal Property, whether or not prior to the lien created by the Initial Lien Instruments, (ii) assignment or pledge by either Individual Borrower of its revocable license to collect, use and enjoy rents and profits from the Property, or (iii) granting or permitting of a security interest in or other encumbrance on the direct or indirect ownership interests in either Individual Borrower, shall constitute a default under the terms of the Lien Instruments; except that upon written notice to Lender, Borrowers may proceed to contest in good faith and by appropriate proceedings any mechanics liens, tax liens or judgment liens with respect to the Property or any Personal Property described herein, provided funds sufficient to satisfy the contested amount have been deposited in an escrow account satisfactory to Lender.

ARTICLE V
RESTORATION; INSURANCE;
APPLICATION OF INSURANCE LOSS PROCEEDS

5.1 Borrowers agree to keep the Property insured for the protection of Lender and Lender's wholly owned subsidiaries and agents in such manner and in such amounts as are set forth in the Commitment with such companies as Lender may from time to time approve, and to keep the policies therefor, properly endorsed, on deposit with Lender, or at Lender's option, to keep evidence of insurance acceptable to Lender evidencing all insurance coverages required hereunder on deposit with Lender, which evidence shall reflect at least thirty (30) days' notice of cancellation to Lender and shall list Lender as the certificate holder or as a similar additional interest with Lender's correct mailing address and the loan number assigned to the loan (341228); if Borrowers request Lender to accept a different form of evidence, Lender shall not unreasonably withhold its consent, provided, a copy of a standard mortgagee endorsement in favor of Lender stating that the insurer shall provide at least thirty (30) days' notice of cancellation to Lender accompanies such evidence. Borrowers shall furnish Lender with evidence of renewals of all applicable insurance no later than fifteen (15) days after the actual insurance expiration date.

5.2 If any portion of any Property shall be damaged or destroyed, in whole or in part, by fire or other casualty, and the amount of such damage is greater than \$250,000.00, the applicable Individual Borrower which owns such Property shall give prompt written notice thereof to Lender provided that such applicable Individual Borrower shall be required to give such notice to Lender in any event if any bodily injury or death occurs in connection with any such casualty). Following the occurrence of a casualty, such applicable Individual Borrower which owns the damaged Property, regardless of whether insurance proceeds are available, shall promptly proceed to restore, repair, replace or rebuild the Improvements on the affected portion of the Property to be of at least equal value and of substantially the same character as prior to such damage or destruction, all to be effected in accordance with applicable law.

5.3 All insurance loss proceeds from all property insurance policies (less expenses of collection) whether or not required by Lender, shall, at Lender's option, be applied on the Indebtedness, whether due or not, or to the restoration of the affected portion of the Property, or be released to the applicable Individual Borrower, but such application or release shall not cure or waive any default under any of the Loan Documents. If Lender elects to apply the insurance loss proceeds on the Indebtedness, no prepayment fee shall be due thereon.

Notwithstanding the foregoing provision, with respect to a casualty at a Project, Lender agrees that if the insurance loss proceeds are less than the unpaid principal balance of the Note and if the casualty occurs prior to the last two (2) years of the term of the Note, then the insurance loss proceeds (less expenses of collection) shall be applied to restoration of the affected Project to its condition prior to the casualty, subject to satisfaction of the following conditions:

- (a) There is no existing Event of Default at the time of casualty.

(b) The casualty insurer has not denied liability for payment of insurance loss proceeds to the applicable Individual Borrower as a result of any act, neglect, use or occupancy of the affected Project by the applicable Individual Borrower.

(c) Lender shall be satisfied that all insurance loss proceeds so held, together with supplemental funds to be made available by the applicable Individual Borrower, shall be sufficient to complete the restoration of the affected Project. Any remaining insurance loss proceeds may, at the option of Lender, be applied on the Indebtedness, whether or not due, or be released to the applicable Individual Borrower.

(d) If required by Lender, Lender shall be furnished a satisfactory report addressed to Lender from an environmental engineer or other qualified professional satisfactory to Lender to the effect that no material adverse environmental impact to the affected Project resulted from the casualty which cannot be sufficiently mitigated as evidenced by satisfactory support documentation (e.g. contracts, reports, agreements to complete work, testing).

(e) Lender shall release casualty insurance proceeds as restoration of the affected Project progresses provided that Lender is furnished satisfactory evidence of the costs of restoration and if, at the time of such release, there shall exist no Monetary Default under the Loan Documents and no Non-Monetary Default under the Loan Documents with respect to which Non-Monetary Default Lender shall have given Borrowers notice pursuant to Article IX hereof. If a Monetary Default shall occur or Lender shall give Borrowers notice of a Non-Monetary Default, Lender shall have no further obligation to release insurance loss proceeds hereunder unless such default is cured within the cure period set forth in Article IX hereof. If the estimated cost of restoration exceeds \$250,000.00, (i) the drawings and specifications for the restoration shall be approved by Lender in writing prior to commencement of the restoration, and (ii) Lender shall receive an administration fee equal to one percent (1%) of the cost of restoration.

(f) Prior to each release of funds, the applicable Individual Borrower shall obtain for the benefit of Lender an endorsement to Lender's title insurance policy insuring Lender's lien as a first and valid lien on the affected Project subject only to liens and encumbrances theretofore approved by Lender.

(g) The applicable Individual Borrower shall pay all costs and expenses incurred by Lender, including, but not limited to, outside legal fees, title insurance costs, third-party disbursement fees, third-party engineering reports and inspections deemed necessary by Lender.

(h) All reciprocal easement and operating agreements benefiting the affected Project, if any, shall remain in full force and effect between the parties thereto on and after restoration of the affected Project.

(i) Lender shall be reasonably satisfied that Projected Project Debt Service Coverage of at least 1.10 will be achieved from the leasing of not more than 90% of the sites within the Project with standard form leases satisfactory to Lender (Borrowers' standard form reasonably approved by Lender) in place (not affected by casualty) or to commence not later than 30 days following completion of such restoration (the "Approved Leases").

(j) Without limiting the provisions of Article XIX hereof, if the casualty has resulted in whole or part from an earthquake: (a) the applicable Individual Borrower shall have supplied Lender with a "Seismic Risk Estimate" (in accordance with the provisions of Article XIX hereof) which shows that the affected Project will meet "Minimum Seismic Criteria" (as defined in Article XIX hereof) upon completion of repair and retrofit work which can be completed within one year of the earthquake, (b) prior to commencement of the restoration, the applicable Individual Borrower shall have committed in writing to Lender that said applicable Individual Borrower will do such repair and retrofit work as shall be necessary to cause the affected Project to in fact meet Minimum Seismic Criteria following completion of restoration, and (c) Lender must at all times during the restoration be reasonably satisfied that the affected Project will meet Minimum Seismic Criteria following completion of the restoration, Borrowers hereby agreeing to supply Lender with such evidence thereof as Lender shall request from time to time.

ARTICLE VI CONDEMNATION

6.1 Borrowers hereby assign to Lender (i) any award and any other proceeds resulting from damage to, or the taking of, all or any portion of the Property, and (ii) the proceeds from any sale or transfer in lieu thereof (collectively, "Condemnation Proceeds") in connection with condemnation proceedings or the exercise of any power of eminent domain or the threat thereof (hereinafter, a "Taking"); if the Condemnation Proceeds are less than the unpaid principal balance of the Note and such damage or Taking occurs prior to the last two (2) years of the term of the Note, such Condemnation Proceeds (less expenses of collection) shall be applied to restoration of the Property to its condition, or the functional equivalent of its condition prior to the Taking, subject to the conditions set forth above in Article VI hereof entitled "**Restoration; Insurance; Application of Insurance Loss Proceeds**" and subject to the further condition that restoration or replacement of the improvements on the Land to their functional and economic utility prior to the Taking be possible. Any portion of such award and proceeds not applied to restoration shall, at Lender's option, be applied on the Indebtedness, whether due or not, or be released to Borrowers, but such application or release shall not cure or waive any default under any of the Loan Documents.

ARTICLE VII TAXES / DEPOSITS

7.1 Borrowers agree to pay before delinquency all taxes and special assessments of any kind that have been or may be levied or assessed against the Property, the Lien Instruments, the

Note or the Indebtedness, or upon the interest of Trustee or Lender in the Property, the Lien Instruments, the Note or the Indebtedness, and to procure and deliver to Lender within thirty (30) days after Lender shall have given a written request to Borrowers, the official receipt of the proper officer showing timely payment of all such taxes and assessments; provided, however, that Borrowers shall not be required to pay any such taxes or special assessments if the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings and funds sufficient to satisfy the contested amount have been deposited in an escrow satisfactory to Lender.

7.2 To assure the timely payment of real estate taxes and special assessments (including personal property taxes, if appropriate), upon the occurrence of an Event of Default, Lender shall thence forth have the option to require Borrowers to deposit funds with Lender or in an account satisfactory to Lender, in monthly or other periodic installments in amounts estimated by Lender from time to time sufficient to pay real estate taxes and special assessments as they become due. If at any time the funds so held by Lender, or in such other account shall be insufficient to pay any of said expenses, Borrowers shall, upon receipt of notice thereof, immediately deposit such additional funds as may be necessary to remove the deficiency. All funds so deposited shall be irrevocably appropriated to Lender to be applied to the payment of such real estate taxes and special assessments and, at the option of Lender after default, the Indebtedness. Lender may deduct from any amounts so held, any fees, costs or expenses incurred in connection with holding such amounts and/or paying amounts to taxing authorities or other parties, including, without limitation any fees, costs or expenses associated with paying amounts via e-check or electronically.

ARTICLE VIII PROPERTY MANAGEMENT

8.1 Each Individual Borrower will self-manage its respective Project. If a third-party management company is engaged, such management company for the Project shall be satisfactory to Lender.

ARTICLE IX NOTICE OF DEFAULT

9.1 A default in any payment required in the Note or any other Loan Document, whether or not payable to Lender, (a "Monetary Default") shall not constitute an Event of Default unless Lender shall have given a written notice of such Monetary Default to Borrowers and Borrowers shall not have cured such Monetary Default by payment of all amounts in default (including payment of interest at the Default Rate, from the date of default to the date of cure on amounts owed to Lender) within five (5) business days after the date on which Lender shall have given such notice to Borrowers.

Any other default under the Note or under any other Loan Document (a "Non-Monetary Default") shall not constitute an Event of Default unless Lender shall have given a written notice of such Non-Monetary Default to Borrowers and Borrowers shall not have cured such Non-Monetary Default within thirty (30) days after the date on which Lender shall have given

such notice of default to Borrowers (or, if the Non-Monetary Default is not curable within such 30-day period, Borrowers shall not have diligently undertaken and continued to pursue the curing of such Non-Monetary Default and deposited an amount sufficient to cure such Non-Monetary Default in an escrow account satisfactory to Lender).

In no event shall the notice and cure period provisions recited above constitute a grace period for the purposes of commencing interest at the Default Rate.

ARTICLE X CROSS DEFAULT

10.1 A default after any applicable notice and cure period under the Note, any Lien Instrument or any other Loan Document shall constitute a default under all Loan Documents. Borrowers acknowledge that each Lien Instrument secures the entire Loan.

ARTICLE XI REPRESENTATIONS AND WARRANTIES

11.1 Borrowers represent and warrant that each Individual Borrower, all persons and entities owning a 15% or more direct or indirect ownership interest in Borrowers, all guarantors of all or any portion of the Indebtedness, and all persons and entities executing any separate indemnity agreement in favor of Lender in connection with the Indebtedness: (i) is not, and shall not become, a person or entity with whom Lender is restricted from doing business with under regulations of the Office of Foreign Assets Control ("OFAC") of the Department of the Treasury (including, but not limited to, those named on OFAC's Specially Designated Nationals and Blocked Persons list) or under any statute, executive order (including, but not limited to, the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action; (ii) is not, and shall not become, a person or entity with whom Lender is restricted from doing business under the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001 or the regulations or orders thereunder; and (iii) is not knowingly engaged in, and shall not knowingly engage in, any dealings or transaction or be otherwise associated with such persons or entities described in (i) or (ii) above.

ARTICLE XII WAIVER OF JURY TRIAL

12.1 Borrowers hereby waive any right to trial by jury with respect to any action or proceeding (a) brought by Borrowers, Lender or any other person relating to (i) the obligations set forth in the Loan Documents and/or any understandings or prior dealings between the parties hereto or (ii) the Loan Documents or the Environmental Indemnity Agreement entered into in connection with the Loan, or (b) to which Lender is a party.

ARTICLE XIII BORROWER REPRESENTATIVE / NOTICES

13.1 Borrowers hereby authorize Gary Shiffman, Karen Dearing, John McLaren, Anjali Shah or anybody else holding the positions of CEO, COO, CFO or SVP Finance (the "Representative") to act on behalf of each Individual Borrower in connection with the Loan. In addition, Borrowers authorize Lender to rely, without further inquiry, on information furnished by and agreements proposed by or entered into by the Representative in connection with the Loan at any time any portion of the Loan is outstanding.

13.2 Any notices, demands, requests and consents permitted or required hereunder or under any other Loan Document shall be in writing, may be delivered personally or sent by certified mail with postage prepaid or by reputable courier service with charges prepaid. Any notice or demand sent to Borrowers by certified mail or reputable courier service shall be addressed to Borrowers c/o Sun Communities, Inc., 27777 Franklin Road, Suite 200, Southfield, MI 48034, Attn.: Anjali Shah or SVP Finance or at such other address in the United States of America as Borrowers shall designate in a notice to Lender given in the manner described herein. A copy of any such notice sent to Borrowers shall be sent to Jaffe, Raitt, Heuer & Weiss, P.C., Attn.: Arthur Weiss and Alicia S. Schehr, 27777 Franklin Road, Suite 2500, Southfield, MI 48034. Any notice sent to Lender by certified mail or reputable courier service shall be addressed to The Northwestern Mutual Life Insurance Company to the attention of the Real Estate Investment Department at 720 East Wisconsin Avenue, Milwaukee, WI 53202, or at such other addresses as Lender shall designate in a notice given in the manner described herein. Any notice given to Lender shall refer to the Loan No. set forth above. Any notice or demand hereunder shall be deemed given when received. Any notice or demand which is rejected, the acceptance of delivery of which is refused or which is incapable of being delivered during normal business hours at the address specified herein or such other address designated pursuant hereto shall be deemed received as of the date of attempted delivery. Borrowers acknowledge and agree that (to the extent not prohibited by applicable law) Lender shall only be obligated to send one (1) notice to all Individual Borrowers, and such notice shall be deemed notice to all Individual Borrowers under the Loan Documents.

ARTICLE XIV FAILURE OF BORROWER TO ACT

14.1 If Borrowers fail to make any payment or do any act as herein provided, Lender or Trustee may, without obligation to do so, without notice to or demand upon Borrowers and without releasing Borrowers from any obligation hereof: (i) make or do the same in such manner and to such extent as Lender may deem necessary to protect the security hereof, Lender or Trustee being authorized to enter upon the Property for such purpose; (ii) appear in and defend any action or proceeding purporting to affect the security hereof, or the rights or powers of Lender or Trustee; (iii) pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of Lender appears to be prior or superior hereto; and (iv) in exercising any such powers, pay necessary expenses, employ counsel and pay its reasonable fees. Sums so expended and all losses, liabilities, claims, damages, costs and expenses required to be reimbursed by Borrowers to Lender hereunder shall be payable by Borrowers immediately upon demand with interest from date of expenditure or demand, as the case may be, at the Default Rate. All sums so expended or demanded by Lender and the interest thereon shall be included in the Indebtedness and secured by the Lien Instruments.

ARTICLE XV COVENANTS

15.1 Borrowers agree not to lease any of the Property, without the prior written consent of Lender, to (i) dry cleaning operations that perform dry cleaning on site with chlorinated solvents or (ii) any other tenants that use chlorinated solvents in the operation of their businesses at the Property.

15.2 Borrowers agree to keep the buildings and other improvements now or hereafter erected on the Land in good condition and repair; not to commit or suffer any waste; to comply with all laws, rules and regulations affecting the Property; and to permit Lender, upon at least twenty four (24) hours prior notice (except in the case of an emergency) to enter at all reasonable times for the purpose of inspection and of conducting, in a reasonable and proper manner, such tests as Lender determines to be necessary in order to monitor Borrowers' compliance with applicable laws and regulations regarding hazardous materials affecting the Property, at Lender's sole cost and expense.

ARTICLE XVI MISCELLANEOUS

16.1 In the event of any conflict between the provisions of the Commitment and the provisions of this Agreement, the provisions of this Agreement will prevail.

16.2 Time is of the essence in each of the Loan Documents. Subject to the limitations on recourse set forth in the Note, the remedies of Lender as provided herein or in any other Loan Document or at law or in equity shall be cumulative and concurrent, and may be pursued singly, successively, or together at the sole discretion of Lender, and may be exercised as often as occasion therefor shall occur; and neither the failure to exercise any such right or remedy nor any acceptance by Lender of payment of Indebtedness in default shall in any event be construed as a waiver or release of any right or remedy. Neither this Agreement nor any other Loan Document may be modified or terminated orally but only by agreement or discharge in writing and signed by Borrowers and Lender. If any of the provisions of any Loan Document or the application thereof to any persons or circumstances shall to any extent be invalid or unenforceable, the remainder of such Loan Document and each of the other Loan Documents, and the application of such provision or provisions to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and every provision of each of the Loan Documents shall be valid and enforceable to the fullest extent permitted by law.

16.3 Lender may assign all or any part of the Loan to a subsidiary or affiliate of Lender, or to another lender at no cost to Borrowers. In the event of a proposed assignment of the Loan to another lender, said lender shall have the right to enter the Property upon reasonable prior notice to Borrowers for additional environmental review or testing as said lender may deem necessary, at no cost to Borrowers.

16.4 In the event of any controversy, claim, dispute, or litigation between the parties hereto to enforce any provision of this Agreement or any right of Lender hereunder or under any

Loan Document or the Environmental Indemnity Agreement, the losing party agrees to pay to the prevailing party all costs and expenses, including reasonable attorneys' fees incurred therein by the prevailing party, whether in preparation for or during any trial, as a result of an appeal from a judgment entered in such litigation or otherwise or in any bankruptcy or insolvency proceeding.

16.5 This Agreement shall be governed by and construed in all respects in accordance with the laws of the State of California. With respect to any action, lawsuit or other legal proceeding concerning any dispute arising under or related to this Agreement, Borrowers hereby irrevocably consent to the jurisdiction of the courts located in the State of California and irrevocably waive any defense of improper venue, forum nonconveniens or lack of personal jurisdiction in any such action, lawsuit or other legal proceeding brought in any court located in the State of California. Nothing contained herein shall affect the rights of Lender to commence any action, lawsuit or other legal proceeding, or otherwise to proceed, against Borrowers in any other jurisdiction. The parties acknowledge that certain actions taken under each Lien Instrument and each Absolute Assignment shall be governed by the State of the Property encumbered by such Lien Instrument and Absolute Assignment, respectively, and that such actions must be brought within said State.

ARTICLE XVII

Separateness Covenants/Covenants with Respect to Indebtedness, Operations and Fundamental Changes of an Individual BORROWER

17.1 Each Individual Borrower, for itself, hereby represents, warrants and covenants, as of the date hereof and until such time as the Note is paid in full, that such Individual Borrower:

(a) shall not (i) liquidate or dissolve (or suffer any liquidation or dissolution), terminate, or otherwise dispose of, directly, indirectly or by operation of law, all or substantially all of its assets; (ii) reorganize or change its legal structure without Lender's prior written consent, except as otherwise expressly permitted under Article III herein entitled "**Prohibition on Transfer**"; (iii) change its name, address, or the name under which Individual Borrower conducts its business without promptly notifying Lender; (iv) enter into or consummate any merger, consolidation, sale, transfer, assignment, liquidation, or dissolution involving any or all of the assets of Individual Borrower or any general partner or managing member of Individual Borrower, except as otherwise expressly permitted under Article III herein entitled "**Prohibition on Transfer**"; or (v) enter into or consummate any transaction or acquisition, merger or consolidation or otherwise acquire by purchase or otherwise all or any portion of the business or assets of, or any stock or other evidence of beneficial ownership of, any person or entity;

(b) as of the date hereof has no secured or unsecured debt except for customary and reasonable short term trade payables or equipment financing obtained and repaid in the ordinary course of such Individual Borrower's business and taxes and assessments not delinquent, and shall not incur any secured or unsecured debt except for customary and reasonable short term trade payables or equipment financing obtained and repaid in the ordinary course of such Individual Borrower's business and taxes and assessments not delinquent;

(c) shall not amend, modify or otherwise change its operating agreement, articles of organization, or other formation agreement or document, as applicable, or governing agreement or document, in any material term or manner, or in a manner which adversely affects such Individual Borrower's existence as a single purpose entity;

(d) shall allocate fairly and reasonably any rent, overhead and expenses for shared office space;

(e) shall maintain correct and complete financial statements, accounts, books and records and other entity documents separate from those of any Affiliate (as hereinafter defined in this Article) of same or any other person or entity;

(f) shall observe applicable limited liability company and general partnership formalities regarding the existence of such Individual Borrower;

(g) shall hold title to its assets in its own name and act solely in its own name;

(h) shall make investments in the name of such Individual Borrower directly by such Individual Borrower or on its behalf by brokers engaged and paid by such Individual Borrower or its agents;

(i) except as expressly required by Lender in connection with the Loan secured by the Lien Instruments and in writing, shall not guarantee or otherwise agree to be liable for (whether conditionally or unconditionally), pledge or assume or hold itself out or permit itself to be held out as having guaranteed, pledged or assumed any liabilities or obligations of any partner (whether limited or general), member, shareholder or any Affiliate of such Individual Borrower, as applicable, or any other party, nor shall it make any loan, except as expressly permitted in the Loan Documents;

(j) is, and will use commercially reasonable efforts to remain, solvent;

(k) shall separately identify and maintain its assets. Each Individual Borrower's assets shall at all times be held by or on behalf of such Individual Borrower and if held on behalf of such Individual Borrower by another entity, shall at all times be kept identifiable (in accordance with customary usages) as assets owned by such Individual Borrower. This restriction requires, among other things, that (i) such Individual Borrower's funds shall be deposited or invested in such Individual Borrower's name, (ii) such Individual Borrower funds shall not be commingled with the funds of any Affiliate of same or any other person or entity, (iii) such Individual Borrower shall maintain all accounts in its own name and with its own tax identification number, separate from those of any Affiliate of same or any other person or entity, and (iv) such Individual Borrower funds shall be used only for the business of such Individual Borrower;

(l) shall maintain its assets in such a manner that it is not costly or difficult to segregate, ascertain or identify its individual assets from those of any Affiliate of same or other person or entity;

(m) shall not do any act which would make it impossible to carry on the ordinary business of such Individual Borrower;

(n) shall not invest any of such Individual Borrower's funds in securities issued by, nor shall such Individual Borrower acquire the indebtedness or obligation of, any Affiliate of same;

(o) shall maintain an arm's length relationship with each of its Affiliates and may enter into contracts or transact business with its Affiliates only on commercially reasonable terms that are no less favorable to such Individual Borrower than is obtainable in the market from a person or entity that is not an Affiliate of same;

(p) shall correct any misunderstanding that is known by such Individual Borrower regarding its name or separate identity; and

(q) shall not, without the prior written vote of one hundred percent (100%) of its members institute proceedings to be adjudicated bankrupt or insolvent; or consent to the institution of bankruptcy or insolvency proceedings against it; or file a petition seeking, or consent to, reorganization or relief under any applicable federal or state law relating to bankruptcy; or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of such Individual Borrower or a substantial part of such Individual Borrower's property; or make any assignment for the benefit of creditors; or admit in writing its inability to pay its debts generally as they become due or declare or effectuate a moratorium on payments of its obligation; or take any action in furtherance of any such action.

Notwithstanding anything contained in this Article entitled "**Separateness Covenants/Covenants with Respect to Indebtedness, Operations and Fundamental Changes of an Individual Borrower**", it is permitted for the Borrower to commingle cash and other liquid assets with other Individual Borrowers, Principal and/or Sun Communities.

(A) Borrowers are permitted to commingle cash and other liquid assets with Principal and Sun Communities; and

(B) the following operations and activities of Borrowers and its Affiliates are not to be considered a violation of any of the covenants and prohibitions set forth herein: (i) preparing and distributing consolidated financial statements which include operations of Borrowers and the Property with operations of Sun Communities, the Principal and/or other Affiliates; (ii) offering goods or services to residents of the Property through Affiliates or other third parties for which fees and charges may be collected by the Borrowers or the Affiliate and paid to such Affiliate or third party, which may include, without limitation, cable and internet services, landscaping, snow removal, lease or sale of manufactured homes (for cash or pursuant to an installment agreement), and child care; (iii) transferring all gross revenue, whether cash, cash equivalents or similar assets to Sun Communities, Principal or any other Affiliate after collection thereof and depositing such gross revenue in operating bank account maintained for the Property; (iv) having Sun Communities, Principal or any Affiliate pay all payables, debts and other liabilities arising from or in connection with operation of any Property from commingled funds; (v) using ancillary assets in connection with operation of the Property held in the

name of Sun Communities, Principal or any Affiliates, such as vehicles and office and maintenance equipment; (vi) treating the Property for all purposes as part of and within the portfolio of manufactured housing communities owned by Principal or any Affiliate, including for marketing, promotion and providing information and reports to the public, including a common website, or required by applicable law; (vii) allocating general overhead and administrative costs incurred by Sun Communities, Principal and/or other Affiliates to the Borrowers in a fair and equitable manner; and (viii) Borrower's entering into Lender's Loan Number 341311 in the amount of \$163,000,000.00 which is secured by eight (8) projects owned by Borrower other than the Projects.

"Affiliate" for the purposes of this Article entitled "**Separateness Covenants/Covenants with Respect to Indebtedness, Operations and Fundamental Changes of an Individual Borrower**" shall mean any person or entity which directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with a specified person or entity. For purposes of this section, the terms "control," "controlled," or "controlling" with respect to a specified person or entity shall include, without limitation, (i) the ownership, control or power to vote ten percent (10%) or more of (x) the outstanding shares of any class of voting securities or (y) beneficial interests, of any such person or entity, as the case may be, directly or indirectly, or acting through one or more persons or entities, (ii) the control in any manner over such person or entity or the election of more than one director or trustee (or persons exercising similar functions) of such person or entity, or (iii) the power to exercise, directly or indirectly, control over the management or policies of such person or entity.

ARTICLE XVIII PARTIAL RELEASES

18.1 Upon the applicable Borrower's written request given at least thirty (30) days prior to the proposed transaction, and provided that, at the time of such request, there is then no Event of Default under any of the Loan Documents (other than a default that will be cured by virtue of the proposed Release) Lender agrees that up to three (3) Projects (a "Released Project") may be released (the "Release") from the lien of the applicable Lien Instrument and all other security interests held by Lender, subject to satisfaction of the following conditions:

(1) Payment to Lender of a \$35,000.00 service fee for each respective partial release of which (i) \$15,000.00 shall be non-refundable and submitted with the initial written request, and (ii) \$20,000.00 shall be paid to Lender at closing of such release;

(2) The release shall consist of not less than an entire Project (no partial Project releases), not more than one (1) Project may be released per calendar year;

(3) Payment to Lender toward the unpaid principal balance of the Loan in an amount equal to 110% of the Allocated Loan Amount for the Released Project (100% if after such Release, the loan-to-value ratio of the remaining Property is 60% or less, as reasonably determined by Lender in accordance with its then current underwriting

standards for the Released Project) plus a prepayment fee on such principal prepaid calculated in the manner set forth in the Note;

- (4) The applicable Individual Borrower shall pay any and all third party expenses associated with the Release, including, but not limited to, title insurance costs, escrow costs, recordation costs and fees and any tax required to be paid at the time of the release, as applicable;
- (5) The amount of principal loan balance paid down which is above the then respective allocated principal loan balance of the Project released shall be applied to pay-down the remaining allocated loan amounts on a pro-rata basis based on the then principal loan balances at the time of such partial release;
- (6) If required by Lender, the Individual Borrower which owns the applicable Property shall furnish Lender, at such Individual Borrower's sole cost, a satisfactory endorsement to the applicable title policy(ies) evidencing a continued satisfactory first lien on the remaining portion of the Property;
- (7) After such partial release, the loan to value ratio of the remaining Property shall not be higher than the lesser of (i) the loan to value ratio before such release, or (ii) 65%, as reasonably determined by Lender in accordance with its then current underwriting standards;
- (8) All related documentation shall be reasonably satisfactory to Lender; and
- (9) Following the Release of the Released Project the remaining Property shall have achieved Debt Service Coverage for the most recent fiscal period equal to or greater than that of the Property prior to such release (but in no event less than 1.25x) and is sustainable as reasonably determined by Lender.

ARTICLE XIX EARTHQUAKE

20.1 If any Project or the Property is damaged by an earthquake during the term of the Indebtedness:

- (A) Lender may require a new seismic analysis of the relevant Project or the Property to be performed at Borrowers' expense, and
- (B) Borrowers shall perform repair and retrofit work, satisfactory to Lender, which results in (i) the complete repair of the relevant Project or the Property and (ii) a subsequent seismic analysis verifying that the relevant Project or the Property meets "Minimum Seismic Criteria" (as defined below). Such work shall be commenced and completed as soon as possible and in any event within one year of the earthquake.

Without limiting the Borrowers' obligation to cause the Property to satisfy Minimum Seismic Criteria, during any period of time in which the Property does not satisfy Minimum Seismic Criteria, Borrowers shall provide Lender with evidence of, and maintain, "Earthquake Insurance" (as defined below). Earthquake Insurance shall be provided on a replacement cost, agreed amount basis, with no coinsurance provision, and shall include loss of rents insurance equal to twelve (12) months' rent or business income insurance for 100% of the annual gross earnings from business derived from the Property.

As used herein, "Minimum Seismic Criteria" means that both (i) the Specified Loss Percentage for the Property is less than 30%, and (ii) the Loan Amount plus Specified Loss is less than or equal to 90% of the market value of the Property as determined by Lender in its sole discretion.

As used herein, "Earthquake Insurance" means a policy satisfactory to Lender with a deductible of no greater than 5% of the "Replacement Cost" (as defined below) and in an amount calculated as follows: (i) the Loan Amount plus (ii) the Specified Loss minus (iii) 90% of the market value of the Property as determined by Lender in its sole discretion.

As used herein, "Replacement Cost" means the estimated total cost, determined by Lender in its sole discretion, to construct all of the improvements as if the Property were completely unimproved (not including the cost of site work, utilities and foundation).

As used herein, "Loan Amount" shall mean the total principal amount advanced under the Note.

As used herein, "Specified Loss" means the Specified Loss Percentage multiplied by the Replacement Cost.

As used herein, "Specified Loss Percentage" means an estimate produced by Lender's seismic consultant of the earthquake damage to the Property, expressed as a percentage of Replacement Cost.

*(Remainder of page intentionally left blank;
Signatures commence on following page)*

Portfolio A - Master Loan Agreement

IN WITNESS WHEREOF, this Agreement has been executed by Borrowers and Lender as of the day and year first above written.

LIFE

Wisconsin corporation

By: Northwestern Mutual Investment
Management Company, LLC, a

LENDER:
THE NORTHWESTERN MUTUAL
INSURANCE COMPANY, a

Delaware limited liability company, its wholly-owned affiliate

By: /s/ Joseph Miller

Name: Joseph Miller

Its: Managing Director

Attest: /s/ Brian D. Bennett

(corporate seal)

Name: Brian D. Bennett

Its: Assistant Secretary

*(Remainder of page intentionally left blank;
Signatures of Borrowers on following page)*

BORROWERS:

CAREFREE COMMUNITIES CA LLC,
a Delaware limited liability company

By: /s/ Karen J. Dearing

Name: Karen J. Dearing

Its: Authorized Representative

NHC-CA101, LLC, a Delaware
limited liability company

By: /s/ Karen J. Dearing

Name: Karen J. Dearing

Its: Authorized Representative

EXHIBIT "B"

Project Schedule

Project Name	City/State
Alta Laguna	Rancho Cucamonga, CA
FV La Habra	La Habra, CA
Rancho Caballero	Riverside, CA
FV Simi	Simi Valley, CA
FV West Covina	West Covina, CA
Heritage	Temecula, CA
Indian Wells	Indo, CA
Napa Valley	Napa, CA

California-Portfolio A
341228 PROMISSORY NOTE

\$162,000,000.00

Dated as of June 9, 2016

For value received, the undersigned, herein called "Borrower," promises to pay to the order of THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, a Wisconsin corporation, who, together with any subsequent holder of this note (hereinafter, the "Note"), is hereinafter referred to as "Lender", at 720 E. Wisconsin Avenue, Milwaukee, WI 53202 or at such other place as Lender shall designate in writing, in coin or currency which, at the time or times of payment, is legal tender for public and private debts in the United States, the principal sum of ONE HUNDRED SIXTY-TWO MILLION DOLLARS or so much thereof as shall have been advanced from time to time plus interest on the outstanding principal balance at the rate and payable as follows:

Interest shall accrue from the date of advance until maturity at the rate of three and fifty-three hundredths percent (3.53%) per annum (the "Interest Rate").

Accrued interest only on the amount advanced shall be paid on the fifteenth day of the month following the date of advance ("Amortization Period Commencement Date"). On the fifteenth day of the following month and on the fifteenth day of each month thereafter until maturity, installments of principal and interest shall be paid in the amount of \$730,168.00.

Interest will be calculated assuming each month contains thirty (30) days and each calendar year contains three hundred sixty (360) days. In the event of a partial month, however, interest for such partial month will be calculated based on the actual number of days the principal balance of this Note is outstanding in the month and the actual number of days in the calendar year.

Payments shall be made directly to Lender by electronic transfer of funds using the Automated Clearing House System initiated by Borrower. After a second late payment, Borrower shall thereafter be required to make payments by electronic transfer of funds using the Automated Clearing House System initiated by Lender for the remainder of the term of this Note. To effectuate these payments, Borrower, at or prior to the date hereof, shall execute an ACH form provided by Lender. All installments shall be applied first in payment of interest, calculated monthly on the unpaid principal balance, and the remainder of each installment shall be applied in payment of principal. The entire unpaid principal balance plus accrued interest thereon shall be due and payable on June 15, 2026 (the "Maturity Date").

Provided Lender has no further obligation to advance principal under this Note to Borrower, beginning on January 1, 2017, Borrower shall have the right, upon not less than ten

(10) Business Days prior written notice, to prepay (on a Business Day only) this Note in full with a Prepayment Fee (as hereinafter defined); provided, however, that such notice must contain the anticipated date of prepayment. If Borrower fails to prepay on, or within five (5) Business Days before or after such anticipated date of prepayment, such failure shall be deemed to be a withdrawal of Borrower's notice of prepayment, and Borrower shall be required to submit another written notice of prepayment pursuant to the terms and conditions set forth in this Note if Borrower thereafter elects to prepay this Note. This Prepayment Fee represents consideration to Lender for loss of yield and reinvestment costs provided, however, that no Prepayment Fee shall be due if Lender elects to apply insurance loss proceeds to the prepayment of this Note. The Prepayment Fee shall be the greater of Yield Maintenance or one percent (1%) of the outstanding principal balance of this Note (the "Prepayment Fee"). The Prepayment Fee shall be calculated as of the Prepayment Fee Determination Date.

"Business Day" means any day other than a Saturday, a Sunday or a day on which: (i) Lender is closed for business or (ii) the Federal Reserve Bank of New York is closed for business.

"Yield Maintenance" means the amount, if any, by which

(i) the present value on the Prepayment Fee Determination Date of the Then Remaining Payments determined by using the Periodic Discount Rate; exceeds

(ii) the outstanding principal balance of this Note (exclusive of all accrued interest) on the Prepayment Fee Determination Date.

"Prepayment Fee Determination Date" means

- (A) In the case of a voluntary prepayment, the date of the voluntary prepayment;
- (B)
- (C) In the case of a prepayment following an acceleration of the Indebtedness (as hereinafter defined), the date of such acceleration;
- (D)
- (E) In the case of Borrower becoming a debtor in a bankruptcy or other insolvency proceeding, the date of Lender's filing of its proof of claim in such proceeding.

"Then Remaining Payments" means payments in such amounts and at such times as would have been payable subsequent to the Prepayment Fee Determination Date (assuming prepayment in full is made on the first day on which it is permitted without payment of a Prepayment Fee) in accordance with the terms of this Note.

"Periodic Discount Rate" means the rate which, when compounded monthly, equals the Treasury Rate.

"Treasury Rate" means:

- (A) The linearly interpolated yield, compounded semi-annually, of the two (2) most recently auctioned (on the run) non-callable U.S. Treasury bonds, notes or bills (other than inflation indexed (i.e., inflation protected) securities) issued by the United States Treasury having maturity dates equivalent or most nearly equivalent

to the Average Life Date as reported (on-line or otherwise) by The Wall Street Journal one (1) Business Day prior to the Prepayment Fee Determination Date; or

- (A) If the yields from (A) above are not available, the linearly interpolated yield, compounded semi-annually, of the two (2) Treasury Constant Maturity Series (other than inflation indexed (i.e., inflation protected) securities) having constant maturity dates equivalent or most nearly equivalent to the Average Life Date as reported, for the latest day for which such yields shall have been so reported, as of one (1) Business Day preceding the Prepayment Fee Determination Date, in Federal Reserve Statistical Release H.15 (or comparable successor publication); or
- (C) If the yields from (A) and (B) above are not available, a rate comparable to what would have been calculated under clause (A) or (B) above, as reasonably determined by Lender.

To the extent that the source used in (A), (B) or (C) above updates treasury yield information during the day, Lender shall rely on the treasury yields reported prior to 12:00 Noon (Central Time) one (1) Business Day prior to the Prepayment Fee Determination Date.

"Average Life Date" means the date which is the Remaining Average Life from the Prepayment Fee Determination Date.

"Remaining Average Life" means the number of years (calculated to the nearest day) obtained by dividing:

(A) the sum of the products obtained by multiplying

(1) the principal component of each Then Remaining Payment;

by

(2) the number of years (calculated to the nearest day) that will elapse between the Prepayment Fee Determination Date and the scheduled due date of such Then Remaining Payment;

by

(B) The outstanding principal balance of this Note (exclusive of all accrued interest) on the Prepayment Fee Determination Date.

Upon the occurrence of an Event of Default (as defined in the Master Loan Agreement) followed by the acceleration of the whole indebtedness evidenced by this Note, the payment of such indebtedness will constitute an evasion of the prepayment terms hereunder and be deemed to be a voluntary prepayment hereof and such payment will, therefore, to the extent not prohibited by law, include the Prepayment Fee required under the prepayment in full right recited above.

In the event of a partial prepayment of this Note for any reason contemplated in the Loan Documents (as defined in the Master Loan Agreement), the Prepayment Fee, if required, shall be an amount equal to the Prepayment Fee if this Note were prepaid in full, multiplied by a fraction, the numerator of which shall be the principal amount prepaid and the denominator of which shall be the outstanding principal balance of this Note immediately preceding the Prepayment Fee Determination Date with respect to such partial prepayment.

Notwithstanding the above and provided Borrower is not in default under any provision contained in the Loan Documents, this Note may be prepaid in full at any time, without a prepayment fee, during the last sixty (60) days of the term of this Note.

The prepayment of this Note as herein provided, together with the Prepayment Fee (if required as herein provided) if received by Lender prior to 12:00 p.m. Central Time on a Business Day, shall be credited on that Business Day, or, if received by Lender at or after 12:00 p.m. Central Time on a Business Day, shall, at Lender's option, be credited on the next Business Day.

Portfolio A - Note 5

By signing immediately below, Borrower hereby acknowledges the provisions of this Note relating to prepayments of the indebtedness evidenced by this Note and the application of these provisions to prepayments on acceleration of the indebtedness hereunder. Specifically, but without limiting the generality of the foregoing, Borrower has separately signed below in compliance with the provisions of California Civil Code Section 2954.10, to the extent applicable to Borrower. Borrower hereby acknowledges that this waiver is supported by evidence of a course of conduct by Lender of individual weight given to the consideration in the loan transaction evidenced by this Note for the waiver and agreement of Borrower contained herein.

Acknowledgment by Borrower of Prepayment Provisions.

SIGNATURE OF BORROWER:

CAREFREE COMMUNITIES CA LLC,
a Delaware limited liability company

By: /s/ Karen J. Dearing
Name: Karen J. Dearing
Its: Authorized Representative

NHC-CA101, LLC, a Delaware
limited liability company

By: /s/ Karen J. Dearing
Name: Karen J. Dearing
Its: Authorized Representative

Borrower acknowledges and agrees that the Interest Rate hereunder shall be increased if certain financial statements and other reports are not furnished to Lender, all as described in more detail in the provision of the Master Loan Agreement entitled "**Financial Statements**".

This Note is secured by multiple Lien Instruments (as defined in the Master Loan Agreement) of even date herewith executed by CAREFREE COMMUNITIES CA LLC, a Delaware limited liability company, and NHC-CA101, LLC, a Delaware limited liability company, to THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, as Trustee for THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, which Lien Instruments encumber the Property identified in that certain Master Loan Agreement executed by Borrower and Lender of even date herewith (as amended from time to time in accordance with its terms, the "Master Loan Agreement").

Upon the occurrence of an Event of Default (as defined in the Master Loan Agreement), the whole unpaid principal hereof and accrued interest shall, at the option of Lender, to be exercised at any time thereafter, become due and payable at once without notice, notice of the exercise of, and the intent to exercise, such option being hereby expressly waived.

All parties at any time liable, whether primarily or secondarily, for payment of indebtedness evidenced hereby, for themselves, their heirs, legal representatives, successors and assigns, respectively, expressly waive presentment for payment, notice of dishonor, protest, notice of protest, and diligence in collection; consent to the extension by Lender of the time of said payments or any part thereof; further consent that the real or collateral security or any part thereof may be released by Lender, without in any way modifying, altering, releasing, affecting, or limiting their respective liability or the lien of the Lien Instruments; and agree to pay reasonable attorneys' fees and expenses of collection in case this Note is placed in the hands of an attorney for collection or suit is brought hereon and any attorneys' fees and expenses incurred by Lender to enforce or preserve its rights under any of the Loan Documents in any bankruptcy or insolvency proceeding.

All amounts due Lender including principal and, to the extent permitted by applicable law, interest not paid when due (without regard to any notice and/or cure provisions contained in any of the Loan Documents), including principal becoming due by reason of acceleration by Lender of the unpaid balance of this Note, shall bear interest from the due date thereof until paid at the Default Rate. "Default Rate" means the lower of a rate equal to the interest rate in effect at the time of the default as herein provided plus 5% per annum or the maximum rate permitted by law.

No provision of this Note shall require the payment or permit the collection of interest, including any fees paid which are construed under applicable law to be interest, in excess of the maximum permitted by law. If any such excess interest is collected or herein provided for, or shall be adjudicated to have been collected or be so provided for herein, the provisions of this paragraph shall govern, and Borrower shall not be obligated to pay the amount of such interest to the extent that it is in excess of the amount permitted by law. Any such excess collected shall, at the option of Lender, unless otherwise required by applicable law, be immediately refunded to Borrower or credited on the principal of this Note immediately upon Lender's awareness of the collection of such excess.

Nothing herein contained shall limit the rights of Lender under California Code of Civil Procedure Section 726.5 or under any other statute, case or other law which gives Lender the right

to waive its lien against environmentally impaired property and pursue the rights of an unsecured creditor or otherwise obtain a money judgment against Borrower.

Notwithstanding any provision contained herein or in the Loan Documents (as defined in the Master Loan Agreement) to the contrary, if Lender shall take action to enforce the collection of the indebtedness evidenced hereby or secured by the Lien Instruments (collectively, the "Indebtedness"), its recourse shall, except as provided below, be limited to the Property or the proceeds from the sale of the Property and the proceeds realized by Lender in exercising its rights and remedies (i) under the Absolute Assignment (as defined in the Master Loan Agreement), (ii) under the Guarantee of Recourse Obligations of even date herewith executed by Sun Communities Operating Limited Partnership, a Michigan limited partnership for the benefit of Lender and under other separate guarantees, if any, (iii) under any of the other Loan Documents and (iv) in any other collateral securing the Indebtedness. If such proceeds are insufficient to pay the Indebtedness, Lender will never institute any action, suit, claim or demand in law or in equity against Borrower for or on account of such deficiency; provided, however, that the provisions contained in this paragraph

(i) shall not in any way affect or impair the validity or enforceability of the Indebtedness or the Master Loan Agreement; and

(ii) shall not prevent Lender from seeking and obtaining a judgment against Borrower, and Borrower shall be personally liable, for the Recourse Obligations.

"Recourse Obligations" means

(a) rents and other income from the Property received by Borrower or those acting on behalf of Borrower from and after the date of any default under the Loan Documents remaining uncured prior to the Conveyance Date (as hereinafter defined), which rents and other income have not been applied to the payment of principal and interest on this Note or to reasonable operating expenses of the Property (which includes payment of a management fee of 3.00%);

(b) amounts necessary to repair any damage to the Property caused by the intentional acts or omissions of Borrower or those acting on behalf of Borrower;

(c) insurance loss and Condemnation Proceeds (as defined in the Master Loan Agreement) released to Borrower but not applied in accordance with any agreement between Borrower and Lender as to their application;

(d) the amount of insurance loss proceeds which would have been available with respect to a casualty on the Property, but were not available due to the default by Borrower in carrying all insurance required by Lender;

(e) damages suffered by Lender as a result of fraud or misrepresentation in connection with the Indebtedness by Borrower or those in control of or controlled by Borrower;

(f) amounts in excess of any rents or other revenues collected by Lender from operation of the Property from and after acceleration of the Indebtedness until the Conveyance Date, if any, which amounts are necessary to pay real estate taxes, special assessments and insurance premiums with respect to the Property (to the extent not previously deposited with Lender by Borrower pursuant to Article VII of the Master Loan Agreement, and amounts required to fulfill Borrower's obligations as lessor under any leases of the Property, in each case, either paid by Lender and not reimbursed prior to, or remaining due or delinquent on the Conveyance Date;

(g) all security deposits under leases of the Property or any portion of the Property collected by Borrower, any agent of Borrower or any predecessor of Borrower, and not refunded to the tenants thereunder in accordance with their respective leases, applied in accordance with such leases or law or delivered to Lender, and all advance rents collected by Borrower, any agent of Borrower or any predecessor of Borrower and not applied in accordance with the leases of the Property or delivered to Lender;

(h) all outstanding amounts due under the Indebtedness, including principal, interest, and other charges if there shall be a violation of any of the provisions of the Master Loan Agreement following the caption entitled "**Prohibition on Transfer**"; and

(i) reasonable attorneys' fees and expenses incurred to the extent suit is brought to collect any of the amounts described in subparagraphs (a) through (h) above.

"Conveyance Date" means the first to occur of: (i) the later of (a) the date on which title vests in the purchaser at the foreclosure sale of the Property pursuant to the Lien Instrument or (b) the date on which Borrower's statutory right of redemption shall expire or be waived, (ii) a Valid Tender Date or (iii) the date of the conveyance of the Property to Lender in lieu of foreclosure.

"Valid Tender Date" means the date on which a Tender is made which, with the passage of time, becomes a Valid Tender.

"Tender" means the tender by Borrower of (i) true, complete and accurate copies of all leases of the Property with an instrument assigning them to Lender or Lender's designee and (ii) a special warranty or bargain and sale deed conveying good and marketable title to the Property to Lender or Lender's designee, subject to no liens or encumbrances subordinate to the lien securing the Indebtedness not previously approved in writing by Lender.

"Valid Tender" means (i) a Tender and (ii) the passage of the Review Period, during which period, Borrower shall not create any consensual liens on the Property and Borrower shall not be or become a debtor in any bankruptcy proceeding or the subject of any other insolvency proceeding (other than a bankruptcy or other insolvency proceeding commenced by Lender or any of its affiliates).

"Review Period" means the period of time from the date of the Tender until the earlier of (i) sixty (60) days thereafter or (ii) the date of acceptance of the Tender by Lender or Lender's designee.

Lender or Lender's designee shall have the Review Period to accept or reject a Tender to enable Lender or Lender's designee to review title to, and obtain an environmental assessment of, the Property, and, at Lender's or Lender's designee's option, the deed and lease assignment shall be deposited into an escrow during the Review Period.

If Lender or Lender's designee shall not accept such Tender within the Review Period, the Tender shall be deemed to be rejected, but a Valid Tender shall remain a Valid Tender despite such rejection.

All notices, demands, requests and consents permitted or required under this Note shall be given in the manner prescribed in the Master Loan Agreement.

This Note, the interpretation hereof and the rights, obligations, duties and liabilities hereunder shall be governed and controlled by the laws of California.

[Signatures are on the following page.]

CAREFREE COMMUNITIES CA LLC,
a Delaware limited liability company

By: /s/ Karen J. Dearing
Name: Karen J. Dearing
Its: Authorized Representative

NHC-CA101, LLC, a Delaware
limited liability company

By: /s/ Karen J. Dearing
Name: Karen J. Dearing
Its: Authorized Representative

MASTER LOAN AGREEMENT

THIS MASTER LOAN AGREEMENT (this "Agreement") is made as of June 9, 2016, by and between CAREFREE COMMUNITIES CA LLC, a Delaware limited liability company (Borrower), whose mailing address is c/o Sun Communities, Inc., Attn: Karen J. Dearing or SVP Finance, 27777 Franklin Road, Suite 200, Southfield, Michigan 48034, and THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, a Wisconsin corporation ("Lender"), whose mailing address is 720 East Wisconsin Avenue, Milwaukee, Wisconsin 53202.

RECITALS

A. Lender has agreed to lend to Borrower a mortgage loan in the total aggregate amount of \$163,000,000.00 (the "Loan") to be secured by a first lien on eight (8) separate properties - three (3) all-age manufactured home community, and five (5) designated age-restricted (55+) manufactured home communities (each, an "Initial Project" and, together, the "Initial Projects") located in the State of California (the "State"). The Initial Projects are grouped into one (1) portfolio identified on the Project Schedule attached as Exhibit "B" (the "Initial Project Portfolio") and as more particularly described on the attached Exhibits "A-1" through "A-8" (collectively the "Land").

B. Borrower has executed and delivered to Lender a Promissory Note of even date herewith (as same may be amended, renewed and restated from time to time, the "Note"), in the original principal amount of ONE HUNDRED SIXTY-THREE MILLION DOLLARS and with a maturity date of June 15, 2028.

C. The Note is secured by eight (8) Deeds of Trust and Security Agreements (each, an "Initial Lien Instrument") of even date herewith, each encumbering an Initial Project, each executed by Borrower.

D. As further security for the Loan, Borrower has executed for the benefit of Lender eight (8) Absolute Assignments of Leases and Rents of even date herewith (each, a "Initial Absolute Assignment"), each encumbering an Initial Project.

E. Borrower and Lender are entering into this Agreement concurrently with the execution and delivery of the Note, the Initial Lien Instruments, the Initial Absolute Assignments and the other Loan Documents (as hereinafter defined) to facilitate Borrower's ability to release or transfer property and to set forth Borrower's covenants which apply to the Note and all of the Lien Instruments (as hereinafter defined) and/or Absolute Assignments (as hereinafter defined).

AGREEMENT

In consideration of the foregoing and other good and valuable consideration, Borrower and Lender agree as follows:

ARTICLE I

DEFINITIONS

1.1 Terms Defined. Each of the following terms is defined as follows:

"Absolute Assignment" means any Initial Absolute Assignment, as any such assignment may be amended, renewed and restated from time to time; "Absolute Assignments" means all of the Initial Absolute Assignments, as the same may be amended, renewed and restated from time to time.

"Affiliate" means, with respect to a particular entity, any person or entity which, directly or indirectly, controls, is controlled by, or is under common control with such entity. For the purpose of this definition, "control" (including, with correlative meanings, the terms "controlled by" or "under common control with") means the possession by any person or entity, directly or indirectly, of the power to direct or cause the direction of the management and policies of another person or entity, whether through the ownership of voting securities, by contract or otherwise.

"Allocated Loan Amount" means, with respect to a Project, the outstanding principal balance of the Note reasonably allocated to the Project by Lender at a given time.

"Borrower" has the meaning ascribed to it above.

"Commitment" means that certain Loan Application dated March 23, 2016, from Borrower to Lender and that certain acceptance letter issued by Lender dated April 28, 2016, and any amendment to said Loan Application.

"Condemnation Proceeds" has the meaning ascribed to it in Article VI hereof.

"Debt Service Coverage" means a number calculated by dividing Net Operating Income Available for Debt Service for a fiscal period by the debt service during the same fiscal period under all loans (including the Loan) secured by any portion of the Property. For purposes of the preceding sentence, "debt service" means the actual debt service based on annualized payments due under the Loan in accordance with the provisions of the Note. The term "Debt Service Coverage" is applicable only with respect to Article XVIII hereof entitled "Partial Releases".

"Default Rate" means the lower of (i) the sum of the Interest Rate or the Increased Rate then in effect plus five percent (5%), or (ii) the maximum rate permitted by law.

"Environmental Indemnity Agreement" means the Environmental Indemnity Agreement of even date herewith given by Borrower and Principal in favor of Lender.

"Event of Default" means a default remaining uncured after written notice to Borrower and the expiration of the applicable cure period as set forth in Article IX hereof.

"Improvements" means an aggregate of approximately 2,013 developed sites, landscaping, roadways, community clubhouses with swimming pools, paved walkways, driveways, parking areas, any existing private on-site water and sewer facilities, all to the extent existing at any Project, and all other improvements on the Land; all fixtures and equipment of every description belonging to or leased by Borrower which are or may be placed or used upon, used on or about, or related to the Land or structures or improvements thereon, including, but not limited to, all engines, boilers, elevators and machinery, all heating apparatus, electrical equipment, air-conditioning and ventilating equipment, water and gas fixtures, all furniture and easily removable equipment, including, but not limited to all clubhouse or common area amenities including carpeting, draperies, ranges, microwave ovens, refrigerators, dishwashers, water and sewer equipment, fixtures, and facilities, now owned by Borrower or hereafter acquired by Borrower, in each case to the extent used on the Property and owned by Borrower. Lender's security interest shall not apply to (A) manufactured homes, park models and/or RVs, (B) other personal property items encumbered by a lease or a purchase money lien, or (C) model/inventory homes purchased directly by Borrower or its Affiliates (or any wholly owned subsidiary of Principal) for the purpose of resale to tenants or use by the community manager, or (D) installment sale contracts or promissory notes, loan agreements and other documents governing the sale of manufactured homes by Principal or an Affiliate. If requested by Borrower, Lender agrees to enter into an "Intercreditor Agreement" related to third-party liens on the referenced model/inventory homes, provided said form of Intercreditor Agreement is reasonably satisfactory to Lender. Borrower shall pay Lender a service fee of \$1,500.00 for each requested Intercreditor Agreement.

"Increased Rate" has the meaning ascribed to it in Article II hereof.

"Indebtedness" means the indebtedness evidenced by the Note or otherwise owed Lender under the Loan Documents.

"Initial Absolute Assignment" has the meaning ascribed to it in Recital D above.

"Initial Lien Instrument" has the meaning ascribed to it in Recital C above.

"Initial Project" has the meaning ascribed to it in Recital A above.

"Initial Projects" has the meaning ascribed to it in Recital A above.

"Interest Rate" means 3.71%, as also ascribed in the Note.

"Land" has the meaning ascribed to it in Recital A above.

"Leases" means all existing and future leases of any portion of the Property, and "Lease" means any one of them.

"Lender" means The Northwestern Mutual Life Insurance Company.

"Lien Instrument" means any Initial Lien Instrument, as any such instrument may be amended, renewed and restated from time to time; "Lien Instruments" means all of the Initial Lien Instruments, as the same may be amended, renewed and restated from time to time.

"Loan" has the meaning ascribed to it in Recital A above.

"Loan Document" or "Loan Documents" means any or all, as the case may be, instruments or documents executed by Borrower and delivered to Lender in connection with the Loan (except the Environmental Indemnity Agreement), as the same may be amended, renewed and restated from time to time.

"Loan to Value Ratio" means, at any time, the ratio (expressed as a percentage) of (1) the outstanding principal balance of the Loan at such time, to (2) the Lender's current appraisal of the Property at such time.

"Monetary Default" has the meaning ascribed to it in Article IX hereof.

"Net Operating Income Available for Debt Service" means, net income (prior to giving effect to any capital gains or losses and any extraordinary items) from the Property, determined in accordance with generally accepted accounting principles, for a fiscal period, plus (to the extent deducted in determining net income from the Property):

- A) interest on debt secured by any portion of the Property for such fiscal period;
- B) depreciation, if any, of fixed assets at or constituting the Property for such fiscal period; and
- C) amortization of loan costs incurred in connection with any indebtedness secured by any portion of the Property and leasing commissions which have been prepaid;

less:

- D) the amount, if any, by which actual gross income during such fiscal period exceeds that which would be earned from the rental of 98% occupancy of the manufactured home sites, park model and seasonal/annual sites at the Property;
- E) the amount, if any, by which the actual management fee is less than 3.00% of gross revenue (as adjusted by Lender in (D) above) during such fiscal period;
- F) the amount, if any, by which the actual real estate taxes are less than \$2,161,025.00 per annum; and
- G) the amount, if any, by which total actual operating expenses, excluding management fees and real estate taxes are less than \$7,836,410.00 per annum.

All adjustments to net income referenced above shall be calculated in a manner reasonably satisfactory to Lender and shall be reasonably adjusted by Lender as a result of any partial releases.

"Non-Monetary Default" has the meaning ascribed to it in Article IX hereof.

"Note" has the meaning ascribed to it in Recital B above.

"Permitted Encumbrances" means all matters affecting title to the Property that have been approved or accepted by Lender in connection with the Loan.

"Person" means any individual, sole proprietorship, corporation, general partnership, limited partnership, limited liability company or partnership, joint venture, association, joint stock company, bank, trust, estate unincorporated organization, any federal, state, county or municipal government (or any agency or political subdivision thereof) endowment fund or any other form of entity.

"Portfolio C Loan" means Lender's Loan Number 341412 to SNF Property LLC, a Delaware limited liability company (and an Affiliate of Borrower) of even date herewith in the amount of \$80,000,000.00

"Principal" means Sun Communities Operating Limited Partnership, a Michigan limited partnership.

"Project" means any Initial Project which, at any point in time, is subject to a Lien Instrument; "Projects" means more than one Project.

"Projected Debt Service Coverage" means a number calculated by dividing Projected Operating Income Available for Debt Service for the first fiscal year following restoration of the Property by the debt service during the same fiscal year under all loans secured by any portion of the Property. For purposes of the preceding sentence, "debt service" means the greater of (x) debt service due under all such loans during the first fiscal year following completion of the restoration of the Property and (y) debt service that would be due and payable during such fiscal year if all such loans were amortized over thirty (30) years (whether or not amortization is actually required) and if interest on such loans were due as it accrues at the face rate shown on the notes therefor (whether or not such loans require interest payments based on such face rates).

"Projected Operating Income Available for Debt Service" means projected gross annual rent from the Approved Leases for the first full fiscal year following completion of the restoration of the Property less:

(A) The operating expenses of the Property for the last fiscal year preceding the casualty and

(B) the following:

(i) the amount, if any, by which actual gross income during such fiscal period exceeds that which would be earned from the rental of 98.00% occupancy of the manufactured home sites, park model and seasonal/annual sites at the Property;

(ii) the amount, if any, by which the actual management fee is less than 3.00% of gross revenue (as adjusted by Lender in (B)(i) above) during such fiscal period;

(iii) the amount, if any, by which the actual real estate taxes are less than \$2,161,025.00 per annum;
and

(iv) the amount, if any, by which total operating expenses, excluding management fees, real estate taxes and replacement reserves, are less than \$7,836,410.00 per annum.

All projections referenced above shall be calculated in a manner satisfactory to Lender and shall be reasonably adjusted by Lender as a result of any partial releases.

"Property" means that portion of the Initial Projects, which, at any given point in time, is subject to the Lien Instrument.

"Release" has the meaning ascribed to it in Article XVIII hereof.

"Released Project" has the meaning ascribed to it in Article XVIII hereof.

"Trustee" means The Northwestern Mutual Life Insurance Company, a Wisconsin corporation.

ARTICLE II FINANCIAL STATEMENTS

2.1 Borrower shall furnish to Lender:

(A) the following financial statements for each Project within ninety (90) days after the close of each fiscal year of Borrower (the "Property Financial Statements Due Date"):

- (i) an unaudited statement of operations for such fiscal year with a detailed line item break-down of all sources of income and expenses, including capital expenses broken down between, capital maintenance, common area renovation, and expansion; and
- (ii) a current rent roll identifying leased lot and current contract rent; and
- (iii) an operating budget for the current fiscal year; and

(B) the following unaudited financial statements (or audited made available to Lender) that Lender may, in Lender's sole discretion, require from time to time within thirty (30) days after receipt of a written request from Lender (the "Requested Financial Statements Due Date"):

(i) a balance sheet for each Project as of the last day of each respective Borrower's most recently closed fiscal year; and

(ii) a balance sheet for Borrower (if not the same as (B)(i) above) as of the last day of Borrower's most recently closed fiscal year; and

(iii) a balance sheet for Principal as of the last day of Principal's most recently closed fiscal year, if available; if not available, then Borrower shall deliver the most recent public filings of Sun Communities, Inc., a Maryland corporation ("Sun

Communities") provided not less than 70% of the assets of Principal are owned and controlled, directly or indirectly, by Sun Communities; and

(iv) a statement of cash flows for each Project as of the last day of Borrower's most recently closed fiscal year; and

(v) a statement of cash flows for Borrower (if not the same as (B)(iv) above) as of the last day of Borrower's most recently closed fiscal year.

Furthermore, Borrower shall furnish to Lender within twenty (20) days after receipt of a written request from Lender such reasonable financial and management information in the possession of, or accessible to Borrower which Lender determines to be useful in Lender's monitoring of the value and condition of the Property, Borrower, or Principal.

The Property Financial Statements Due Date and the Requested Financial Statements Due Date are each sometimes hereinafter referred to as a "Financial Statements Due Date".

Notwithstanding the foregoing, in no event shall a Financial Statements Due Date for a particular financial statement be prior to the 90th day following the close of the fiscal year covered by such financial statement.

If audited, the financial statements identified in sections (A)(i), (A)(ii), and (B)(i) through (B)(v), above, shall each be prepared in accordance with generally accepted accounting principles by a an independent nationally recognized certified public accounting firm. All unaudited statements shall contain a certification by a senior officer of Principal stating that they have been prepared in accordance with generally accepted accounting principles and that they are true and correct. The expense of preparing all of the financial statements required in (A) and (B) above, shall be borne by Borrower.

Borrower acknowledges that Lender requires the financial statements and information required herein to record accurately the value of the Property for financial and regulatory reporting.

Lender acknowledges that the financial statements and information delivered to Lender by Borrower during the due diligence is in a format satisfactory to Lender for delivery going forward.

In addition to all other remedies available to Lender hereunder, at law and in equity, if any financial statement, additional information or proof of payment of property taxes and assessments is not furnished to Lender as required in this Article entitled "**Financial Statements**" and in the Article entitled "**Taxes/Deposits**", within thirty (30) days after Lender shall have given written notice to Borrower that it has not been received as required,

(x) interest on the unpaid principal balance of the Indebtedness shall as of the applicable Financial Statements Due Date or the date such additional information or proof of payment of property taxes and assessments was due, accrue and become payable at a rate equal to the sum of the Interest Rate plus one percent (1%) per annum (the "Increased Rate"); and

(y) Lender may elect to obtain an independent appraisal and audit of the Property at Borrower's expense, and Borrower agrees that it will, upon request, promptly make Borrower's books and records regarding the Property available to Lender and the person(s) performing the appraisal and audit (which obligation Borrower agrees can be specifically enforced by Lender).

The amount of the payments due under the Note during the time in which the Increased Rate shall be in effect shall be changed to an amount which is sufficient to reflect the Increased Rate with no change in the amortization of the unpaid principal balance. Interest shall continue to accrue and be due and payable monthly at the Increased Rate until the date (the "Receipt Date") on which all of the financial statements, additional information and proof of payment of property taxes and assessments (as requested by Lender) shall be furnished to or made available to Lender as required. Commencing on the Receipt Date, interest on the unpaid principal balance of the Note shall again accrue at the Interest Rate with no change in amortization, and the payments due during the remainder of the term of the Note shall be changed to an amount which is sufficient to amortize the then unpaid principal balance at the Interest Rate. Notwithstanding the foregoing, Lender shall have the right to conduct an independent audit at its own expense at any time.

ARTICLE III PROHIBITION ON TRANSFER

3.1 The present ownership and management of the Property is a material consideration to Lender in making the Loan secured by the Lien Instruments, and Borrower shall not (i) convey title to all or any part of the Property, (ii) enter into any ground lease or contract to convey (land contract/installment sales contract/contract for deed) title to all or any part of the Property which gives a purchaser possession of, or income from, the Property prior to a transfer of title to all or any part of the Property ("Contract to Convey") or (iii) cause or permit a Change in the Proportionate Ownership (as hereinafter defined) of Borrower. Any such conveyance, entering into a Contract to Convey or Change in the Proportionate Ownership Borrower shall constitute a default under the terms of the Loan Documents.

"Change in the Proportionate Ownership" means in the case of a corporation, a change in, or the existence of a lien on, the direct or indirect ownership of the stock of Borrower; in the case of a trust, a change in the trustee, or a change in, or the existence of a lien on, the direct or indirect ownership of the beneficial interests of Borrower; in the case of a limited liability company, a change in, or the existence of a lien on, the direct or indirect ownership of the limited liability company interests of Borrower; or, in the case of a partnership, a change in, or the existence of a lien on, the direct or indirect ownership of the partnership interests of Borrower.

Notwithstanding the foregoing, the following transfers shall be permitted without Lender's consent, prior notice, payment of assumption fees or any other limitations or restrictions, except as expressly set forth below:

- (1) transfer, issuance or redemption of shares of stock, options or warrants of Sun Communities by any person, or any transfer, issuance or redemption by any person of the stock, membership interests, partnership interests or other

ownership interests of any shareholder, partner, member, manager or trust who is a direct or indirect legal or beneficial owner of any shares of stock of Sun Communities;

- (2) direct or indirect transfers of interests in said Borrower among Sun Communities, Principal and their Affiliates, provided that no change in control of Borrower is effected by such transfers;
- (3) any transfer, exchange, issuance or redemption of the limited partnership interests of Principal or of Carefree Communities Inc., a Delaware corporation, by any person, so long as not less than 70% of the partnership interests in Principal (which includes those partnership units that are convertible into shares of Sun Communities' stock) are owned, and Principal is controlled, by Sun Communities, or any transfer, exchange, issuance or redemption of the stock, membership interests, partnership interests or other ownership interests of any shareholder, partner, member, manager or trust who is a direct or indirect legal or beneficial owner of a limited partnership interest in Principal; and
- (4) any transfer, exchange, issuance or redemption of the direct or indirect ownership interests in Borrower which results in the elimination of such entity as a direct or indirect owner of Borrower, and/or the liquidation of Carefree Communities Inc., a Delaware corporation, so long as, in either such case, Principal owns, directly or indirectly, one hundred percent (100%) of the ownership interests in Borrower.

Notwithstanding the foregoing, provided there is no Event of Default under any Loan Document, upon the prior written request from Borrower, Lender shall not withhold its consent to a change in the ownership in Principal and Sun Communities, due to a merger by or acquisition of Principal and the vast majority of its assets (not less than 80% of its assets) which results in an entity of greater size and financial wherewithal (the "Transfer"), provided:

- (A) after the Transfer, the replacement principal (the "Creditworthy Party") has a net worth determined in accordance with generally accepted accounting principles of not less than that of the existing Principal prior to the Transfer (in no event less than \$1,000,000,000.00 on a market value basis prior to the Transfer);
- (B) the Creditworthy Party is experienced in the ownership and management of high quality manufactured housing and RV parks;
- (C) the Creditworthy Party and all persons and entities (i) owning (directly or indirectly) more than a 10% ownership interest in the Creditworthy Party, or (ii) which are in control of the Creditworthy Party, are not (and have never been): (a) subject to any bankruptcy, reorganization, or insolvency proceedings or any criminal charges or proceedings, or (b) a litigant, plaintiff, or defendant in any suit brought against or by Lender;

- (D) the Creditworthy Party executes Lender's then current forms of Guarantee of Recourse Obligations and Environmental Indemnity Agreement, the Creditworthy Party executes a Fraudulent Conveyance Indemnity Agreement in the form previously executed by Principal as of the date hereof, and Lender receives a satisfactory enforceability opinion with respect to the foregoing from counsel approved by Lender;
- (E) an environmental report on the Property, which meets Lender's then current requirements and is updated to no earlier than ninety (90) days prior to the date of the Transfer, is provided to Lender at least thirty (30) days prior to the date of the Transfer and the results of said report are satisfactory to Lender at the time of the Transfer;
- (F) if required by Lender, Lender receives an endorsement to its policy of title insurance, satisfactory to Lender, insuring Lender's lien on the Property as a first and valid lien on the Property subject only to liens and encumbrances theretofore approved by Lender; and
- (G) the Property (including all Projects, subject to any partial releases) under the Loan shall be part of such Transfer such that the Creditworthy Party shall directly or indirectly owns Borrower which owns the Property under the Loan.

If Borrower shall make a Transfer pursuant to the above conditions, Lender shall be paid a fee equal to 0.75% of the then outstanding balance of the Note (\$25,000.00 non-refundable to be submitted with such request with the balance due at the closing of the Transfer). The fee shall be paid on or before the closing date of such one-time transfer. At the time of such Transfer, no modification of the interest rate or repayment terms of the Note will be required and support documentation shall be timely provided to Lender and in satisfactory form prior to the Transfer.

ARTICLE IV PROHIBITION AGAINST OTHER MORTGAGE LIENS AND RENT ASSIGNMENTS

4.1 Borrower agrees to keep the Property and any Personal Property (as defined in the Initial Lien Instruments) free from all other liens either prior or subsequent to the lien created by the Initial Lien Instrument, other than Permitted Encumbrances. The (i) creation of any other lien on any portion of the Property or on any Personal Property, whether or not prior to the lien created by the Initial Lien Instruments, (ii) assignment or pledge by Borrower of its revocable license to collect, use and enjoy rents and profits from the Property, or (iii) granting or permitting of a security interest in or other encumbrance on the direct or indirect ownership interests in Borrower, shall constitute a default under the terms of the Lien Instruments; except that upon written notice to Lender, Borrower may proceed to contest in good faith and by appropriate proceedings any mechanics liens, tax liens or judgment liens with respect to the Property or any Personal Property described herein, provided funds sufficient to satisfy the contested amount have been deposited in an escrow account satisfactory to Lender.

ARTICLE V
RESTORATION; INSURANCE;
APPLICATION OF INSURANCE LOSS PROCEEDS

5.1 Borrower agrees to keep the Property insured for the protection of Lender and Lender's wholly owned subsidiaries and agents in such manner and in such amounts as are set forth in the Commitment with such companies as Lender may from time to time approve, and to keep the policies therefor, properly endorsed, on deposit with Lender, or at Lender's option, to keep evidence of insurance acceptable to Lender evidencing all insurance coverages required hereunder on deposit with Lender, which evidence shall reflect at least thirty (30) days' notice of cancellation to Lender and shall list Lender as the certificate holder or as a similar additional interest with Lender's correct mailing address and the loan number assigned to the loan (341311); if Borrower requests Lender to accept a different form of evidence, Lender shall not unreasonably withhold its consent, provided, a copy of a standard mortgagee endorsement in favor of Lender stating that the insurer shall provide at least thirty (30) days' notice of cancellation to Lender accompanies such evidence. Borrower shall furnish Lender with evidence of renewals of all applicable insurance no later than fifteen (15) days after the actual insurance expiration date.

5.2 If any portion of any Property shall be damaged or destroyed, in whole or in part, by fire or other casualty, and the amount of such damage is greater than \$250,000.00, Borrower shall give prompt written notice thereof to Lender provided that Borrower shall be required to give such notice to Lender in any event if any bodily injury or death occurs in connection with any such casualty). Following the occurrence of a casualty Borrower, regardless of whether insurance proceeds are available, shall promptly proceed to restore, repair, replace or rebuild the Improvements on the affected portion of the Property to be of at least equal value and of substantially the same character as prior to such damage or destruction, all to be effected in accordance with applicable law.

5.3 All insurance loss proceeds from all property insurance policies (less expenses of collection) whether or not required by Lender, shall, at Lender's option, be applied on the Indebtedness, whether due or not, or to the restoration of the affected portion of the Property, or be released to Borrower, but such application or release shall not cure or waive any default under any of the Loan Documents. If Lender elects to apply the insurance loss proceeds on the Indebtedness, no prepayment fee shall be due thereon.

Notwithstanding the foregoing provision, with respect to a casualty at a Project, Lender agrees that if the insurance loss proceeds are less than the unpaid principal balance of the Note and the casualty occurs prior to the last two (2) years of the term of the Note, then the insurance loss proceeds (less expenses of collection) shall be applied to restoration of the affected Project to its condition prior to the casualty, subject to satisfaction of the following conditions:

- (a) There is no existing Event of Default at the time of casualty.
- (b) The casualty insurer has not denied liability for payment of insurance loss proceeds to Borrower as a result of any act, neglect, use or occupancy of the affected Project by Borrower.

(c) Lender shall be satisfied that all insurance loss proceeds so held, together with supplemental funds to be made available by Borrower, shall be sufficient to complete the restoration of the affected Project. Any remaining insurance loss proceeds may, at the option of Lender, be applied on the Indebtedness, whether or not due, or be released to Borrower.

(d) If required by Lender, Lender shall be furnished a satisfactory report addressed to Lender from an environmental engineer or other qualified professional satisfactory to Lender to the effect that no material adverse environmental impact to the affected Project resulted from the casualty which cannot be sufficiently mitigated as evidenced by satisfactory support documentation (e.g. contracts, reports, agreements to complete work, testing).

(e) Lender shall release casualty insurance proceeds as restoration of the affected Project progresses provided that Lender is furnished satisfactory evidence of the costs of restoration and if, at the time of such release, there shall exist no Monetary Default under the Loan Documents and no Non-Monetary Default under the Loan Documents with respect to which Non-Monetary Default Lender shall have given Borrower notice pursuant to Article IX hereof. If a Monetary Default shall occur or Lender shall give Borrower notice of a Non-Monetary Default, Lender shall have no further obligation to release insurance loss proceeds hereunder unless such default is cured within the cure period set forth in Article IX hereof. If the estimated cost of restoration exceeds \$250,000.00, (i) the drawings and specifications for the restoration shall be approved by Lender in writing prior to commencement of the restoration, and (ii) Lender shall receive an administration fee equal to one percent (1%) of the cost of restoration.

(f) Prior to each release of funds, Borrower shall obtain for the benefit of Lender an endorsement to Lender's title insurance policy insuring Lender's lien as a first and valid lien on the affected Project subject only to liens and encumbrances theretofore approved by Lender.

(g) Borrower shall pay all costs and expenses incurred by Lender, including, but not limited to, outside legal fees, title insurance costs, third-party disbursement fees, third-party engineering reports and inspections deemed necessary by Lender.

(h) All reciprocal easement and operating agreements benefiting the affected Project, if any, shall remain in full force and effect between the parties thereto on and after restoration of the affected Project.

(i) Lender shall be reasonably satisfied that Projected Project Debt Service Coverage of at least 1.10 will be achieved from the leasing of not more than 90% of the sites within the Project with standard form leases satisfactory to Lender (Borrower's standard form reasonably approved by Lender) in place (not affected by casualty) or to commence not later than 30 days following completion of such restoration (the "Approved Leases").

(j) Without limiting the provisions of Article XIX hereof, if the casualty has resulted in whole or part from an earthquake: (a) Borrower shall have supplied Lender with a "Seismic Risk Estimate" (in accordance with the provisions of Article XIX hereof) which shows that the affected Project will meet "Minimum Seismic Criteria" (as defined in Article XIX hereof) upon completion of repair and retrofit work which can be completed within one year of the earthquake, (b) prior to commencement of the restoration, Borrower shall have committed in writing to Lender that Borrower will do such repair and retrofit work as shall be necessary to cause the affected Project to in fact meet Minimum Seismic Criteria following completion of restoration, and (c) Lender must at all times during the restoration be reasonably satisfied that the affected Project will meet Minimum Seismic Criteria following completion of the restoration, Borrower hereby agreeing to supply Lender with such evidence thereof as Lender shall request from time to time.

ARTICLE VI CONDEMNATION

6.1 Borrower hereby assigns to Lender (i) any award and any other proceeds resulting from damage to, or the taking of, all or any portion of the Property, and (ii) the proceeds from any sale or transfer in lieu thereof (collectively, "Condemnation Proceeds") in connection with condemnation proceedings or the exercise of any power of eminent domain or the threat thereof (hereinafter, a "Taking"); if the Condemnation Proceeds are less than the unpaid principal balance of the Note and such damage or Taking occurs prior to the last two (2) years of the term of the Note, such Condemnation Proceeds (less expenses of collection) shall be applied to restoration of the Property to its condition, or the functional equivalent of its condition prior to the Taking, subject to the conditions set forth above in Article VI hereof entitled "**Restoration; Insurance; Application of Insurance Loss Proceeds**" and subject to the further condition that restoration or replacement of the improvements on the Land to their functional and economic utility prior to the Taking be possible. Any portion of such award and proceeds not applied to restoration shall, at Lender's option, be applied on the Indebtedness, whether due or not, or be released to Borrower, but such application or release shall not cure or waive any default under any of the Loan Documents.

ARTICLE VII TAXES / DEPOSITS

7.1 Borrower agrees to pay before delinquency all taxes and special assessments of any kind that have been or may be levied or assessed against the Property, the Lien Instruments, the Note or the Indebtedness, or upon the interest of Trustee or Lender in the Property, the Lien Instruments, the Note or the Indebtedness, and to procure and deliver to Lender within thirty (30) days after Lender shall have given a written request to Borrower, the official receipt of the proper officer showing timely payment of all such taxes and assessments; provided, however, that Borrower shall not be required to pay any such taxes or special assessments if the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings and funds sufficient to satisfy the contested amount have been deposited in an escrow satisfactory to Lender.

7.2 To assure the timely payment of real estate taxes and special assessments (including personal property taxes, if appropriate), upon the occurrence of an Event of Default, Lender shall thence forth have the option to require Borrower to deposit funds with Lender or in an account satisfactory to Lender, in monthly or other periodic installments in amounts estimated by Lender from time to time sufficient to pay real estate taxes and special assessments as they become due. If at any time the funds so held by Lender, or in such other account shall be insufficient to pay any of said expenses, Borrower shall, upon receipt of notice thereof, immediately deposit such additional funds as may be necessary to remove the deficiency. All funds so deposited shall be irrevocably appropriated to Lender to be applied to the payment of such real estate taxes and special assessments and, at the option of Lender after default, the Indebtedness. Lender may deduct from any amounts so held, any fees, costs or expenses incurred in connection with holding such amounts and/or paying amounts to taxing authorities or other parties, including, without limitation any fees, costs or expenses associated with paying amounts via e-check or electronically.

ARTICLE VIII PROPERTY MANAGEMENT

8.1 Borrower will self-manage its Projects. If a third-party management company is engaged, such management company for the Project shall be satisfactory to Lender.

ARTICLE IX NOTICE OF DEFAULT

9.1 A default in any payment required in the Note or any other Loan Document, whether or not payable to Lender, (a "Monetary Default") shall not constitute an Event of Default unless Lender shall have given a written notice of such Monetary Default to Borrower and Borrower shall not have cured such Monetary Default by payment of all amounts in default (including payment of interest at the Default Rate, from the date of default to the date of cure on amounts owed to Lender) within five (5) business days after the date on which Lender shall have given such notice to Borrower.

Any other default under the Note or under any other Loan Document (a "Non-Monetary Default") shall not constitute an Event of Default unless Lender shall have given a written notice of such Non-Monetary Default to Borrower and Borrower shall not have cured such Non-Monetary Default within thirty (30) days after the date on which Lender shall have given such notice of default to Borrower (or, if the Non-Monetary Default is not curable within such 30-day period, Borrower shall not have diligently undertaken and continued to pursue the curing of such Non-Monetary Default and deposited an amount sufficient to cure such Non-Monetary Default in an escrow account satisfactory to Lender).

In no event shall the notice and cure period provisions recited above constitute a grace period for the purposes of commencing interest at the Default Rate.

**ARTICLE X
CROSS DEFAULT**

10.1 A default after any applicable notice and cure period under the Note, any Lien Instrument or any other Loan Document shall constitute a default under all Loan Documents. Borrower acknowledges that each Lien Instrument secures the entire Loan. A default after any applicable notice and cure period under any of the loan documents evidencing and/or securing the Portfolio C Loan also shall constitute a default under the Loan Documents (as defined herein).

**ARTICLE XI
REPRESENTATIONS AND WARRANTIES**

11.1 Borrower represents and warrants that Borrower, all persons and entities owning a 15% or more direct or indirect ownership interest in Borrower, all guarantors of all or any portion of the Indebtedness, and all persons and entities executing any separate indemnity agreement in favor of Lender in connection with the Indebtedness: (i) is not, and shall not become, a person or entity with whom Lender is restricted from doing business with under regulations of the Office of Foreign Assets Control ("OFAC") of the Department of the Treasury (including, but not limited to, those named on OFAC's Specially Designated Nationals and Blocked Persons list) or under any statute, executive order (including, but not limited to, the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action; (ii) is not, and shall not become, a person or entity with whom Lender is restricted from doing business under the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001 or the regulations or orders thereunder; and (iii) is not knowingly engaged in, and shall not knowingly engage in, any dealings or transaction or be otherwise associated with such persons or entities described in (i) or (ii) above.

**ARTICLE XII
WAIVER OF JURY TRIAL**

12.1 Borrower hereby waives any right to trial by jury with respect to any action or proceeding (a) brought by Borrower, Lender or any other person relating to (i) the obligations set forth in the Loan Documents and/or any understandings or prior dealings between the parties hereto or (ii) the Loan Documents or the Environmental Indemnity Agreement entered into in connection with the Loan, or (b) to which Lender is a party.

**ARTICLE XIII
BORROWER REPRESENTATIVE / NOTICES**

13.1 Borrower hereby authorizes Gary Shiffman, Karen Dearing, John McLaren, Anjali Shah or anybody else holding the positions of CEO, COO, CFO or SVP Finance (the "Representative") to act on behalf of Borrower in connection with the Loan. In addition, Borrower authorizes Lender to rely, without further inquiry, on information furnished by and agreements proposed by or entered into by the Representative in connection with the Loan at any time any portion of the Loan is outstanding.

13.2 Any notices, demands, requests and consents permitted or required hereunder or under any other Loan Document shall be in writing, may be delivered personally or sent by certified mail with postage prepaid or by reputable courier service with charges prepaid. Any notice or demand sent to Borrower by certified mail or reputable courier service shall be addressed to Borrower c/o Sun Communities, Inc., 27777 Franklin Road, Suite 200, Southfield, MI 48034, Attn.: Anjali Shah or SVP Finance or at such other address in the United States of America as Borrower shall designate in a notice to Lender given in the manner described herein. A copy of any such notice sent to Borrower shall be sent to Jaffe, Raitt, Heuer & Weiss, P.C., Attn.: Arthur Weiss and Alicia S. Schehr, 27777 Franklin Road, Suite 2500, Southfield, MI 48034. Any notice sent to Lender by certified mail or reputable courier service shall be addressed to The Northwestern Mutual Life Insurance Company to the attention of the Real Estate Investment Department at 720 East Wisconsin Avenue, Milwaukee, WI 53202, or at such other addresses as Lender shall designate in a notice given in the manner described herein. Any notice given to Lender shall refer to the Loan No. set forth above. Any notice or demand hereunder shall be deemed given when received. Any notice or demand which is rejected, the acceptance of delivery of which is refused or which is incapable of being delivered during normal business hours at the address specified herein or such other address designated pursuant hereto shall be deemed received as of the date of attempted delivery.

ARTICLE XIV FAILURE OF BORROWER TO ACT

14.1 If Borrower fails to make any payment or do any act as herein provided, Lender or Trustee may, without obligation to do so, without notice to or demand upon Borrower and without releasing Borrower from any obligation hereof: (i) make or do the same in such manner and to such extent as Lender may deem necessary to protect the security hereof, Lender or Trustee being authorized to enter upon the Property for such purpose; (ii) appear in and defend any action or proceeding purporting to affect the security hereof, or the rights or powers of Lender or Trustee; (iii) pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of Lender appears to be prior or superior hereto; and (iv) in exercising any such powers, pay necessary expenses, employ counsel and pay its reasonable fees. Sums so expended and all losses, liabilities, claims, damages, costs and expenses required to be reimbursed by Borrower to Lender hereunder shall be payable by Borrower immediately upon demand with interest from date of expenditure or demand, as the case may be, at the Default Rate. All sums so expended or demanded by Lender and the interest thereon shall be included in the Indebtedness and secured by the Lien Instruments.

ARTICLE XV COVENANTS

15.1 Borrower agrees not to lease any of the Property, without the prior written consent of Lender, to (i) dry cleaning operations that perform dry cleaning on site with chlorinated solvents or (ii) any other tenants that use chlorinated solvents in the operation of their businesses at the Property.

15.2 Borrower agrees to keep the buildings and other improvements now or hereafter erected on the Land in good condition and repair; not to commit or suffer any waste; to comply with all laws, rules and regulations affecting the Property; and to permit Lender, upon at least twenty four (24) hours prior notice (except in the case of an emergency) to enter at all reasonable times for the purpose of inspection and of conducting, in a reasonable and proper manner, such tests as Lender determines to be necessary in order to monitor Borrower's compliance with applicable laws and regulations regarding hazardous materials affecting the Property, at Lender's sole cost and expense.

ARTICLE XVI MISCELLANEOUS

16.1 In the event of any conflict between the provisions of the Commitment and the provisions of this Agreement, the provisions of this Agreement will prevail.

16.2 Time is of the essence in each of the Loan Documents. Subject to the limitations on recourse set forth in the Note, the remedies of Lender as provided herein or in any other Loan Document or at law or in equity shall be cumulative and concurrent, and may be pursued singly, successively, or together at the sole discretion of Lender, and may be exercised as often as occasion therefor shall occur; and neither the failure to exercise any such right or remedy nor any acceptance by Lender of payment of Indebtedness in default shall in any event be construed as a waiver or release of any right or remedy. Neither this Agreement nor any other Loan Document may be modified or terminated orally but only by agreement or discharge in writing and signed by Borrower and Lender. If any of the provisions of any Loan Document or the application thereof to any persons or circumstances shall to any extent be invalid or unenforceable, the remainder of such Loan Document and each of the other Loan Documents, and the application of such provision or provisions to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and every provision of each of the Loan Documents shall be valid and enforceable to the fullest extent permitted by law.

16.3 Lender may assign all or any part of the Loan to a subsidiary or affiliate of Lender, or to another lender at no cost to Borrower. In the event of a proposed assignment of the Loan to another lender, said lender shall have the right to enter the Property upon reasonable prior notice to Borrower for additional environmental review or testing as said lender may deem necessary, at no cost to Borrower.

16.4 In the event of any controversy, claim, dispute, or litigation between the parties hereto to enforce any provision of this Agreement or any right of Lender hereunder or under any Loan Document or the Environmental Indemnity Agreement, the losing party agrees to pay to the prevailing party all costs and expenses, including reasonable attorneys' fees incurred therein by the prevailing party, whether in preparation for or during any trial, as a result of an appeal from a judgment entered in such litigation or otherwise or in any bankruptcy or insolvency proceeding.

16.5 This Agreement shall be governed by and construed in all respects in accordance with the laws of the State of California. With respect to any action, lawsuit or other legal proceeding concerning any dispute arising under or related to this Agreement, Borrower hereby

irrevocably consents to the jurisdiction of the courts located in the State of California and irrevocably waive any defense of improper venue, forum nonconveniens or lack of personal jurisdiction in any such action, lawsuit or other legal proceeding brought in any court located in the State of California. Nothing contained herein shall affect the rights of Lender to commence any action, lawsuit or other legal proceeding, or otherwise to proceed, against Borrower in any other jurisdiction. The parties acknowledge that certain actions taken under each Lien Instrument and each Absolute Assignment shall be governed by the State of the Property encumbered by such Lien Instrument and Absolute Assignment, respectively, and that such actions must be brought within said State.

ARTICLE XVII

Separateness Covenants/Covenants with Respect to Indebtedness, Operations and Fundamental Changes of BORROWER

17.1 Borrower, for itself, hereby represents, warrants and covenants, as of the date hereof and until such time as the Note is paid in full, that Borrower:

(a) shall not (i) liquidate or dissolve (or suffer any liquidation or dissolution), terminate, or otherwise dispose of, directly, indirectly or by operation of law, all or substantially all of its assets; (ii) reorganize or change its legal structure without Lender's prior written consent, except as otherwise expressly permitted under Article III herein entitled "**Prohibition on Transfer**"; (iii) change its name, address, or the name under which Borrower conducts its business without promptly notifying Lender; (iv) enter into or consummate any merger, consolidation, sale, transfer, assignment, liquidation, or dissolution involving any or all of the assets of Borrower or any general partner or managing member of Borrower, except as otherwise expressly permitted under Article III herein entitled "**Prohibition on Transfer**"; or (v) enter into or consummate any transaction or acquisition, merger or consolidation or otherwise acquire by purchase or otherwise all or any portion of the business or assets of, or any stock or other evidence of beneficial ownership of, any person or entity;

(b) as of the date hereof has no secured or unsecured debt except for customary and reasonable short term trade payables or equipment financing obtained and repaid in the ordinary course of Borrower's business and taxes and assessments not delinquent, and shall not incur any secured or unsecured debt except for customary and reasonable short term trade payables or equipment financing obtained and repaid in the ordinary course of Borrower's business and taxes and assessments not delinquent;

(c) shall not amend, modify or otherwise change its operating agreement, articles of organization, or other formation agreement or document, as applicable, or governing agreement or document, in any material term or manner, or in a manner which adversely affects Borrower's existence as a single purpose entity;

(d) shall allocate fairly and reasonably any rent, overhead and expenses for shared office space;

(e) shall maintain correct and complete financial statements, accounts, books and records and other entity documents separate from those of any Affiliate (as hereinafter defined in this Article) of same or any other person or entity;

(f) shall observe applicable limited liability company and general partnership formalities regarding the existence of Borrower;

(g) shall hold title to its assets in its own name and act solely in its own name;

(h) shall make investments in the name of Borrower directly by Borrower or on its behalf by brokers engaged and paid by Borrower or its agents;

(i) except as expressly required by Lender in connection with the Loan secured by the Lien Instruments and in writing, shall not guarantee or otherwise agree to be liable for (whether conditionally or unconditionally), pledge or assume or hold itself out or permit itself to be held out as having guaranteed, pledged or assumed any liabilities or obligations of any partner (whether limited or general), member, shareholder or any Affiliate of Borrower, as applicable, or any other party, nor shall it make any loan, except as expressly permitted in the Loan Documents;

(j) is, and will use commercially reasonable efforts to remain, solvent;

(k) shall separately identify and maintain its assets. Borrower's assets shall at all times be held by or on behalf of Borrower and if held on behalf of Borrower by another entity, shall at all times be kept identifiable (in accordance with customary usages) as assets owned by Borrower. This restriction requires, among other things, that (i) Borrower's funds shall be deposited or invested in Borrower's name, (ii) Borrower's funds shall not be commingled with the funds of any Affiliate of same or any other person or entity, (iii) such Borrower shall maintain all accounts in its own name and with its own tax identification number, separate from those of any Affiliate of same or any other person or entity, and (iv) such Borrower funds shall be used only for the business of such Borrower;

(l) shall maintain its assets in such a manner that it is not costly or difficult to segregate, ascertain or identify its individual assets from those of any Affiliate of same or other person or entity;

(m) shall not do any act which would make it impossible to carry on the ordinary business of such Borrower;

(n) shall not invest any of Borrower's funds in securities issued by, nor shall Borrower acquire the indebtedness or obligation of, any Affiliate of same;

(o) shall maintain an arm's length relationship with each of its Affiliates and may enter into contracts or transact business with its Affiliates only on commercially reasonable terms that are no less favorable to Borrower than is obtainable in the market from a person or entity that is not an Affiliate of same;

(p) shall correct any misunderstanding that is known by Borrower regarding its name or separate identity; and

(q) shall not, without the prior written vote of one hundred percent (100%) of its members institute proceedings to be adjudicated bankrupt or insolvent; or consent to the institution of bankruptcy or insolvency proceedings against it; or file a petition seeking, or consent to, reorganization or relief under any applicable federal or state law relating to bankruptcy; or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of Borrower or a substantial part of Borrower's property; or make any assignment for the benefit of creditors; or admit in writing its inability to pay its debts generally as they become due or declare or effectuate a moratorium on payments of its obligation; or take any action in furtherance of any such action.

Notwithstanding anything contained in this Article entitled "**Separateness Covenants/Covenants with Respect to Indebtedness, Operations and Fundamental Changes of Borrower**", it is permitted for the Borrower to commingle cash and other liquid assets with Principal and/or Sun Communities.

(A) Borrower is permitted to commingle cash and other liquid assets with Principal and Sun Communities; and

(B) the following operations and activities of Borrower and its Affiliates are not to be considered a violation of any of the covenants and prohibitions set forth herein: (i) preparing and distributing consolidated financial statements which include operations of Borrower and the Property with operations of Sun Communities, the Principal and/or other Affiliates; (ii) offering goods or services to residents of the Property through Affiliates or other third parties for which fees and charges may be collected by the Borrower or the Affiliate and paid to such Affiliate or third party, which may include, without limitation, cable and internet services, landscaping, snow removal, lease or sale of manufactured homes (for cash or pursuant to an installment agreement), and child care; (iii) transferring all gross revenue, whether cash, cash equivalents or similar assets to Sun Communities, Principal or any other Affiliate after collection thereof and depositing such gross revenue in operating bank account maintained for the Property; (iv) having Sun Communities, Principal or any Affiliate pay all payables, debts and other liabilities arising from or in connection with operation of any Property from commingled funds; (v) using ancillary assets in connection with operation of the Property held in the name of Sun Communities, Principal or any Affiliates, such as vehicles and office and maintenance equipment; (vi) treating the Property for all purposes as part of and within the portfolio of manufactured housing communities owned by Principal or any Affiliate, including for marketing, promotion and providing information and reports to the public, including a common website, or required by applicable law; (vii) allocating general overhead and administrative costs incurred by Sun Communities, Principal and/or other Affiliates to Borrower in a fair and equitable manner; and (viii) Borrower's entering into Lender's Loan Number 341228 in the amount of \$162,000,000.00 which is secured by seven (7) projects owned by Borrower other than the Projects.

"Affiliate" for the purposes of this Article entitled "**Separateness Covenants/Covenants with Respect to Indebtedness, Operations and Fundamental Changes of Borrower**" shall

mean any person or entity which directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with a specified person or entity. For purposes of this section, the terms "control," "controlled," or "controlling" with respect to a specified person or entity shall include, without limitation, (i) the ownership, control or power to vote ten percent (10%) or more of (x) the outstanding shares of any class of voting securities or (y) beneficial interests, of any such person or entity, as the case may be, directly or indirectly, or acting through one or more persons or entities, (ii) the control in any manner over such person or entity or the election of more than one director or trustee (or persons exercising similar functions) of such person or entity, or (iii) the power to exercise, directly or indirectly, control over the management or policies of such person or entity.

ARTICLE XVIII PARTIAL RELEASES

18.1 Upon the applicable Borrower's written request given at least thirty (30) days prior to the proposed transaction, and provided that, at the time of such request, there is then no Event of Default under any of the Loan Documents (other than a default that will be cured by virtue of the proposed Release) Lender agrees that up to three (3) Projects (a "Released Project") may be released (the "Release") from the lien of the applicable Lien Instrument and all other security interests held by Lender, subject to satisfaction of the following conditions:

(1) Payment to Lender of a \$35,000.00 service fee for each respective partial release of which (i) \$15,000.00 shall be non-refundable and submitted with the initial written request, and (ii) \$20,000.00 shall be paid to Lender at closing of such release;

(2) The release shall consist of not less than an entire Project (no partial Project releases), not more than one (1) Project may be released per calendar year and a satisfactory number of Projects designated as Age-Restricted 55+ shall remain as security under the Loan at all times;

(3) Payment to Lender toward the unpaid principal balance of the Loan in an amount equal to 110% of the Allocated Loan Amount for the Released Project (100% if after such Release, the loan-to-value ratio of the remaining Property is 60% or less, as reasonably determined by Lender in accordance with its then current underwriting standards for the Released Project) plus a prepayment fee on such principal prepaid calculated in the manner set forth in the Note;

(4) Borrower shall pay any and all third party expenses associated with the Release, including, but not limited to, title insurance costs, escrow costs, recordation costs and fees and any tax required to be paid at the time of the release, as applicable;

(5) The amount of principal loan balance paid down which is above the then respective allocated principal loan balance of the Project released shall be applied to pay-down the remaining allocated loan amounts on a pro-rata basis based on the then principal loan balances at the time of such partial release;

- (6) If required by Lender, Borrower shall furnish Lender, at Borrower's sole cost, a satisfactory endorsement to the applicable title policy(ies) evidencing a continued satisfactory first lien on the remaining portion of the Property;
- (7) After such partial release, the loan to value ratio of the remaining Property shall not be higher than the lesser of (i) the loan to value ratio before such release, or (ii) 65%, as reasonably determined by Lender in accordance with its then current underwriting standards;
- (8) All related documentation shall be reasonably satisfactory to Lender; and
- (9) Following the Release of the Released Project (a) the remaining Property shall have achieved Debt Service Coverage for the most recent fiscal period equal to or greater than that of the Property prior to such release (but in no event less than 1.25x) and is sustainable as reasonably determined by Lender and (b) not less than 50% of the home sites within the remaining Projects shall be designated as Age-Restricted 55+.

ARTICLE XIX EARTHQUAKE

20.1 If any Project or the Property is damaged by an earthquake during the term of the Indebtedness:

(A) Lender may require a new seismic analysis of the relevant Project or the Property to be performed at Borrower's expense, and

(B) Borrower shall perform repair and retrofit work, satisfactory to Lender, which results in (i) the complete repair of the relevant Project or the Property and (ii) a subsequent seismic analysis verifying that the relevant Project or the Property meets "Minimum Seismic Criteria" (as defined below). Such work shall be commenced and completed as soon as possible and in any event within one year of the earthquake.

Without limiting the Borrower's obligation to cause the Property to satisfy Minimum Seismic Criteria, during any period of time in which the Property does not satisfy Minimum Seismic Criteria, Borrower shall provide Lender with evidence of, and maintain, "Earthquake Insurance" (as defined below). Earthquake Insurance shall be provided on a replacement cost, agreed amount basis, with no coinsurance provision, and shall include loss of rents insurance equal to twelve (12) months' rent or business income insurance for 100% of the annual gross earnings from business derived from the Property.

As used herein, "Minimum Seismic Criteria" means that both (i) the Specified Loss Percentage for the Property is less than 30%, and (ii) the Loan Amount plus Specified Loss is less than or equal to 90% of the market value of the Property as determined by Lender in its sole discretion.

As used herein, "Earthquake Insurance" means a policy satisfactory to Lender with a deductible of no greater than 5% of the "Replacement Cost" (as defined below) and in an amount calculated as follows: (i) the Loan Amount plus (ii) the Specified Loss minus (iii) 90% of the market value of the Property as determined by Lender in its sole discretion.

As used herein, "Replacement Cost" means the estimated total cost, determined by Lender in its sole discretion, to construct all of the improvements as if the Property were completely unimproved (not including the cost of site work, utilities and foundation).

As used herein, "Loan Amount" shall mean the total principal amount advanced under the Note.

As used herein, "Specified Loss" means the Specified Loss Percentage multiplied by the Replacement Cost.

As used herein, "Specified Loss Percentage" means an estimate produced by Lender's seismic consultant of the earthquake damage to the Property, expressed as a percentage of Replacement Cost.

*(Remainder of page intentionally left blank;
Signatures commence on following page)*

IN WITNESS WHEREOF, this Agreement has been executed by Borrower and Lender as of the day and year first above written.

LENDER:
THE NORTHWESTERN MUTUAL LIFE
INSURANCE COMPANY, a Wisconsin corporation

By: Northwestern Mutual Investment
Management Company, LLC, a
Delaware limited liability company, its wholly-owned affiliate

By: /s/ Joseph Miller
Name: Joseph Miller
Its: Managing Director

Attest: /s/ Brian D. Bennett

(corporate seal)

Name: Brian D. Bennett

Its: Assistant Secretary

*(Remainder of page intentionally left blank;
Signatures of Borrower on following page)*

BORROWER:

CAREFREE COMMUNITIES CA LLC,
a Delaware limited liability company

By: /s/ Karen J. Dearing

Name: Karen J. Dearing

Its: Authorized Representative

EXHIBIT "B"

Project Schedule

Project Name	City/State
Lakefront	Lakeside, CA
Lemonwood	Ventura, CA
Palos Verdes Shores	San Pedro, CA
Pembroke Downs	Chino, CA
FV Modesto	Modesto, CA
Vallecito	Newbury Park, CA
Victor Villa	Victorville, CA
Whispering Pines	Scotts Valley, CA

California-Portfolio B
341311 PROMISSORY NOTE

\$163,000,000.00

Dated as of June 9, 2016

For value received, the undersigned, herein called "Borrower," promises to pay to the order of THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, a Wisconsin corporation, who, together with any subsequent holder of this note (hereinafter, the "Note"), is hereinafter referred to as "Lender", at 720 E. Wisconsin Avenue, Milwaukee, WI 53202 or at such other place as Lender shall designate in writing, in coin or currency which, at the time or times of payment, is legal tender for public and private debts in the United States, the principal sum of ONE HUNDRED SIXTY-THREE MILLION DOLLARS or so much thereof as shall have been advanced from time to time plus interest on the outstanding principal balance at the rate and payable as follows:

Interest shall accrue from the date of advance until maturity at the rate of three and seventy-one hundredths percent (3.71%) per annum (the "Interest Rate").

Accrued interest only on the amount advanced shall be paid on the fifteenth day of the month following the date of advance ("Amortization Period Commencement Date"). On the fifteenth day of the following month and on the fifteenth day of each month thereafter until maturity, installments of principal and interest shall be paid in the amount of \$751,184.00.

Interest will be calculated assuming each month contains thirty (30) days and each calendar year contains three hundred sixty (360) days. In the event of a partial month, however, interest for such partial month will be calculated based on the actual number of days the principal balance of this Note is outstanding in the month and the actual number of days in the calendar year.

Payments shall be made directly to Lender by electronic transfer of funds using the Automated Clearing House System initiated by Borrower. After a second late payment, Borrower shall thereafter be required to make payments by electronic transfer of funds using the Automated Clearing House System initiated by Lender for the remainder of the term of this Note. To effectuate these payments, Borrower, at or prior to the date hereof, shall execute an ACH form provided by Lender. All installments shall be applied first in payment of interest, calculated monthly on the unpaid principal

balance, and the remainder of each installment shall be applied in payment of principal. The entire unpaid principal balance plus accrued interest thereon shall be due and payable on June 15, 2028 (the "Maturity Date"). Notwithstanding the foregoing, upon the occurrence of payment in full of the Sun Portfolio C Loan (as hereinafter defined), this Note shall then become due and payable.

"Sun Portfolio C Loan" means the Lender's Loan No. 341412 to SNF Property LLC, a Delaware limited liability company of even date herewith in the original principal amount of \$80,000,000.000 secured by property located in the State of Florida.

Provided Lender has no further obligation to advance principal under this Note to Borrower, beginning on January 1, 2017, Borrower shall have the right, upon not less than ten (10) Business Days prior written notice, to prepay (on a Business Day only) this Note in full with a Prepayment Fee (as hereinafter defined); provided, however, that such notice must contain the anticipated date of prepayment. If Borrower fails to prepay on, or within five (5) Business Days before or after such anticipated date of prepayment, such failure shall be deemed to be a withdrawal of Borrower's notice of prepayment, and Borrower shall be required to submit another written notice of prepayment pursuant to the terms and conditions set forth in this Note if Borrower thereafter elects to prepay this Note. This Prepayment Fee represents consideration to Lender for loss of yield and reinvestment costs provided, however, that no Prepayment Fee shall be due if Lender elects to apply insurance loss proceeds to the prepayment of this Note. The Prepayment Fee shall be the greater of Yield Maintenance or one percent (1%) of the outstanding principal balance of this Note (the "Prepayment Fee"). The Prepayment Fee shall be calculated as of the Prepayment Fee Determination Date.

"Business Day" means any day other than a Saturday, a Sunday or a day on which: (i) Lender is closed for business or (ii) the Federal Reserve Bank of New York is closed for business.

"Yield Maintenance" means the amount, if any, by which

(i) the present value on the Prepayment Fee Determination Date of the Then Remaining Payments determined by using the Periodic Discount Rate; exceeds

(ii) the outstanding principal balance of this Note (exclusive of all accrued interest) on the Prepayment Fee Determination Date.

"Prepayment Fee Determination Date" means

- (A) In the case of a voluntary prepayment, the date of the voluntary prepayment;
- (B)
- (C) In the case of a prepayment following an acceleration of the Indebtedness (as hereinafter defined), the date of such acceleration;
- (D)
- (E) In the case of Borrower becoming a debtor in a bankruptcy or other insolvency proceeding, the date of Lender's filing of its proof of claim in such proceeding.

"Then Remaining Payments" means payments in such amounts and at such times as would have been payable subsequent to the Prepayment Fee Determination Date (assuming prepayment in full is made on the first day on which it is permitted without payment of a Prepayment Fee) in accordance with the terms of this Note.

"Periodic Discount Rate" means the rate which, when compounded monthly, equals the Treasury Rate.

"Treasury Rate" means:

- (A) The linearly interpolated yield, compounded semi-annually, of the two (2) most recently auctioned (on the run) non-callable U.S. Treasury bonds, notes or bills (other than inflation indexed (i.e., inflation protected) securities) issued by the United States Treasury having maturity dates equivalent or most nearly equivalent to the Average Life Date as reported (on-line or otherwise) by The Wall Street Journal one (1) Business Day prior to the Prepayment Fee Determination Date; or
- (A) If the yields from (A) above are not available, the linearly interpolated yield, compounded semi-annually, of the two (2) Treasury Constant Maturity Series (other than inflation indexed (i.e., inflation protected) securities) having constant maturity dates equivalent or most nearly equivalent to the Average Life Date as reported, for the latest day for which such yields shall have been so reported, as of one (1) Business Day preceding the Prepayment Fee Determination Date, in Federal Reserve Statistical Release H.15 (or comparable successor publication); or
- (C) If the yields from (A) and (B) above are not available, a rate comparable to what would have been calculated under clause (A) or (B) above, as reasonably determined by Lender.

To the extent that the source used in (A), (B) or (C) above updates treasury yield information during the day, Lender shall rely on the treasury yields reported prior to 12:00 Noon (Central Time) one (1) Business Day prior to the Prepayment Fee Determination Date.

"Average Life Date" means the date which is the Remaining Average Life from the Prepayment Fee Determination Date.

"Remaining Average Life" means the number of years (calculated to the nearest day) obtained by dividing:

- (A) the sum of the products obtained by multiplying
 - (1) the principal component of each Then Remaining Payment;

by

(2) the number of years (calculated to the nearest day) that will elapse between the Prepayment Fee Determination Date and the scheduled due date of such Then Remaining Payment;

by

(B) The outstanding principal balance of this Note (exclusive of all accrued interest) on the Prepayment Fee Determination Date.

Upon the occurrence of an Event of Default (as defined in the Master Loan Agreement) followed by the acceleration of the whole indebtedness evidenced by this Note, the payment of such indebtedness will constitute an evasion of the prepayment terms hereunder and be deemed to be a voluntary prepayment hereof and such payment will, therefore, to the extent not prohibited by law, include the Prepayment Fee required under the prepayment in full right recited above.

In the event of a partial prepayment of this Note for any reason contemplated in the Loan Documents (as defined in the Master Loan Agreement), the Prepayment Fee, if required, shall be an amount equal to the Prepayment Fee if this Note were prepaid in full, multiplied by a fraction, the numerator of which shall be the principal amount prepaid and the denominator of which shall be the outstanding principal balance of this Note immediately preceding the Prepayment Fee Determination Date with respect to such partial prepayment.

Notwithstanding the above and provided Borrower is not in default under any provision contained in the Loan Documents, this Note may be prepaid in full at any time, without a prepayment fee, during the last sixty (60) days of the term of this Note.

The prepayment of this Note as herein provided, together with the Prepayment Fee (if required as herein provided) if received by Lender prior to 12:00 p.m. Central Time on a Business Day, shall be credited on that Business Day, or, if received by Lender at or after 12:00 p.m. Central Time on a Business Day, shall, at Lender's option, be credited on the next Business Day.

By signing immediately below, Borrower hereby acknowledges the provisions of this Note relating to prepayments of the indebtedness evidenced by this Note and the application of these provisions to prepayments on acceleration of the indebtedness hereunder. Specifically, but without limiting the generality of the foregoing, Borrower has separately signed below in compliance with the provisions of California Civil Code Section 2954.10, to the extent applicable to Borrower. Borrower hereby acknowledges that this waiver is supported by evidence of a course of conduct by Lender of individual weight given to the consideration in the loan transaction evidenced by this Note for the waiver and agreement of Borrower contained herein.

Acknowledgment by Borrower of Prepayment Provisions.

SIGNATURE OF BORROWER:

CAREFREE COMMUNITIES CA LLC,

a Delaware limited liability company

By: /s/ Karen J. Dearing
Name: Karen J. Dearing
Its: Authorized Representative

Borrower acknowledges and agrees that the Interest Rate hereunder shall be increased if certain financial statements and other reports are not furnished to Lender, all as described in more detail in the provision of the Master Loan Agreement entitled "**Financial Statements**".

This Note is secured by multiple Lien Instruments (as defined in the Master Loan Agreement) of even date herewith executed by Borrower to THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, as Trustee for THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, which Lien Instruments encumber the Property identified in that certain Master Loan Agreement executed by Borrower and Lender of even date herewith (as amended from time to time in accordance with its terms, the "Master Loan Agreement").

Upon the occurrence of an Event of Default (as defined in the Master Loan Agreement), the whole unpaid principal hereof and accrued interest shall, at the option of Lender, to be exercised at any time thereafter, become due and payable at once without notice, notice of the exercise of, and the intent to exercise, such option being hereby expressly waived.

All parties at any time liable, whether primarily or secondarily, for payment of indebtedness evidenced hereby, for themselves, their heirs, legal representatives, successors and assigns, respectively, expressly waive presentment for payment, notice of dishonor, protest, notice of protest, and diligence in collection; consent to the extension by Lender of the time of said payments or any part thereof; further consent that the real or collateral security or any part thereof may be released by Lender, without in any way modifying, altering, releasing, affecting, or limiting their respective liability or the lien of the Lien Instruments; and agree to pay reasonable attorneys' fees and expenses of collection in case this Note is placed in the hands of an attorney for collection or suit is brought hereon and any attorneys' fees and expenses incurred by Lender to enforce or preserve its rights under any of the Loan Documents in any bankruptcy or insolvency proceeding.

All amounts due Lender including principal and, to the extent permitted by applicable law, interest not paid when due (without regard to any notice and/or cure provisions contained in any of the Loan Documents), including principal becoming due by reason of acceleration by Lender of the unpaid balance of this Note, shall bear interest from the due date thereof until paid at the Default Rate. "Default Rate" means the lower of a rate equal to the interest rate in effect at the time of the default as herein provided plus 5% per annum or the maximum rate permitted by law.

No provision of this Note shall require the payment or permit the collection of interest, including any fees paid which are construed under applicable law to be interest, in excess of the maximum permitted by law. If any such excess interest is collected or herein provided for, or

shall be adjudicated to have been collected or be so provided for herein, the provisions of this paragraph shall govern, and Borrower shall not be obligated to pay the amount of such interest to the extent that it is in excess of the amount permitted by law. Any such excess collected shall, at the option of Lender, unless otherwise required by applicable law, be immediately refunded to Borrower or credited on the principal of this Note immediately upon Lender's awareness of the collection of such excess.

Nothing herein contained shall limit the rights of Lender under California Code of Civil Procedure Section 726.5 or under any other statute, case or other law which gives Lender the right to waive its lien against environmentally impaired property and pursue the rights of an unsecured creditor or otherwise obtain a money judgment against Borrower.

Notwithstanding any provision contained herein or in the Loan Documents (as defined in the Master Loan Agreement) to the contrary, if Lender shall take action to enforce the collection of the indebtedness evidenced hereby or secured by the Lien Instruments (collectively, the "Indebtedness"), its recourse shall, except as provided below, be limited to the Property or the proceeds from the sale of the Property and the proceeds realized by Lender in exercising its rights and remedies (i) under the Absolute Assignment (as defined in the Master Loan Agreement), (ii) under the Guarantee of Recourse Obligations of even date herewith executed by Sun Communities Operating Limited Partnership, a Michigan limited partnership for the benefit of Lender and under other separate guarantees, if any, (iii) under any of the other Loan Documents and (iv) in any other collateral securing the Indebtedness. If such proceeds are insufficient to pay the Indebtedness, Lender will never institute any action, suit, claim or demand in law or in equity against Borrower for or on account of such deficiency; provided, however, that the provisions contained in this paragraph

(i) shall not in any way affect or impair the validity or enforceability of the Indebtedness or the Master Loan Agreement; and

(ii) shall not prevent Lender from seeking and obtaining a judgment against Borrower, and Borrower shall be personally liable, for the Recourse Obligations.

"Recourse Obligations" means

(a) rents and other income from the Property received by Borrower or those acting on behalf of Borrower from and after the date of any default under the Loan Documents remaining uncured prior to the Conveyance Date (as hereinafter defined), which rents and other income have not been applied to the payment of principal and interest on this Note or to reasonable operating expenses of the Property (which includes payment of a management fee of 3.00%);

(b) amounts necessary to repair any damage to the Property caused by the intentional acts or omissions of Borrower or those acting on behalf of Borrower;

(c) insurance loss and Condemnation Proceeds (as defined in the Master Loan Agreement) released to Borrower but not applied in accordance with any agreement between Borrower and Lender as to their application;

(d) the amount of insurance loss proceeds which would have been available with respect to a casualty on the Property, but were not available due to the default by Borrower in carrying all insurance required by Lender;

(e) damages suffered by Lender as a result of fraud or misrepresentation in connection with the Indebtedness by Borrower or those in control of or controlled by Borrower;

(f) amounts in excess of any rents or other revenues collected by Lender from operation of the Property from and after acceleration of the Indebtedness until the Conveyance Date, if any, which amounts are necessary to pay real estate taxes, special assessments and insurance premiums with respect to the Property (to the extent not previously deposited with Lender by Borrower pursuant to Article VII of the Master Loan Agreement, and amounts required to fulfill Borrower's obligations as lessor under any leases of the Property, in each case, either paid by Lender and not reimbursed prior to, or remaining due or delinquent on the Conveyance Date;

(g) all security deposits under leases of the Property or any portion of the Property collected by Borrower, any agent of Borrower or any predecessor of Borrower, and not refunded to the tenants thereunder in accordance with their respective leases, applied in accordance with such leases or law or delivered to Lender, and all advance rents collected by Borrower, any agent of Borrower or any predecessor of Borrower and not applied in accordance with the leases of the Property or delivered to Lender;

(h) all outstanding amounts due under the Indebtedness, including principal, interest, and other charges if there shall be a violation of any of the provisions of the Master Loan Agreement following the caption entitled "**Prohibition on Transfer**";

(i) damages suffered by Lender in connection with a breach by Borrower of the representations and covenants set forth in the provisions entitled "**Ground Lease**" in the Lien Instrument with respect to the Property known as Palos Verdes Shores; and

(j) reasonable attorneys' fees and expenses incurred to the extent suit is brought to collect any of the amounts described in subparagraphs (a) through (i) above.

"Conveyance Date" means the first to occur of: (i) the later of (a) the date on which title vests in the purchaser at the foreclosure sale of the Property pursuant to the Lien Instrument or (b) the date on which Borrower's statutory right of redemption shall expire or be waived, (ii) a Valid Tender Date or (iii) the date of the conveyance of the Property to Lender in lieu of foreclosure.

"Valid Tender Date" means the date on which a Tender is made which, with the passage of time, becomes a Valid Tender.

"Tender" means the tender by Borrower of (i) true, complete and accurate copies of all leases of the Property with an instrument assigning them to Lender or Lender's designee and (ii) a special warranty or bargain and sale deed conveying good and marketable title to the Property to Lender

or Lender's designee, subject to no liens or encumbrances subordinate to the lien securing the Indebtedness not previously approved in writing by Lender.

"Valid Tender" means (i) a Tender and (ii) the passage of the Review Period, during which period, Borrower shall not create any consensual liens on the Property and Borrower shall not be or become a debtor in any bankruptcy proceeding or the subject of any other insolvency proceeding (other than a bankruptcy or other insolvency proceeding commenced by Lender or any of its affiliates).

"Review Period" means the period of time from the date of the Tender until the earlier of (i) sixty (60) days thereafter or (ii) the date of acceptance of the Tender by Lender or Lender's designee.

Lender or Lender's designee shall have the Review Period to accept or reject a Tender to enable Lender or Lender's designee to review title to, and obtain an environmental assessment of, the Property, and, at Lender's or Lender's designee's option, the deed and lease assignment shall be deposited into an escrow during the Review Period.

If Lender or Lender's designee shall not accept such Tender within the Review Period, the Tender shall be deemed to be rejected, but a Valid Tender shall remain a Valid Tender despite such rejection.

All notices, demands, requests and consents permitted or required under this Note shall be given in the manner prescribed in the Master Loan Agreement.

This Note, the interpretation hereof and the rights, obligations, duties and liabilities hereunder shall be governed and controlled by the laws of California.

[Signatures are on the following page.]

CAREFREE COMMUNITIES CA LLC,
a Delaware limited liability company

By: /s/ Karen J. Dearing

Name: Karen J. Dearing

Its: Authorized Representative

Florida

Loan No. 341412

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO

The Northwestern Mutual Life Ins. Co.
720 East Wisconsin Avenue - Rm N16WC
Milwaukee, WI 53202
Attn: Jennifer A. Dahms

SPACE ABOVE THIS LINE FOR RECORDER'S USE

This instrument was prepared by Marcia Drame, Attorney, for The Northwestern Mutual Life Insurance Company, 720 East Wisconsin Ave., Milwaukee, WI 53202.

AMENDED AND RESTATED
MORTGAGE and SECURITY AGREEMENT

THIS AMENDED AND RESTATED MORTGAGE and SECURITY AGREEMENT is made as of the 9TH day of June, 2016 between SNF PROPERTY LLC, a Delaware limited liability company, whose mailing address is c/o Sun Communities, Inc., Attn.: Karen J. Dearing and SVP Finance, 27777 Franklin Road, Suite 200, Southfield, MI 48034, herein (whether one or more in number) called "Mortgagor", and THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, a Wisconsin corporation, whose mailing address is 720 E. Wisconsin Avenue, Milwaukee, WI 53202, herein called "Mortgagee".

NOTE TO CLERK: This Amended and Restated Mortgage and Security Agreement (the "Mortgage") together with the other Loan Documents (as defined herein) secures Mortgagor's Amended and Restated Promissory Note of even date herewith (the "Note") in favor of Mortgagee in the principal amount of \$80,000,000. The Note amends, restates and renews an \$80,000,000.00 portion of that certain Promissory Note A-2 dated as of November 7, 2014 from Mortgagor and its affiliates to GS Commercial Real Estate LP ("GS"), a Delaware limited partnership, in the original and current principal amount of \$162,500,000.00 (the "Original Note") and is not a novation. The Original Note was one of three (3) notes comprising all of the overall loan in the amount of \$650,000,000 secured by sixty-eight (68) separate mortgages or deeds of trust.

All required Florida documentary stamp and non-recurring intangible taxes have been paid in full in the amount required by law on the Original Note and Original Mortgage (as defined below), and evidence of such payment appears on the Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture filing executed by Mortgagor in favor of JPMorgan Chase Bank, National Association, Citigroup Global Markets Realty Group, and GS, dated as of November 7, 2014, and recorded as Instrument Number 2014135650, Official Records of Sarasota County, Florida (the "Original Mortgage") which is now held by Mortgagee.

The Original Mortgage was a multi-state mortgage which encumbered property inside and outside of the State of Florida. Documentary stamp and intangible taxes were paid on the Original Mortgage as follows:

(A) the value of the Florida collateral constituted 43.91% of the value of all collateral, which as applied to the total loan of \$650,000,000 yielded a tax base of \$285,442,223.68. The property now being secured by the Mortgage accounted for 27.89% of the value of all of such Florida property and 27.98% of \$285,442,223.68 equals \$79,609,836.18, which is the portion of the original loan being renewed and continued by the Note. The Note also evidences an additional advance of \$390,163.82 on which additional documentary stamp tax in the amount of \$1,365.70 is due and is being paid with the filing for record of this Mortgage. (On the Original Mortgage documentary stamp tax in the amount of \$1,541,085.00 was paid as the value of the Florida collateral exceeded the tax base derived from the application of the percentage formula.)

(B) credit is also due for an allocable portion of the intangible tax previously paid on the Original Mortgage in the total amount of \$570,884.45. As noted above the property secured by this Mortgage accounted for 27.89% of the intangible tax paid on the Original Mortgage or \$159,219.68. Intangible tax otherwise due on the principal amount of \$80,000,000 is \$160,000.00 and accordingly additional intangible tax in the amount of \$780.32 is due and is being paid with the filing for record of this Mortgage.

RECITALS

A. Mortgagor and its affiliates executed that Promissory Note dated as of November 7, 2014, in the original principal amount of \$162,500,000.00 in favor of GS Commercial Real Estate, LP, a Delaware limited partnership, which has been assigned to Mortgagee (the "Original Note").

B. In connection with the execution of the Original Note, and as security therefor, Mortgagor executed and delivered that certain Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of November 7, 2014, which was recorded in the Public Records of Sarasota County, Florida, as Instrument No. 2014135650 (the "Original Mortgage"), which Original Mortgage encumbers the property described therein. The Original Mortgage was assigned pursuant to instruments recorded as Instrument No. 2015047403 and Instrument No. 2015047405 of said Public Records and has been further assigned to Mortgagee.

C. Additionally, of even date herewith, Mortgagor is executing in favor of Mortgagee that certain Amended and Restated Promissory Note in the original principal amount of Eighty Million Dollars (\$80,000,000.00), which renews \$79,609,836.18 of the Original Note and also evidences an additional advance of \$390,163.82, as further stated in the Note to Clerk on the first page hereof.

D. Mortgagor and Mortgagee desire hereby to modify and restate the Original Mortgage in its entirety as hereinafter set forth.

NOW THEREFORE, for and in consideration of the mutual covenants and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Mortgagor hereby agree as follows:

1. The foregoing recitals are true and correct and constitute a material part of this agreement.
2. The Original Mortgage is hereby amended and restated in its entirety to read as follows:

WITNESSETH, That Mortgagor, in consideration of the indebtedness herein mentioned, does hereby grant, convey, mortgage and warrant unto Mortgagee forever, with power of sale and right of entry and possession, the following property (herein referred to as the "Property"):

- A. The land in the City of Sarasota, County of Sarasota, State of Florida, described in Exhibit "A" attached hereto and incorporated herein (the "Land");
- B. All easements, appurtenances, tenements and hereditaments belonging to or benefiting the Land, including but not limited to all waters, water rights, water courses, all ways, trees, rights, liberties and privileges;
- C. All improvements to the Land, including, but not limited to, all buildings, structures and improvements now existing or hereafter erected on the Land; all fixtures and equipment of every description belonging to Mortgagor which are or may be placed or used upon the Land or attached to the buildings, structures or improvements thereon, including, but not limited to, all engines, boilers, elevators and machinery, all heating apparatus, electrical equipment, air-conditioning and ventilating equipment, water and gas fixtures, and all furniture and easily removable equipment; all of which, to the extent permitted by applicable law, shall be deemed an accession to the freehold and a part of the realty as between the parties hereto; and
- D. Mortgagor's interest in all articles of personal property of every kind and nature whatsoever, including, but not limited to all clubhouse or common area amenities including carpeting, draperies, ranges, microwave ovens, refrigerators, dishwashers, water and sewer equipment, fixtures, and facilities, easily removable equipment and fixtures, furniture, now or hereafter located upon the Land or in or on the buildings and improvements and now owned or leased or hereafter acquired or leased by Mortgagor.
- E. Mortgagee's security interest shall not apply to (i) manufactured homes, park models and RVs, (ii) other personal property items encumbered by a lease or a purchase money lien, or (iii) model/inventory homes purchased directly by Mortgagor or its affiliates (or any wholly owned subsidiary of Principal) for the purpose of resale to tenants or use by the community manager, or (iv) installment sale contracts or promissory notes, loan agreements and other documents governing the sale of manufactured homes by Principal or an affiliate. If requested Mortgagor, Mortgagee agrees to enter into an "Intercreditor Agreement" related to third-party liens on the referenced model/inventory homes, provided said form of Intercreditor Agreement is reasonably satisfactory to Mortgagee. Mortgagor shall pay Mortgagee a service fee of \$1,500.00 for each requested Intercreditor Agreement.

Mortgagor agrees not to sell, transfer, assign or remove anything described in B, C and D above now or hereafter located on the Land without prior written consent from Mortgagee unless (i) such action does not constitute a sale or removal of any buildings or structures or the sale or transfer of waters or water rights and (ii) such action results in the substitution or replacement with similar items of equal value.

Without limiting the foregoing grants, Mortgagor hereby pledges to Mortgagee, and grants to Mortgagee a security interest in, all of Mortgagor's present and hereafter acquired right, title and interest in and to the Property and any and all

F. cash and other funds now or at any time hereafter deposited by or for Mortgagor on account of tax, special assessment, replacement or other reserves required to be maintained pursuant to the Loan Documents (as hereinafter defined) with Mortgagee or a third party, or otherwise deposited with, or in the possession of, Mortgagee pursuant to the Loan Documents; and

G. surveys, soils reports, environmental reports, guaranties, warranties, architect's contracts, construction contracts, drawings and specifications, applications, permits, surety bonds and other contracts relating to the acquisition, design, development, construction and operation of the Property; and

H. accounts, chattel paper, deposit accounts, instruments, equipment, inventory, documents, general intangibles, letter-of-credit rights, investment property and all other personal property of Mortgagor, (including, without limitation, any and all rights in the property name "Sun N Fun"); and

I. present and future rights to condemnation awards, insurance proceeds or other proceeds at any time payable to or received by Mortgagor on account of the Property or any of the foregoing personal property.

All personal property hereinabove described is hereinafter referred to as the "Personal Property".

If any of the Property is of a nature that a security interest therein can be perfected under the Uniform Commercial Code, this instrument shall constitute a security agreement and financing statement if permitted by applicable law and Mortgagor authorizes Mortgagee to file a financing statement describing such Property and, at Mortgagee's request, agrees to join with Mortgagee in the execution of any financing statements and to execute any other instruments that may be necessary or desirable, in Mortgagee's determination, for the perfection or renewal of such security interest under the Uniform Commercial Code.

TO HAVE AND TO HOLD the same unto Mortgagee for the purpose of securing:

(a) Payment to the order of Mortgagee of the indebtedness evidenced by a Consolidated, Amended and Restated Promissory Note of even date herewith (and any restatement, extension or renewal thereof and any amendments thereto) executed by Mortgagor for the principal sum of EIGHTY MILLION DOLLARS, with final maturity no later than June 15, 2028 and with interest as therein expressed (which promissory note, as such instrument may be amended, restated, renewed and extended, is hereinafter referred to as the "Note"), it being recognized that the funds may not have been fully advanced as of the date hereof but may be advanced in the future in accordance with the terms of a written contract; and

(b) Payment of all sums that may become due Mortgagee under the provisions of, and the performance of each agreement of Mortgagor contained in, the Loan Documents; and

(c) Payment of any additional loan or advance made by Mortgagee to Mortgagor at any time within 20 years from the date hereof, with interest thereon at the rate agreed upon, which shall be equally secured with and have the same priority as the original indebtedness and subject to all of the terms and provisions of this mortgage, if such additional loan or advance is evidenced by a promissory note of Mortgagor that is identified by a recital that it is secured by this mortgage; provided that the aggregate amount of outstanding principal at any one time shall not exceed an amount equal to three hundred percent (300%) of the principal sum of the Note set forth in (a) above. It is understood and agreed that this future advance provision shall not be construed to obligate the holder of the Note to make any such additional loans or advances. Any additional note or notes delivered under this future advance provision shall be included in "the Note" wherever it appears in the context of this mortgage.

"Loan Documents" means this instrument, the Note, that certain Loan Application dated March 23, 2016 and that certain acceptance letter issued by Mortgagee dated April 28, 2016, and any amendments to said Loan Application (together, the "Commitment"), that certain Absolute Assignment of Leases and Rents of even date herewith between Mortgagor and Mortgagee (the "Absolute Assignment"), that certain Certification of Borrower of even date herewith, that certain Limited Liability Company Supplement dated contemporaneously herewith, that certain Pledge Agreement from Sun Home Services, Inc., a Michigan corporation, in favor of Mortgagee, that certain Collateral Assignment of the Lease Agreements from Mortgagor in favor of Mortgagee, any other supplements and authorizations required by Mortgagee and any other agreement entered into or document executed by Mortgagor and delivered to Mortgagee in connection with the indebtedness evidenced by the Note, except for that certain Environmental Indemnity Agreement of even date herewith given by Sun Communities Operating Limited Partnership, a Michigan limited partnership (the "Principal") and Mortgagor to Mortgagee (the "Environmental Indemnity Agreement"), as any of the foregoing may be amended from time to time.

TO PROTECT THE SECURITY OF THIS MORTGAGE, MORTGAGOR COVENANTS AND AGREES:

Payment of Debt. Mortgagor agrees to pay the indebtedness hereby secured (the "Indebtedness") promptly and in full compliance with the terms of the Loan Documents.

Ownership. Mortgagor represents that it owns the Property and has good and lawful right to convey the same and that the Property is free and clear from any and all encumbrances whatsoever, except as appears in the title evidence accepted by Mortgagee. Mortgagor does hereby forever warrant and shall forever defend the title and possession thereof against the claims of any and all persons whomsoever.

Maintenance of Property and Compliance with Laws. Mortgagor agrees to keep the buildings and other improvements now or hereafter erected on the Land in good condition and repair; not to commit or suffer any waste; to comply with all laws, rules and regulations affecting the Property; and to permit Mortgagee, upon at least twenty four (24) hours prior notice (except in the case of an emergency) to enter at all reasonable times for the purpose of inspection and of conducting, in a reasonable and proper manner, such tests as Mortgagee determines to be necessary in order to monitor Mortgagor's compliance with applicable laws and regulations regarding hazardous materials affecting the Property, at Mortgagee's sole cost and expense.

Tenants Using Chlorinated Solvents. Mortgagor agrees not to lease any of the Property, without the prior written consent of Mortgagee, to (i) dry cleaning operations that perform dry cleaning on site with chlorinated solvents or (ii) any other tenants that use chlorinated solvents in the operation of their businesses at the Property.

Business Restriction Representation and Warranty. Mortgagor represents and warrants that each of Mortgagor, all persons and entities owning a 15% or more direct or indirect ownership interest in Mortgagor, all guarantors of all or any portion of the Indebtedness, and all persons and entities executing any separate indemnity agreement in favor of Mortgagee in connection with the Indebtedness: (i) is not, and shall not become, a person or entity with whom Mortgagee is restricted from doing business with under regulations of the Office of Foreign Assets Control ("OFAC") of the Department of the Treasury (including, but not limited to, those named on OFAC's Specially Designated Nationals and Blocked Persons list) or under any statute, executive order (including, but not limited to, the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action; (ii) is not, and shall not become, a person or entity with whom Mortgagee is restricted from doing business under the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001 or the regulations or orders thereunder; and (iii) is not knowingly engaged in, and shall not knowingly engage in, any dealings or transaction or be otherwise associated with such persons or entities described in (i) or (ii) above.

Insurance. Mortgagor agrees to keep the Property insured for the protection of Mortgagee and Mortgagee's wholly owned subsidiaries and agents in such manner and in such amounts as are set forth in the Commitment with such companies as Mortgagee may from time to time approve, and to keep the policies therefor, properly endorsed, on deposit with Mortgagee, or at Mortgagee's option, to keep evidence of insurance acceptable to Mortgagee evidencing all insurance coverages required hereunder on deposit with Mortgagee, which evidence shall reflect at least thirty (30) days notice of cancellation to Mortgagee and shall list Mortgagee as the certificate holder or as a similar additional interest with Mortgagee's correct mailing address and the loan number assigned to the loan (341412); if Mortgagor requests Mortgagee to accept a different form of evidence, Mortgagee shall not unreasonably withhold its consent, provided, a copy of a standard mortgagee

endorsement in favor of Mortgagee stating that the insurer shall provide at least thirty (30) days notice of cancellation to Mortgagee accompanies such evidence. Mortgagor shall furnish Mortgagee with evidence of renewals of all applicable insurance no later than fifteen (15) days after the actual insurance expiration date.

Notwithstanding the above, in addition to all other remedies available to Mortgagee hereunder, at law, and in equity, if at any time during the term of the Indebtedness Mortgagor fails to provide Mortgagee, within thirty (30) days after Mortgagee's written request (the "Evidence of Insurance Due Date"), with evidence of wind insurance in a form required by Mortgagee, evidencing that Mortgagor is maintaining the insurance required by Mortgagee, then interest on the unpaid principal balance of the Indebtedness shall, as of the Evidence of Insurance Due Date, accrue and be payable at the Increased Rate (as defined in the section herein entitled "Financial Statements"). The amount of the payments due during the time in which the Increased Rate is in effect shall be increased with no change in amortization. Commencing on the date on which Mortgagee receives evidence of wind insurance in a form required by Mortgagee evidencing that Mortgagor is maintaining the wind insurance required by Mortgagee, interest on the unpaid principal balance shall again accrue at the Interest Rate (as defined in the Note) and the payments shall be reduced accordingly. Mortgagor and Mortgagee acknowledge and agree that the remedies provided for in this paragraph, in addition to all other remedies available to Mortgagee hereunder, at law and in equity, shall apply regardless of the cost of the wind insurance required by Mortgagee or whether the wind insurance required by Mortgagee is then available to Mortgagor.

If the Property shall be damaged or destroyed, in whole or in part, by fire or other casualty and the amount of such damage is greater than \$250,000.00, Mortgagor shall give prompt written notice thereof to Mortgagee (provided that Mortgagor shall be required to give such notice to Mortgagee in any event if any bodily injury or death occurs in connection with any such casualty). Following the occurrence of a casualty, Mortgagor, regardless of whether insurance proceeds are available, shall promptly proceed to restore, repair, replace or rebuild the improvements on the Property to be of at least equal value and of substantially the same character as prior to such damage or destruction, all to be effected in accordance with applicable law. All insurance loss proceeds from all property insurance policies (less expenses of collection) whether or not required by Mortgagee, shall, at Mortgagee's option, be applied on the Indebtedness, whether due or not, or to the restoration of the Property, or be released to Mortgagor, but such application or release shall not cure or waive any default under any of the Loan Documents. If Mortgagee elects to apply the insurance loss proceeds on the Indebtedness, no prepayment fee shall be due thereon.

Notwithstanding the foregoing provision, Mortgagee agrees that if the insurance loss proceeds are less than the unpaid principal balance of the Note and if the casualty occurs prior to the last two (2) years of the term of the Note, then the insurance loss proceeds (less expenses of collection) shall be applied to restoration of the Property to its condition prior to the casualty, subject to satisfaction of the following conditions:

- (a) There is no existing Event of Default at the time of casualty.

(b) The casualty insurer has not denied liability for payment of insurance loss proceeds to Mortgagor as a result of any act, neglect, use or occupancy of the Property by Mortgagor.

(c) Mortgagee shall be satisfied that all insurance loss proceeds so held, together with supplemental funds to be made available by Mortgagor, shall be sufficient to complete the restoration of the Property. Any remaining insurance loss proceeds may, at the option of Mortgagee, be applied on the Indebtedness, whether or not due, or be released to Mortgagor.

(d) If required by Mortgagee, Mortgagee shall be furnished a satisfactory report addressed to Mortgagee from an environmental engineer or other qualified professional satisfactory to Mortgagee to the effect that no material adverse environmental impact to the Property resulted from the casualty which cannot be sufficiently mitigated as evidenced by satisfactory support documentation (e.g. contracts, reports, agreements to complete work, testing).

(e) Mortgagee shall release casualty insurance proceeds as restoration of the Property progresses provided that Mortgagee is furnished satisfactory evidence of the costs of restoration and if, at the time of such release, there shall exist no Monetary Default (as hereinafter defined) under the Loan Documents and no Non-Monetary Default under the Loan Documents with respect to which Non-Monetary Default Mortgagee shall have given Mortgagor notice pursuant to the "**Notice of Default**" provision herein. If a Monetary Default shall occur or Mortgagee shall give Mortgagor notice of a Non-Monetary Default, Mortgagee shall have no further obligation to release insurance loss proceeds hereunder unless such default is cured within the cure period set forth in the "**Notice of Default**" provision contained herein. If the estimated cost of restoration exceeds \$250,000.00, (i) the drawings and specifications for the restoration shall be approved by Mortgagee in writing prior to commencement of the restoration, and (ii) Mortgagee shall receive an administration fee equal to one percent (1%) of the cost of restoration.

(f) Prior to each release of funds, Mortgagor shall obtain for the benefit of Mortgagee an endorsement to Mortgagee's title insurance policy insuring Mortgagee's lien as a first and valid lien on the Property subject only to liens and encumbrances theretofore approved by Mortgagee.

(g) Mortgagor shall pay all costs and expenses incurred by Mortgagee, including, but not limited to, outside legal fees, title insurance costs, third-party disbursement fees, third-party engineering reports and inspections deemed necessary by Mortgagee.

(h) All reciprocal easement and operating agreements benefiting the Property, if any, shall remain in full force and effect between the parties thereto on and after restoration of the Property.

(i) Mortgagee shall be reasonably satisfied that Projected Debt Service Coverage of at least 1.10 will be achieved from the leasing of not more than eighty-nine percent (89%) of the developed sites within the Property with standard form leases satisfactory to Mortgagee (Mortgagor's standard form reasonably approved by Mortgagee) to commence not later than thirty (30) days following completion of such restoration (the "Approved Lease").

"Projected Debt Service Coverage" means a number calculated by dividing Projected Operating Income Available for Debt Service for the first fiscal year following restoration of the Property by the debt service during the same fiscal year under all indebtedness secured by any portion of the Property. For purposes of the preceding sentence, "debt service" means the greater of (x) debt service due under all such indebtedness during the first fiscal year following completion of the restoration of the Property or (y) debt service that would be due and payable during such fiscal year if all such indebtedness were amortized over thirty (30) years (whether or not amortization is actually required) and if interest on such indebtedness were due as it accrues at the face rate shown on the notes therefor (whether or not interest payments based on such face rates are required).

"Projected Operating Income Available for Debt Service" means projected gross annual rent from the Approved Leases for the first full fiscal year following completion of the restoration of the Property less:

(A) The operating expenses of the Property for the last fiscal year preceding the casualty and

(B) the following:

(ii) the amount, if any, by which actual gross income during such fiscal period exceeds that which would be earned from the rental of 94% occupancy (based on developed lots) at the Property;

(iii) the amount, if any, by which the actual management fee is less than 2.50% of gross revenue (as adjusted by Mortgagee in (B)(i) above) during such fiscal period;

(iv) the amount, if any, by which the actual real estate taxes are less than \$1,455,100.00 per annum; and

(v) the amount, if any, by which total actual operating expenses, excluding management fees, real estate taxes and replacement reserves, are less than \$6,302,500.00 per annum.

All projections referenced above shall be calculated in a manner satisfactory to Mortgagee.

Condemnation. Mortgagor hereby assigns to Mortgagee (i) any award and any other proceeds resulting from damage to, or the taking of, all or any portion of the Property, and (ii) the proceeds from any sale or transfer in lieu thereof (collectively, "Condemnation Proceeds") in connection with condemnation proceedings or the exercise of any power of eminent domain or the threat thereof (hereinafter, a "Taking"); if the Condemnation Proceeds are less than the unpaid principal

balance of the Note and such damage or Taking occurs prior to the last two (2) years of the term of the Note, such Condemnation Proceeds (less expenses of collection) shall be applied to restoration of the Property to its condition, or the functional equivalent of its condition prior to the Taking, subject to the conditions set forth above in the section entitled "**Insurance**" and subject to the further condition that restoration or replacement of the improvements on the Land to their functional and economic utility prior to the Taking be possible. Any portion of such award and proceeds not applied to restoration shall, at Mortgagee's option, be applied on the Indebtedness, whether due or not, or be released to Mortgagor, but such application or release shall not cure or waive any default under any of the Loan Documents.

Taxes and Special Assessments. Mortgagor agrees to pay before delinquency all taxes and special assessments of any kind that have been or may be levied or assessed against the Property, this instrument, the Note or the Indebtedness, or upon the interest of Mortgagee in the Property, this instrument, the Note or the Indebtedness, and to procure and deliver to Mortgagee within 30 days after Mortgagee shall have given a written request to Mortgagor, the official receipt of the proper officer showing timely payment of all such taxes and assessments; provided, however, that Mortgagor shall not be required to pay any such taxes or special assessments if the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings and funds sufficient to satisfy the contested amount have been deposited in an escrow satisfactory to Mortgagee.

Personal Property. With respect to the Personal Property, Mortgagor hereby represents, warrants and covenants as follows:

(a) Except for the security interest granted hereby, Mortgagor is, and as to portions of the Personal Property to be acquired after the date hereof will be, the sole owner of the Personal Property, free from any lien, security interest, encumbrance or adverse claim thereon of any kind whatsoever. Mortgagor shall notify Mortgagee of, and shall indemnify and defend Mortgagee and the Personal Property against, all claims and demands of all persons at any time claiming the Personal Property or any part thereof or any interest therein.

(b) Except as otherwise provided above, Mortgagor shall not lease, sell, convey or in any manner transfer the Personal Property without the prior consent of Mortgagee.

(c) Mortgagor is a limited liability company organized under the laws of the State of Delaware. Until the Indebtedness is paid in full, Mortgagor (i) shall not change its legal name without providing Mortgagee with thirty (30) days prior written notice; (ii) shall not change its state of organization; and (iii) shall preserve its existence and shall not, in one transaction or a series of transactions, merge into or consolidate with any other entity.

(d) At the request of Mortgagee, Mortgagor shall join Mortgagee in executing one or more financing statements and continuations and amendments thereof pursuant to the Uniform Commercial Code in form satisfactory to Mortgagee, and Mortgagor shall pay the cost of filing the same in all public offices wherever filing is deemed by Mortgagee to be necessary or desirable. Mortgagor shall also, at Mortgagor's expense, take any and all other action requested by Mortgagee to perfect Mortgagee's security interest under the Uniform Commercial Code with

respect to the Personal Property, including, without limitation, exercising Mortgagor's best efforts to obtain any consents, agreements or acknowledgments required of third parties to perfect Mortgagee's security interest in Personal Property consisting of deposit accounts, letter-of-credit rights, investment property, and electronic chattel paper.

Other Liens. Mortgagor agrees to keep the Property and any Personal Property free from all other liens either prior or subsequent to the lien created by this instrument, other than matters affecting title to the Property that have been approved or accepted by Mortgagee in connection with the Loan. The (i) creation of any other lien on any portion of the Property or on any Personal Property, whether or not prior to the lien created hereby, (ii) assignment or pledge by Mortgagor of its revocable license to collect, use and enjoy rents and profits from the Property, or (iii) granting or permitting of a security interest in or other encumbrance on the direct or indirect ownership interests in Mortgagor, shall constitute a default under the terms of this instrument; except that upon written notice to Mortgagee, Mortgagor may proceed to contest in good faith and by appropriate proceedings any mechanics liens, tax liens or judgment liens with respect to the Property or any Personal Property described herein, provided funds sufficient to satisfy the contested amount have been deposited in an escrow account satisfactory to Mortgagee.

Indemnification, Duty to Defend and Costs, Fees and Expenses. In addition to any other indemnities contained in the Loan Documents, Mortgagor shall indemnify, defend and hold Mortgagee harmless from and against any and all losses, liabilities, claims, demands, damages, costs and expenses (including, but not limited to, costs of title evidence and endorsements to Mortgagee's title insurance policy with respect to the Property and reasonable attorney fees and other costs of defense) which may be imposed upon, incurred by or asserted against Mortgagee, whether or not any legal proceeding is commenced with regard thereto, in connection with: (i) the enforcement of any of Mortgagee's rights or powers under the Loan Documents; (ii) the interpretation of any of the terms and conditions of the Loan Documents, (iii) the protection of Mortgagee's interest in the Property; or (iv) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Property or on any sidewalk, curb, parking area, space or street located adjacent thereto. If any claim or demand is made or asserted against Mortgagee by reason of any event as to which Mortgagor is obligated to indemnify or defend Mortgagee, then, upon demand by Mortgagee, Mortgagor, at Mortgagor's sole cost and expense, shall defend such claim, action or proceeding in Mortgagee's name, if necessary, by such attorneys as Mortgagee shall approve. Notwithstanding the foregoing, Mortgagee may, in Mortgagee's sole discretion, engage its own attorneys to defend it or assist in its defense and Mortgagor shall pay the reasonable fees and disbursements of such attorneys.

Failure of Mortgagor to Act. If Mortgagor fails to make any payment or do any act as herein provided, Mortgagee may, without obligation to do so, without notice to or demand upon Mortgagor and without releasing Mortgagor from any obligation hereof: (i) make or do the same in such manner and to such extent as Mortgagee may deem necessary to protect the security hereof, Mortgagee being authorized to enter upon the Property for such purpose; (ii) appear in and defend any action or proceeding purporting to affect the security hereof, or the rights or powers of Mortgagee; (iii) pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of Mortgagee appears to be prior or superior hereto; and (iv) in exercising any such powers, pay necessary expenses, employ counsel and pay its reasonable fees. Sums so expended

and all losses, liabilities, claims, damages, costs and expenses required to be reimbursed by Mortgagor to Mortgagee hereunder shall be payable by Mortgagor immediately upon demand with interest from date of expenditure or demand, as the case may be, at the Default Rate (as defined in the Note). All sums so expended or demanded by Mortgagee and the interest thereon shall be included in the Indebtedness and secured by the lien of this instrument.

Event of Default. Any default by Mortgagor in making any required payment of the Indebtedness or any default in any provision, covenant, agreement, warranty or certification contained in any of the Loan Documents shall, except as provided in the two immediately succeeding paragraphs, constitute an "Event of Default".

Notice of Default. A default in any payment required in the Note or any other Loan Document, whether or not payable to Mortgagee, (a "Monetary Default") shall not constitute an Event of Default unless Mortgagee shall have given a written notice of such Monetary Default to Mortgagor and Mortgagor shall not have cured such Monetary Default by payment of all amounts in default (including payment of interest at the Default Rate, as defined in the Note, from the date of default to the date of cure on amounts owed to Mortgagee) within five (5) business days after the date on which Mortgagee shall have given such notice to Mortgagor.

Any other default under the Note or under any other Loan Document (a "Non-Monetary Default") shall not constitute an Event of Default unless Mortgagee shall have given a written notice of such Non-Monetary Default to Mortgagor and Mortgagor shall not have cured such Non-Monetary Default within thirty (30) days after the date on which Mortgagee shall have given such notice of default to Mortgagor (or, if the Non-Monetary Default is not curable within such 30-day period, Mortgagor shall not have diligently undertaken and continued to pursue the curing of such Non-Monetary Default and deposited an amount sufficient to cure such Non-Monetary Default in an escrow account satisfactory to Mortgagee).

In no event shall the notice and cure period provisions recited above constitute a grace period for the purposes of commencing interest at the Default Rate (as defined in the Note).

Appointment of Receiver. Upon commencement of any proceeding to enforce any right under this instrument, including foreclosure thereof, Mortgagee (without limitation or restriction by any present or future law, without regard to the solvency or insolvency at that time of any party liable for the payment of the Indebtedness, without regard to the then value of the Property, whether or not there exists a threat of imminent harm, waste or loss to the Property and or whether the same shall then be occupied by the owner of the equity of redemption as a homestead) shall have the absolute right to the appointment of a receiver of the Property and of the revenues, rents, profits and other income therefrom, and said receiver shall have (in addition to such other powers as the court making such appointment may confer) full power to collect all such income and, after paying all necessary expenses of such receivership and of operation, maintenance and repair of said Property, to apply the balance to the payment of any of the Indebtedness then due.

Foreclosure. Upon the occurrence of an Event of Default and the lapse of all applicable notice and grace periods, the entire unpaid Indebtedness shall, at the option of Mortgagee, become immediately due and payable for all purposes without any notice or demand, except as required

by law, (ALL OTHER NOTICE OF THE EXERCISE OF SUCH OPTION, OR OF THE INTENT TO EXERCISE SUCH OPTION, BEING HEREBY EXPRESSLY WAIVED), and Mortgagee may, in addition to exercising any rights it may have with respect to the Personal Property under the Uniform Commercial Code of the jurisdiction in which the Property is located, institute proceedings in any court of competent jurisdiction to foreclose this instrument as a mortgage, or to enforce any of the covenants hereof, or Mortgagee may, to the extent permitted by applicable law, either personally or by agent or attorney in fact, enter upon and take possession of the Property and may manage, rent or lease the Property or any portion thereof upon such terms as Mortgagee may deem expedient, and collect, receive and receipt for all rentals and other income therefrom and apply the sums so received as hereinafter provided in case of sale. Mortgagee is hereby further authorized and empowered, to the extent permitted by applicable law, as agent or attorney in fact, either after or without such entry, to sell and dispose of the Property en masse or in separate parcels (as Mortgagee may think best), and all the right, title and interest of Mortgagor therein, by advertisement or in any manner provided by applicable law, (MORTGAGOR HEREBY EXPRESSLY WAIVES ANY RIGHT TO A HEARING PRIOR TO SUCH SALE, TO THE EXTENT PERMITTED BY APPLICABLE LAW), and to issue, execute and deliver a deed of conveyance, all as then may be provided by applicable law; and Mortgagee, to the extent permitted by applicable law, shall, out of the proceeds or avails of such sale, after first paying and retaining all fees, charges, costs of advertising the Property and of making said sale, and attorneys' fees as herein provided, apply such proceeds to the Indebtedness, including all sums advanced or expended by Mortgagee or the legal holder of the Indebtedness, with interest from date of advance or expenditure at the Default Rate (as defined in the Note), rendering the excess, if any, as provided by law; such sale or sales and said deed or deeds so made shall be a perpetual bar, both in law and equity, against Mortgagor, the heirs, successors and assigns of Mortgagor, and all other persons claiming the Property aforesaid, or any part thereof, by, from, through or under Mortgagor. The legal holder of the Indebtedness may purchase the Property or any part thereof, and it shall not be obligatory upon any purchaser at any such sale to see to the application of the purchase money.

Prohibition on Transfer. The present ownership and management of the Property is a material consideration to Mortgagee in making the loan secured by this instrument, and Mortgagor shall not (i) convey title to all or any part of the Property, (ii) enter into any ground lease or contract to convey (land contract/installment sales contract/contract for deed) title to all or any part of the Property which gives a purchaser possession of, or income from, the Property prior to a transfer of title to all or any part of the Property ("Contract to Convey") or (iii) cause or permit a Change in the Proportionate Ownership (as hereinafter defined) of Mortgagor. Any such conveyance, entering into a Contract to Convey or Change in the Proportionate Ownership of Mortgagor shall constitute a default under the terms of this instrument.

"Change in the Proportionate Ownership" means in the case of a corporation, a change in, or the existence of a lien on, the direct or indirect ownership of the stock of Mortgagor; in the case of a trust, a change in the trustee, or a change in, or the existence of a lien on, the direct or indirect ownership of the beneficial interests of Mortgagor; in the case of a limited liability company, a change in, or the existence of a lien on, the direct or indirect ownership of the limited liability

company interests of Mortgagor; or, in the case of a partnership, a change in, or the existence of a lien on, the direct or indirect ownership of the partnership interests of Mortgagor.

Notwithstanding the foregoing, the following transfers shall be permitted without Mortgagee's consent, prior notice, payment of assumption fees or any other limitations or restrictions, except as expressly set forth below:

- (1) transfer, issuance or redemption of shares of stock, options or warrants of Sun Communities, Inc. ("Sun Communities") by any person, or any transfer, issuance or redemption by any person of the stock, membership interests, partnership interests or other ownership interests of any shareholder, partner, member, manager or trust who is a direct or indirect legal or beneficial owner of any shares of stock of Sun Communities;
- (2) direct or indirect transfers of interests in Mortgagor among Sun Communities, Principal and their Affiliates, provided that no change in control of Mortgagor is effected by such transfers;
- (3) any transfer, exchange, issuance or redemption of the limited partnership interests of Principal or Carefree Communities, Inc., a Delaware corporation, by any person, so long as not less than 70% of the partnership interests in Principal (which include those partnership units that are convertible into shares of Sun Communities' stock) are owned, and Principal is controlled, by Sun Communities or any transfer, exchange, issuance or redemption of the stock, membership interests, partnership interests or other ownership interests of any shareholder, partner, member, manager or trust who is a direct or indirect legal or beneficial owner of a limited partnership interest in Principal; and
- (4) any transfer, exchange, issuance or redemption of the direct or indirect ownership interests in the Mortgagor which results in the elimination of such entity as a direct or indirect owner of the Mortgagor, and/or the liquidation of Carefree Communities Inc., a Delaware corporation, so long as, in either such case, Principal owns, directly or indirectly, one hundred percent (100%) of the ownership interests in the Mortgagor.

Notwithstanding the foregoing, provided there is no Event of Default under any Loan Document, upon the prior written request from Mortgagor, Mortgagee shall not withhold its consent to a change in the ownership in Principal and Sun Communities, due to a merger by or acquisition of Principal and the vast majority of its assets (not less than 80% of its assets) which results in an entity of greater size and financial wherewithal (the "Transfer"), provided:

- (A) after the Transfer, the replacement principal (the "Creditworthy Party") has a net worth determined in accordance with generally accepted accounting principles of not less than that of the existing Principal prior to the Transfer (in no event less than \$1,000,000,000.00 on a market value basis prior to the Transfer);

- (B) the Creditworthy Party is experienced in the ownership and management of high quality manufactured housing and rv communities;
- (C) the Creditworthy Party and all persons and entities (i) owning (directly or indirectly) a 10% or more ownership interest in the Creditworthy Party, or (ii) which are in control of the Creditworthy Party, are not (and have never been): (a) subject to any bankruptcy, reorganization, or insolvency proceedings or any criminal charges or proceedings, or (b) a litigant, plaintiff, or defendant in any suit brought against or by Mortgagee;
- (D) the Creditworthy Party executes Mortgagee's then current forms of Guarantee of Recourse Obligations and Environmental Indemnity Agreement, and Mortgagee receives a satisfactory enforceability opinion with respect to the foregoing from counsel approved by Mortgagee;
- (E) an environmental report on the Property, which meets Mortgagee's then current requirements and is updated to no earlier than ninety (90) days prior to the date of the Transfer, is provided to Mortgagee at least thirty (30) days prior to the date of the Transfer and the results of said report are satisfactory to Mortgagee at the time of the Transfer;
- (F) if required by Mortgagee, Mortgagee receives an endorsement to its policy of title insurance, satisfactory to Mortgagee, insuring Mortgagee's lien on the Property as a first and valid lien on the Property subject only to liens and encumbrances theretofore approved by Mortgagee; and
- (G) the Property under the Loan shall be part of such Transfer such that the Creditworthy Party shall directly or indirectly own the Mortgagor, which owns the Property under the Loan.

If Mortgagor shall make a Transfer pursuant to the above conditions, Mortgagee shall be paid a fee equal to 0.75% of the then outstanding balance of the Note (\$25,000.00 non-refundable to be submitted with such request with the balance due at closing of the Transfer). The fee shall be paid on or before the closing date of such one-time transfer. At the time of such Transfer, no modification of the interest rate or repayment terms of the Note will be required and support documentation shall be timely provided to Mortgagee and in satisfactory form prior to the Transfer.

Financial Statements. Mortgagor shall furnish to Mortgagee:

(A) the following financial statements for the Property within ninety (90) days after the close of each fiscal year of the Mortgagor (the "Property Financial Statements Due Date"):

(i) an unaudited statement of operations (which shall include on a combined basis with Mortgagor, the statement of operations for Sun TRS Sun N Fun RV Resort LLC, a Delaware limited liability company ("TRS")) for such fiscal year with a detailed line item

break-down of all sources of income and expenses, including capital expenses broken down between, capital maintenance, common area renovation, and expansion; and

(ii) a current rent roll identifying leased lot and current contract rent; and

(iii) an operating budget for the current fiscal year.

(B) the following unaudited financial statements (or audited made available to Mortgagee) that Mortgagee may, in Mortgagee's sole discretion, require from time to time within thirty (30) days after receipt of a written request from Mortgagee (the "Requested Financial Statements Due Date")

(i) a balance sheet for the Property as of the last day of Mortgagor's most recently closed fiscal year; and

(ii) a balance sheet for Mortgagor (if not the same as 5.(B)(i) above) as of the last day of Mortgagor's most recently closed fiscal year; and

(iii) a balance sheet for Principal as of the last day of Principal's most recently closed fiscal year, if available; if not available, then Mortgagor shall deliver the most recent public filings of Sun Communities, provided not less than 70% of the assets of Principal are owned and controlled, directly or indirectly, by Sun Communities; and

(iv) a statement of cash flows for the Property as of the last day of Mortgagor's most recently closed fiscal year; and

(v) a statement of cash flows for the Mortgagor(if not the same as 5.(B)(iv) above) as of the last day of Mortgagor's most recently closed fiscal year.

Furthermore, Mortgagor shall furnish to Mortgagee within twenty (20) days after receipt of a written request from Mortgagee such reasonable financial and management information in the possession of, or accessible to, Mortgagor which Mortgagee determines to be useful in Mortgagee's monitoring of the value and condition of the Property, Mortgagor (including the combined operations on the Property of TRS) or Principal.

The Property Financial Statements Due Date and the Requested Financial Statements Due Date are each sometimes hereinafter referred to as a "Financial Statements Due Date".

Notwithstanding the foregoing, in no event shall a Financial Statements Due Date for a particular financial statement be prior to the 90th day following the close of the fiscal year covered by such financial statement.

If audited, the financial statements identified in sections (A)(i), (A)(ii), and (B)(i) through (B)(v) above, shall each be prepared in accordance with generally accepted accounting principles by an independent nationally recognized certified public accounting firm. All unaudited statements shall contain a certification by a senior officer of Principal stating that they have been prepared in accordance with generally accepted accounting principles and that they are true and

correct. The expense of preparing all of the financial statements required in (A) and (B) above, shall be borne by Mortgagor.

Mortgagor acknowledges that Mortgagee requires the financial statements and information required herein to record accurately the value of the Property for financial and regulatory reporting.

Mortgagee acknowledges that the financial statements and information delivered to Mortgagee by Mortgagor during the due diligence is in a format satisfactory to Mortgagee for delivery going forward.

In addition to all other remedies available to Mortgagee hereunder, at law and in equity, if any financial statement, additional information or proof of payment of property taxes and assessments is not furnished to Mortgagee as required in this section entitled "**Financial Statements**" and in the section entitled "**Taxes and Special Assessments**", within thirty (30) days after Mortgagee shall have given written notice to Mortgagor that it has not been received as required,

(x) interest on the unpaid principal balance of the Indebtedness shall as of the applicable Financial Statements Due Date or the date such additional information or proof of payment of property taxes and assessments was due, accrue and become payable at a rate equal to the sum of the Interest Rate (as defined in the Note) plus one percent (1%) per annum (the "Increased Rate"); and

(y) Mortgagee may elect to obtain an independent appraisal and audit of the Property at Mortgagor's expense, and Mortgagor agrees that it will, upon request, promptly make Mortgagor's books and records regarding the Property available to Mortgagee and the person(s) performing the appraisal and audit (which obligation Mortgagor agrees can be specifically enforced by Mortgagee).

The amount of the payments due under the Note during the time in which the Increased Rate shall be in effect shall be changed to an amount which is sufficient to reflect the Increased Rate with no change in the amortization of the unpaid principal balance. Interest shall continue to accrue and be due and payable monthly at the Increased Rate until the date (the "Receipt Date") on which all of the financial statements, additional information and proof of payment of property taxes and assessments (as requested by Mortgagee) shall be furnished to or made available to Mortgagee as required. Commencing on the Receipt Date, interest on the unpaid principal balance of the Note shall again accrue at the Interest Rate with no change in amortization, and the payments due during the remainder of the term of the Note shall be changed to an amount which is sufficient to amortize the then unpaid principal balance at the Interest Rate. Notwithstanding the foregoing, Mortgagee shall have the right to conduct an independent audit at its own expense at any time.

Property Management. Mortgagor will self-manage the Property. If a third-party management company is engaged, such management company for the Property shall be satisfactory to Mortgagee.

Deposits by Mortgagor. To assure the timely payment of real estate taxes and special assessments (including personal property taxes, if appropriate), upon the occurrence of an Event of Default, Mortgagee shall thence forth have the option to require Mortgagor to deposit funds with Mortgagee, in monthly or other periodic installments in amounts estimated by Mortgagee from time to time sufficient to pay real estate taxes and special assessments as they become due. If at any time the funds so held by Mortgagee shall be insufficient to pay any of said expenses, Mortgagor shall, upon receipt of notice thereof, immediately deposit such additional funds as may be necessary to remove the deficiency. All funds so deposited shall be irrevocably appropriated to Mortgagee to be applied to the payment of such real estate taxes and special assessments and, at the option of Mortgagee after default, the Indebtedness. Mortgagee may deduct from any amounts so held, any fees, costs or expenses incurred in connection with holding such amounts and/or paying amounts to taxing authorities or other parties, including, without limitation any fees, costs or expenses associated with paying amounts via e-check or electronically.

Notices. Any notices, demands, requests and consents permitted or required hereunder or under any other Loan Document shall be in writing, may be delivered personally or sent by certified mail with postage prepaid or by reputable courier service with charges prepaid. Any notice or demand sent to Mortgagor by certified mail or reputable courier service shall be addressed to Mortgagor c/o Sun Communities, Inc., 27777 Franklin Road, Suite 200, Southfield, MI 48034, Attn.: Karen J. Dearing and SVP Finance or at such other address in the United States of America as Mortgagor shall designate in a notice to Mortgagee given in the manner described herein. A copy of any such notice sent to Mortgagor shall be sent to Jaffe, Raitt, Heuer & Weiss, P.C., Attn.: Arthur Weiss and Alicia S. Schehr, 27777 Franklin Road, Suite 2500, Southfield, MI or to such other address in the United States of America as Mortgagor shall designate in a notice to Mortgagee given in the manner described herein. Any notice sent to Mortgagee by certified mail or reputable courier service shall be addressed to The Northwestern Mutual Life Insurance Company to the attention of the Real Estate Investment Department at 720 East Wisconsin Avenue, Milwaukee, WI 53202, or at such other addresses as Mortgagee shall designate in a notice given in the manner described herein. Any notice given to Mortgagee shall refer to the Loan No. set forth above. Any notice or demand hereunder shall be deemed given when received. Any notice or demand which is rejected, the acceptance of delivery of which is refused or which is incapable of being delivered during normal business hours at the address specified herein or such other address designated pursuant hereto shall be deemed received as of the date of attempted delivery.

Modification of Terms. Without affecting the liability of Mortgagor or any other person (except any person expressly released in writing) for payment of the Indebtedness or for performance of any obligation contained herein and without affecting the rights of Mortgagee with respect to any security not expressly released in writing, Mortgagee may, at any time and from time to time, either before or after the maturity of the Note, without notice or consent: (i) release any person liable for payment of all or any part of the Indebtedness or for performance of any obligation; (ii) make any agreement extending the time or otherwise altering the terms of payment of all or any part of the Indebtedness, or modifying or waiving any obligation, or subordinating, modifying or otherwise dealing with the lien or charge hereof; (iii) exercise or refrain from exercising or waive any right Mortgagee may have; (iv) accept additional security of any kind; (v) release or

otherwise deal with any property, real or personal, securing the Indebtedness, including all or any part of the Property.

Exercise of Options. Whenever, by the terms of this instrument, of the Note or any of the other Loan Documents, Mortgagee is given any option, such option may be exercised when the right accrues or at any time thereafter, and no acceptance by Mortgagee of payment of Indebtedness in default shall constitute a waiver of any default then existing and continuing or thereafter occurring.

Nature and Succession of Agreements. Each of the provisions, covenants and agreements contained herein shall inure to the benefit of, and be binding on, the heirs, executors, administrators, successors, grantees, and assigns of the parties hereto, respectively, and the term "Mortgagee" shall include the owner and holder of the Note.

Legal Enforceability. No provision of this instrument, the Note or any other Loan Documents shall require the payment of interest or other obligation in excess of the maximum permitted by law. If any such excess payment is provided for in any Loan Documents or shall be adjudicated to be so provided, the provisions of this paragraph shall govern and Mortgagor shall not be obligated to pay the amount of such interest or other obligation to the extent that it is in excess of the amount permitted by law.

Limitation of Liability. Notwithstanding any provision contained herein to the contrary, the personal liability of Mortgagor shall be limited as provided in the Note.

TRS Agreements. With respect to (a) the lease dated of even date (the "Park Model Lease") between Mortgagor and Sun TRS Sun N Fun RV Resort LLC, a Michigan limited liability company ("TRS") concerning the rental of park model manufactured homes on the Property, and (b) a Lease Agreement dated of even date between Mortgagor and TRS concerning the leasing and operation of food and beverage facilities and a water park, among other things, on the Property by TRS (the "Service Agreement" and collectively with the Park Model Lease, the "TRS Agreements") Mortgagor represents, acknowledges and agrees that:

(a) Mortgagor will fully perform in all material respects its obligations under and enforce the TRS Agreements in accordance with their terms;

(b) The TRS Agreements are in full force and effect and have not been amended (except as otherwise disclosed to Mortgagee), and there are no defaults, claims or offsets thereunder nor any matters that may ripen into a default, claim or offset;

(c) Mortgagor shall not take any action to cause or permit termination or material modification of the TRS Agreements, in each case, without Mortgagee's prior written consent, except with respect to modifications that do not have a material effect on the Property or on Mortgagor, and any other purported termination, amendment, cancellation, surrender or merger without Mortgagor's consent shall be ineffective and constitute a default under this Lien Instrument; and

(d) Under the Park Model Lease TRS shall maintain on the Property not less than one hundred (100) park model homes subject to leases or available for lease to Mortgagor, who in turn will make such park model homes available for lease to the public (as short term, long term and/or vacation rentals) for at least six (6) months of each year and not less than eighty five (85) park model homes subject to leases or available for lease to Mortgagor, who in turn will make such park model homes available for lease to the public (as short term, long term and/or vacation rentals) for at least the other six (6) months in each year.

Miscellaneous. Time is of the essence in each of the Loan Documents. Subject to the limitations on recourse set forth in the Note, the remedies of Mortgagee as provided herein or in any other Loan Document or at law or in equity shall be cumulative and concurrent, and may be pursued singly, successively, or together at the sole discretion of Mortgagee, and may be exercised as often as occasion therefor shall occur; and neither the failure to exercise any such right or remedy nor any acceptance by Mortgagee of payment of Indebtedness in default shall in any event be construed as a waiver or release of any right or remedy. Neither this instrument nor any other Loan Document may be modified or terminated orally but only by agreement or discharge in writing and signed by Mortgagor and Mortgagee. If any of the provisions of any Loan Document or the application thereof to any persons or circumstances shall to any extent be invalid or unenforceable, the remainder of such Loan Document and each of the other Loan Documents, and the application of such provision or provisions to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and every provision of each of the Loan Documents shall be valid and enforceable to the fullest extent permitted by law.

Waiver of Jury Trial. Mortgagor hereby waives any right to trial by jury with respect to any action or proceeding (a) brought by Mortgagor, Mortgagee or any other person relating to (i) the obligations secured hereby and/or any understandings or prior dealings between the parties hereto or (ii) the Loan Documents or the Environmental Indemnity Agreement, or (b) to which Mortgagee is a party.

Captions. The captions contained herein are for convenience and reference only and in no way define, limit or describe the scope or intent of, or in any way affect this instrument.

Governing Law. This instrument, the interpretation hereof and the rights, obligations, duties and liabilities hereunder shall be governed and controlled by the laws of the state in which the Property is located.

*(Remainder of page intentionally left blank;
Signatures commence on following page)*

IN WITNESS WHEREOF, this instrument has been executed by the Mortgagor as of the day and year first above written.

Signed in presence of:

SNF PROPERTY LLC, a Delaware limited liability company

Name Type or Printed

By: /s/ Karen J. Dearing

Name: Karen J. Dearing

/s/ Joshua Borson

Its: Authorized Representative

Joshua Borson

Name Type or Printed

MORTGAGEE: THE NORTHWESTERN MUTUAL LIFE
INSURANCE COMPANY, a Wisconsin
corporation

Signed in presence of:

/s/ Anna K. Bagstad

Anna K. Bagstad

Name Type or Printed

By: Northwestern Mutual Investment
Management Company, LLC, a
Delaware limited liability company, its
wholly-owned affiliate

/s/ Tiffany M. Moody

Tiffany M. Moody

Name Type or Printed

By: /s/ Joseph Miller

Name: Joseph Miller

Its: Managing Director

Attest /s/ Brian D. Bennett

Name: Brian D. Bennett

Its: Assistant Secretary

NOTE: This Amended and Restated Promissory Note amends, restates and renews a portion (\$79,609,836.18) of that certain Promissory Note A-2 from Borrower and its affiliates to GS Commercial Real Estate LP ("GS"), a Delaware limited partnership, in the original principal amount of \$162,500,000.00 dated as of November 7, 2014 (the "Original Note"), and is not a novation. Documentary stamp tax in the amount required by law with respect to the Original Note was paid on that certain Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture filing executed by Borrower in favor of JPMorgan Chase Bank, National Association, Citigroup Global Markets Realty Group, and GS, dated as of November 7, 2014, and recorded as Instrument Number 2014135650, Official Records of Sarasota County, Florida. Documentary stamp tax on the additional advance of \$390,163.82 also evidenced by this Note is being paid with the filing for record of the "Lien Instrument" as defined below.

Florida
Loan No. 341412

AMENDED AND RESTATED
PROMISSORY NOTE

\$80,000,000.00 Dated as of June 9, 2016

THIS AMENDED AND RESTATED PROMISSORY NOTE (hereinafter the "Note") is made by SNF PROPERTY LLC, a Delaware limited liability company hereinafter called "Borrower", whose address is c/o Sun Communities, Inc., Attn: Karen J. Dearing and SVP Finance, 27777 Franklin Road, Suite 200, Southfield, Michigan 48034, for the benefit of THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, a Wisconsin corporation, who, together with any subsequent holder of this Note, is hereinafter referred to as "Lender", in substitution for and in replacement of, but not in repayment of, the Original Note, as defined above, which Lender holds.

The outstanding indebtedness under the Original Note is hereby continued to constitute an indebtedness in the aggregate principal amount of EIGHTY MILLION DOLLARS (\$80,000,000.00) (the Indebtedness"). The manner and timing of payment and the other terms, covenants, agreements and provisions of the Original Note are hereby modified, amended and restated in their entirety so that henceforth the terms, provisions, covenants and agreements thereof shall be as set forth herein. In the event of any conflict in the terms, provisions, covenants or agreements between the Original Note and this Note, this Note shall prevail.

NOW THEREFORE, the Original Note is hereby amended and restated in its entirety as follows:

For value received, Borrower promises to pay to the order of Lender, at 720 E. Wisconsin Avenue, Milwaukee, WI 53202 or at such other place as Lender shall designate in writing, in coin or currency which, at the time or times of payment, is legal tender for public and private debts in

the United States, the principal sum of EIGHTY MILLION DOLLARS, plus interest on the unpaid principal balance outstanding from time to time at the rate and payable as follows:

Interest on the Indebtedness shall accrue from the date of this Note until maturity at the rate of three and seventy-one hundredths percent (3.71%) per annum (the "Interest Rate").

Accrued interest only on the Indebtedness shall be paid on the fifteenth day of the month following the date of this Note ("Amortization Period Commencement Date"). On the fifteenth day of the following month and on the fifteenth day of each and every month thereafter until maturity, installments of principal and interest shall be paid in the amount of \$368,680.00.

Interest will be calculated assuming each month contains thirty (30) days and each calendar year contains three hundred sixty (360) days. In the event of a partial month, however, interest for such partial month will be calculated based on the actual number of days the principal balance of this Note is outstanding in the month and the actual number of days in the calendar year.

Payments shall be made directly to Lender by electronic transfer of funds using the Automated Clearing House System initiated by Borrower. After a second late payment, Borrower shall thereafter be required to make payments by electronic transfer of funds using the Automated Clearing House System initiated by Lender for the remainder of the term of the Indebtedness. To effectuate these payments, Borrower, at or prior to the date hereof, shall execute an ACH form provided by Lender. All installments shall be applied first in payment of interest, calculated monthly on the unpaid principal balance, and the remainder of each installment shall be applied in payment of principal. The entire unpaid principal balance plus accrued interest thereon shall be due and payable on June 15, 2028 (the "Maturity Date"). Notwithstanding the foregoing, upon the occurrence of payment in full of the Sun Portfolio B Loan (as hereinafter defined), this Note shall then become due and payable.

"Sun Portfolio B Loan" means the Lender's Loan No. 341311 to Carefree Communities CA LLC, a Delaware limited liability company of even date herewith in the original principal amount of \$163,000,000.000 secured by eight (8) properties located in the State of California.

Beginning on January 1, 2017, Borrower shall have the right, upon not less than ten (10) Business Days prior written notice, to prepay (on a Business Day only) this Note in full with a Prepayment Fee (as hereinafter defined); provided, however, that such notice must contain the anticipated date of prepayment. If Borrower fails to prepay on, or within five (5) Business Days before or after such anticipated date of prepayment, such failure shall be deemed to be a

withdrawal of Borrower's notice of prepayment, and Borrower shall be required to submit another written notice of prepayment pursuant to the terms and conditions set forth in this Note if Borrower thereafter elects to prepay this Note. This Prepayment Fee represents consideration to Lender for loss of yield and reinvestment costs and shall also be payable whenever prepayment occurs as a result of the application of Condemnation Proceeds as defined in the Lien Instrument (as hereinafter defined); provided, however, that no Prepayment Fee shall be due if Lender elects to apply insurance loss proceeds to the prepayment of this Note. The Prepayment Fee shall be the greater of Yield Maintenance or one percent (1%) of the outstanding principal balance of this Note (the "Prepayment Fee"). The Prepayment Fee shall be calculated as of the Prepayment Fee Determination Date.

"Business Day" means any day other than a Saturday, a Sunday or a day on which: (i) Lender is closed for business or (ii) the Federal Reserve Bank of New York is closed for business.

"Yield Maintenance" means the amount, if any, by which

(i) the present value on the Prepayment Fee Determination Date of the Then Remaining Payments determined by using the Periodic Discount Rate; exceeds

(ii) the outstanding principal balance of this Note (exclusive of all accrued interest) on the Prepayment Fee Determination Date.

"Prepayment Fee Determination Date" means

- (A) In the case of a voluntary prepayment, the date of the voluntary prepayment;
- (B)
- (C) In the case of a prepayment following an acceleration of the Indebtedness (as hereinafter defined), the date of such acceleration;
- (D)
- (E) In the case of a prepayment due to a condemnation:
- (F)
 - (1) involving the filing of a claim for the Prepayment Fee with the condemning authority or court of competent jurisdiction, the date of such filing; or
 - (2) not involving the filing of a claim for the Prepayment Fee with the condemning authority or court of competent jurisdiction, the date of such prepayment;
- (G) In the case of Borrower becoming a debtor in a bankruptcy or other insolvency proceeding, the date of Lender's filing of its proof of claim in such proceeding.

"Then Remaining Payments" means payments in such amounts and at such times as would have been payable subsequent to the Prepayment Fee Determination Date (assuming prepayment in full is made on the first day on which it is permitted without payment of a Prepayment Fee) in accordance with the terms of this Note.

"Periodic Discount Rate" means the rate which, when compounded monthly, equals the Treasury Rate.

"Treasury Rate" means:

- (A) The linearly interpolated yield, compounded semi-annually, of the two (2) most recently auctioned (on the run) non-callable U.S. Treasury bonds, notes or bills (other than inflation indexed (i.e., inflation protected) securities) issued by the United States Treasury having maturity dates equivalent or most nearly equivalent to the Average Life Date as reported (on-line or otherwise) by The Wall Street Journal one (1) Business Day prior to the Prepayment Fee Determination Date; or
- (A) If the yields from (A) above are not available, the linearly interpolated yield, compounded semi-annually, of the two (2) Treasury Constant Maturity Series (other than inflation indexed (i.e., inflation protected) securities) having constant maturity dates equivalent or most nearly equivalent to the Average Life Date as reported, for the latest day for which such yields shall have been so reported, as of one (1) Business Day preceding the Prepayment Fee Determination Date, in Federal Reserve Statistical Release H.15 (or comparable successor publication); or
- (C) If the yields from (A) and (B) above are not available, a rate comparable to what would have been calculated under clause (A) or (B) above, as reasonably determined by Lender.

To the extent that the source used in (A), (B) or (C) above updates treasury yield information during the day, Lender shall rely on the treasury yields reported prior to 12:00 Noon (Central Time) one (1) Business Day prior to the Prepayment Fee Determination Date.

"Average Life Date" means the date which is the Remaining Average Life from the Prepayment Fee Determination Date.

"Remaining Average Life" means the number of years (calculated to the nearest day) obtained by dividing:

- (A) the sum of the products obtained by multiplying
 - (1) the principal component of each Then Remaining Payment;

by

- (2) the number of years (calculated to the nearest day) that will elapse between the Prepayment Fee Determination Date and the scheduled due date of such Then Remaining Payment;

by

- (B) The outstanding principal balance of this Note (exclusive of all accrued interest) on the Prepayment Fee Determination Date.

Upon the occurrence of an Event of Default (as defined in the Lien Instrument) followed by the acceleration of the whole indebtedness evidenced by this Note, the payment of such indebtedness will constitute an evasion of the prepayment terms hereunder and be deemed to be a voluntary prepayment hereof and such payment will, therefore, to the extent not prohibited by law, include the Prepayment Fee required under the prepayment in full right recited above.

In the event of a partial prepayment of this Note for any reason contemplated in the Loan Documents (as defined in the Lien Instrument), the Prepayment Fee, if required, shall be an amount equal to the Prepayment Fee if this Note were prepaid in full, multiplied by a fraction, the numerator of which shall be the principal amount prepaid and the denominator of which shall be the outstanding principal balance of this Note immediately preceding the Prepayment Fee Determination Date with respect to such partial prepayment.

Notwithstanding the above and provided Borrower is not in default under any provision contained in the Loan Documents, this Note may be prepaid in full at any time, without a prepayment fee, during the last sixty (60) days of the term of this Note.

The prepayment of this Note as herein provided, together with the Prepayment Fee (if required as herein provided) if received by Lender prior to 12:00 p.m. Central Time on a Business Day, shall be credited on that Business Day, or, if received by Lender at or after 12:00 p.m. Central Time on a Business Day, shall, at Lender's option, be credited on the next Business Day.

Borrower acknowledges and agrees that the Interest Rate hereunder shall be increased if certain financial statements and other reports are not furnished to Lender, all as described in more detail in the provisions of the Lien Instrument entitled "**Financial Statements**".

This Note is secured by certain property (the "Property") in the City of Sarasota, County of Sarasota, State of Florida described in an Amended and Restated Mortgage and Security Agreement (the "Lien Instrument") of even date herewith executed by SNF PROPERTY LLC, a Delaware limited liability company, to THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY.

Upon the occurrence of an Event of Default (as defined in the Lien Instrument), the whole unpaid principal hereof and accrued interest shall, at the option of Lender, to be exercised at any time thereafter, become due and payable at once without notice, notice of the exercise of, and the intent to exercise, such option being hereby expressly waived.

All parties at any time liable, whether primarily or secondarily, for payment of indebtedness evidenced hereby, for themselves, their heirs, legal representatives, successors and assigns, respectively, expressly waive presentment for payment, notice of dishonor, protest, notice of protest, and diligence in collection; consent to the extension by Lender of the time of said payments or any part thereof; further consent that the real or collateral security or any part thereof may be released by Lender, without in any way modifying, altering, releasing, affecting, or limiting their respective liability or the lien of the Lien Instrument; and agree to pay reasonable attorneys' fees and expenses of collection in case this Note is placed in the hands of an attorney for collection or suit is brought hereon and any attorneys' fees and expenses incurred by Lender to

enforce or preserve its rights under any of the Loan Documents in any bankruptcy or insolvency proceeding.

All amounts due Lender including principal and, to the extent permitted by applicable law, interest not paid when due (without regard to any notice and/or cure provisions contained in any of the Loan Documents), including principal becoming due by reason of acceleration by Lender of the unpaid balance of this Note, shall bear interest from the due date thereof until paid at the Default Rate. "Default Rate" means the lower of a rate equal to the interest rate in effect at the time of the default as herein provided plus 5% per annum or the maximum rate permitted by law.

No provision of this Note shall require the payment or permit the collection of interest, including any fees paid which are construed under applicable law to be interest, in excess of the maximum permitted by law. If any such excess interest is collected or herein provided for, or shall be adjudicated to have been collected or be so provided for herein, the provisions of this paragraph shall govern, and Borrower shall not be obligated to pay the amount of such interest to the extent that it is in excess of the amount permitted by law. Any such excess collected shall, at the option of Lender, unless otherwise required by applicable law, be immediately refunded to Borrower or credited on the principal of this Note immediately upon Lender's awareness of the collection of such excess.

Notwithstanding any provision contained herein or in the Loan Documents to the contrary, if Lender shall take action to enforce the collection of the indebtedness evidenced hereby or secured by the Lien Instrument (collectively, the "Indebtedness"), its recourse shall, except as provided below, be limited to the Property or the proceeds from the sale of the Property and the proceeds realized by Lender in exercising its rights and remedies (i) under the Absolute Assignment (as defined in the Lien Instrument), (ii) under the Guarantee of Recourse Obligations of even date herewith executed by Sun Communities Operating Limited Partnership, a Michigan limited partnership for the benefit of Lender and under other separate guarantees, if any, (iii) under any of the other Loan Documents and (iv) in any other collateral securing the Indebtedness. If such proceeds are insufficient to pay the Indebtedness, Lender will never institute any action, suit, claim or demand in law or in equity against Borrower for or on account of such deficiency; provided, however, that the provisions contained in this paragraph

(i) shall not in any way affect or impair the validity or enforceability of the Indebtedness or the Lien Instrument; and

(ii) shall not prevent Lender from seeking and obtaining a judgment against Borrower, and Borrower shall be personally liable, for the Recourse Obligations.

"Recourse Obligations" means

(a) rents and other income from the Property received by Borrower or those acting on behalf of Borrower from and after the date of any default under the Loan Documents remaining uncured prior to the Conveyance Date (as hereinafter defined), which rents and other income have not been applied to the payment of principal and interest on this Note or to reasonable operating expenses of the Property (which includes payment of a management fee of 3.00%);

(b) amounts necessary to repair any damage to the Property caused by the intentional acts or omissions of Borrower or those acting on behalf of Borrower;

(c) insurance loss and Condemnation Proceeds (as defined in the Lien Instrument) released to Borrower but not applied in accordance with any agreement between Borrower and Lender as to their application;

(d) the amount of insurance loss proceeds which would have been available with respect to a casualty on the Property, but were not available due to the default by Borrower in carrying all insurance required by Lender;

(e) damages suffered by Lender as a result of fraud or misrepresentation in connection with the Indebtedness by Borrower or those in control of or controlled by Borrower;

(f) amounts in excess of any rents or other revenues collected by Lender from operation of the Property from and after acceleration of the Indebtedness until the Conveyance Date, if any, which amounts are necessary to pay real estate taxes, special assessments and insurance premiums with respect to the Property (to the extent not previously deposited with Lender by Borrower pursuant to the provision of the Lien Instrument following the caption entitled "**Deposits by Mortgagor**"), and amounts required to fulfill Borrower's obligations as lessor under any leases of the Property, in each case, either paid by Lender and not reimbursed prior to, or remaining due or delinquent on the Conveyance Date;

(g) all security deposits under leases of the Property or any portion of the Property collected by Borrower, any agent of Borrower or any predecessor of Borrower, and not refunded to the tenants thereunder in accordance with their respective leases, applied in accordance with such leases or law or delivered to Lender, and all advance rents collected by Borrower, any agent of Borrower or any predecessor of Borrower and not applied in accordance with the leases of the Property or delivered to Lender;

(h) all outstanding amounts due under the Indebtedness, including principal, interest, and other charges if there shall be a violation of any of the provisions of the Lien Instrument following the caption entitled "**Prohibition on Transfer**";

(i) damages suffered by Lender in connection with a breach of the provisions entitled "**TRS Agreements**" in the Lien Instrument by either party to the TRS Agreements; and

(j) reasonable attorneys' fees and expenses incurred to the extent suit is brought to collect any of the amounts described in subparagraphs (a) through (i) above.

"Conveyance Date" means the first to occur of: (i) the later of (a) the date on which title vests in the purchaser at the foreclosure sale of the Property pursuant to the Lien Instrument or (b) the date on which Borrower's statutory right of redemption shall expire or be waived, (ii) a Valid Tender Date or (iii) the date of the conveyance of the Property to Lender in lieu of foreclosure.

"Valid Tender Date" means the date on which a Tender is made which, with the passage of time, becomes a Valid Tender.

"Tender" means the tender by Borrower of (i) true, complete and accurate copies of all leases of the Property with an instrument assigning them to Lender or Lender's designee and (ii) a special warranty or bargain and sale deed conveying good and marketable title to the Property to Lender or Lender's designee, subject to no liens or encumbrances subordinate to the lien securing the Indebtedness not previously approved in writing by Lender.

"Valid Tender" means (i) a Tender and (ii) the passage of the Review Period, during which period, Borrower shall not create any consensual liens on the Property and Borrower shall not be or become a debtor in any bankruptcy proceeding or the subject of any other insolvency proceeding (other than a bankruptcy or other insolvency proceeding commenced by Lender or any of its affiliates).

"Review Period" means the period of time from the date of the Tender until the earlier of (i) sixty (60) days thereafter or (ii) the date of acceptance of the Tender by Lender or Lender's designee.

Lender or Lender's designee shall have the Review Period to accept or reject a Tender to enable Lender or Lender's designee to review title to, and obtain an environmental assessment of, the Property, and, at Lender's or Lender's designee's option, the deed and lease assignment shall be deposited into an escrow during the Review Period.

If Lender or Lender's designee shall not accept such Tender within the Review Period, the Tender shall be deemed to be rejected, but a Valid Tender shall remain a Valid Tender despite such rejection.

All notices, demands, requests and consents permitted or required under this Note shall be given in the manner prescribed in the Lien Instrument.

This Note, the interpretation hereof and the rights, obligations, duties and liabilities hereunder shall be governed and controlled by the laws of the State of Florida.

[Signatures are on the following two (2) pages.]

SNF PROPERTY LLC, a Delaware limited
liability company

By: /s/ Karen J. Dearing
Name: Karen J. Dearing
Its: Authorized Representative

[Signatures continue on the following page.]

THE NORTHWESTERN MUTUAL LIFE
INSURANCE COMPANY, a Wisconsin
corporation

By: Northwestern Mutual Investment
Management Company, LLC, a
Delaware limited liability company, its
wholly-owned affiliate

By: /s/ Joseph Miller
Name: Joseph Miller
Its: Managing Director

Attest /s/ Brian D. Bennett
Name: Brian D. Bennett
Its: Assistant Secretary



SUN COMMUNITIES, INC. CLOSES ACQUISITION OF CAREFREE COMMUNITIES FOR \$1.68 BILLION

Southfield, MI, June 9, 2016 - **Sun Communities, Inc. (NYSE: SUI)** (the "Company") today announced the closing of its previously-announced acquisition of all of the issued and outstanding shares of common stock of Carefree Communities Inc. ("Carefree Communities") from an affiliate of Centerbridge Capital Partners II, L.P.

The aggregate purchase price for the acquisition was \$1.68 billion. At the closing, the Company issued the seller \$225 million in shares of the Company's common stock at an issuance price of \$67.57 per share and paid the balance of the purchase price, or \$1.455 billion, in cash. Approximately \$1.0 billion of the cash payment was applied simultaneously with the closing to pay off debt on the properties owned by Carefree Communities so that the Company acquired Carefree Communities on a cash-free, debt-free basis. Approximately \$743.0 million of the cash portion of the purchase price was funded with proceeds of two financings entered into in connection with the acquisition. The first financing, which closed on June 3, 2016, consists of two ten-year loans for an aggregate amount of \$338.0 million at a weighted average interest rate of 3.688% and is secured by mortgages on 17 manufactured housing communities. The second financing, which closed on June 9, 2016, consists of three loans with maturities between ten and twelve years for an aggregate amount of \$405.0 million at a weighted average interest rate of 3.638% and is secured by mortgages and a ground lease on 17 manufactured housing and recreational vehicle ("RV") communities.

Carefree Communities adds 103 manufactured housing and RV communities, comprising 27,554 total sites, comprised of 9,829 developed manufactured housing sites and 17,725 RV sites, and approximately 396 additional manufactured housing sites and approximately 2,586 additional RV sites suitable for development to the Company's platform. These communities are concentrated in California and Florida.

"We are pleased to add the Carefree properties, team members, residents and guests to the Sun family a month ahead of schedule. Our team has already begun executing on the Carefree integration and putting our value creation strategies to work both at the personnel and property level," stated Gary Shiffman, Sun's Chief Executive Officer. "This high quality, accretive acquisition further enhances the geographic footprint and demographic profile of our best in class portfolio. With the addition of Carefree, the majority of Sun's strategic positioning is complete. Our growth profile is stronger than ever and we look forward to providing an update to guidance incorporating this transaction on our second quarter earnings call."

Citigroup acted as financial advisor to the Company and Jaffe, Raitt, Heuer & Weiss, Professional Corporation acted as legal advisor. Goldman, Sachs & Co. acted as financial advisor to Carefree Communities and Simpson Thacher & Bartlett LLP acted as legal advisor.

Sun Communities, Inc. now owns and operates a portfolio of 337 communities comprising approximately 117,000 developed sites in 29 states and Ontario, Canada.

Forward Looking Statements

This press release contains various "forward-looking statements" within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and the Company intends that such forward-looking statements will be subject to the safe harbors created thereby. Forward-looking

statements can be identified by words such as “will,” “may,” “could,” “expect,” “anticipate,” “believes,” “intends,” “should,” “plans,” “estimates,” “approximate”, “guidance” and similar expressions in this press release that predict or indicate future events and trends and that do not report historical matters.

These forward-looking statements reflect the Company’s current views with respect to future events and financial performance, but involve known and unknown risks, uncertainties, and other factors, some of which are beyond its control. These risks, uncertainties, and other factors may cause the Company’s actual results to be materially different from any future results expressed or implied by such forward-looking statements. Such risks and uncertainties include national, regional and local economic climates, difficulties in the Company’s ability to evaluate, finance, complete and integrate acquisitions (including the acquisition of Carefree Communities), developments and expansions successfully; the ability to maintain rental rates and occupancy levels, competitive market forces, changes in market rates of interest, the ability of manufactured home buyers to obtain financing, the level of repossessions by manufactured home lenders and those risks and uncertainties referenced under the heading titled “Risk Factors” contained in the Company’s Annual Report on Form 10-K for the year ended December 31, 2015, and the Company’s other periodic filings with the Securities and Exchange Commission.

The forward-looking statements contained in this press release speak only as of the date hereof and the Company expressly disclaims any obligation to provide public updates, revisions or amendments to any forward- looking statements made herein to reflect changes in the Company’s assumptions, expectations of future events, or trends.

FOR FURTHER INFORMATION AT THE COMPANY:

Karen J. Dearing
Chief Financial Officer
(248) 208-2500