

**COMPLIANCE AGREEMENT FOR ASBESTOS
OPERATIONS AND MAINTENANCE PLAN**

This **COMPLIANCE AGREEMENT FOR ASBESTOS OPERATIONS AND MAINTENANCE PLAN** (this “**Agreement**”) dated as of September 27, 2019, is executed by and between Peach Basket, LLC, an Iowa limited liability company (“**Borrower**”), and Arbor Commercial Funding I, LLC, a New York limited liability company (“**Lender**”).

RECITALS:

A. Pursuant to that certain Multifamily Loan and Security Agreement dated as of the date hereof, executed by and between Borrower and Lender (as amended, restated, replaced, supplemented or otherwise modified from time to time, the “**Loan Agreement**”), Lender has agreed to make a loan to Borrower in the original principal amount of \$1,447,000.00 (the “**Mortgage Loan**”), as evidenced by, among other things, that certain Multifamily Note dated as of the date hereof, executed by Borrower and made payable to Lender in the amount of the Mortgage Loan (as amended, restated, replaced, supplemented or otherwise modified from time to time, the “**Note**”). The proceeds of the Mortgage Loan will be used for the financing of the Multifamily Project located at the Multifamily Project Address (the “**Mortgaged Property**”).

B. In addition to the Loan Agreement, the Mortgage Loan and the Note are also secured by, among other things, a certain Multifamily Mortgage, Deed of Trust, or Deed to Secure Debt dated as of the date hereof (as amended, restated, replaced, supplemented or otherwise modified from time to time, the “**Security Instrument**”).

C. Lender requires as a condition to the making of the Mortgage Loan that Borrower develop, implement and carry out an operations and maintenance plan for the containment or removal of asbestos-containing materials (“**ACMs**”) on the Mortgaged Property (“**O&M Plan**”). The O&M Plan is attached as Exhibit A.

AGREEMENTS:

NOW THEREFORE, in consideration of the mutual covenants in this Agreement and for other valuable consideration, the receipt and sufficiency of which are acknowledged, Borrower and Lender agree as follows:

1. Recitals.

The recitals set forth above are incorporated herein by reference.

2. Defined Terms.

Capitalized terms used and not specifically defined herein shall have the meanings given to such terms in the Loan Agreement. The following terms, when used in this Agreement, have the following meanings:

“Asbestos Removal Contract” means the agreement to be entered into by and between Borrower and the licensed contractor pursuant to the O&M Plan.

“Rules and Regulations” means rules, regulations, laws or ordinances governing the use or condition of ACMs in, on or around the Mortgaged Property.

3. Borrower’s Responsibility to Know All Rules and Regulations; No Duty of Lender.

Borrower acknowledges that the Mortgaged Property is currently, or may be in the future, subject to Rules and Regulations. Borrower acknowledges its responsibility to be aware of, and fully versed in, all Rules and Regulations in effect during the term of the Security Instrument. Borrower further acknowledges and agrees that Lender has no duty to provide Borrower with any information regarding the Rules and Regulations or any interpretation thereof.

4. Borrower’s Responsibility to Maintain the Mortgaged Property in Compliance.

Borrower agrees to maintain the Mortgaged Property in strict compliance with both the O&M Plan and all Rules and Regulations. Compliance includes the proper preparation and maintenance of all records, papers and forms required by the O&M Plan or the Rules and Regulations, especially those necessary to demonstrate or document compliance therewith.

5. Violation of this Agreement is Default under Loan Documents.

If Borrower is in default under this Agreement and such default remains uncured after any applicable cure period provided for in the Loan Agreement, then it shall be an Event of Default. Any amount disbursed or expended by Lender pursuant to or in connection with this Agreement or the ACMs, with interest thereon, shall become additional Indebtedness of Borrower secured by the Security Instrument and the Loan Agreement.

6. Borrower’s Other Obligations Not Impaired.

Nothing contained in this Agreement shall alter, impair or affect the obligations of Borrower, or relieve Borrower of any of its obligations, to make payments and to perform all of its other obligations required under the Loan Documents.

7. Successors and Assigns Bound.

This Agreement shall be binding upon Borrower and Lender and their respective successors and assigns, and shall inure to the benefit of and may be enforced by Lender and its successors, transferees and assigns. Borrower shall not assign any of its rights and obligations under this Agreement without the prior written consent of Lender.

8. Amendment and Waiver.

No amendment to this Agreement will be valid unless it is made in writing and executed by the parties to this Agreement. No specific waiver or forbearance for any breach of any of the

terms of this Agreement shall be considered as a general waiver of that or any other term of this Agreement.

9. No Agency or Partnership.

Nothing contained in this Agreement shall constitute Lender as a joint venturer or partner with or agent of Borrower, or render Lender liable for any debts, obligations, acts, omissions, representations or contracts of Borrower.

10. Environmental Obligations.

Borrower's obligations under this Agreement are in addition to Borrower's obligations, indemnifications and liabilities for environmental matters under the Security Instrument, the Loan Agreement and the Environmental Indemnity Agreement.

11. Severability.

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall remain in full force and effect. This Agreement contains the complete and entire agreement among the parties as to the matters covered, rights granted and the obligations assumed in this Agreement. This Agreement may not be amended or modified except by written agreement signed by the parties hereto.

12. Governing Law; Consent to Jurisdiction and Venue.

Section 15.01 (Governing Law; Consent to Jurisdiction and Venue) of the Loan Agreement is hereby incorporated herein as if fully set forth in the body of this Agreement.

13. Notice.

Section 15.02 (Notice) of the Loan Agreement is hereby incorporated herein as if fully set forth in the body of this Agreement.

14. Construction.

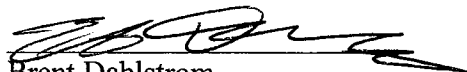
Section 15.08 (Construction) of the Loan Agreement is hereby incorporated herein as if fully set forth in the body of this Agreement.


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IN WITNESS WHEREOF, Borrower and Lender have signed and delivered this Agreement under seal (where applicable) or have caused this Agreement to be signed and delivered under seal (where applicable) by their respective duly authorized representative. Where applicable law so provides, Borrower and Lender intend that this Agreement shall be deemed to be signed and delivered as a sealed instrument.

BORROWER:

Peach Basket, LLC,
an Iowa limited liability company

By: 
Brent Dahlstrom
Its: Manager

By: 
Jason Conder
Its: Manager

LENDER:

Arbor Commercial Funding I, LLC,
a New York limited liability company

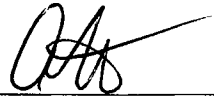
By: 
Name: Adam Dratch
Its: Vice President, Closing

EXHIBIT A

ASBESTOS O& M PLAN

1. Borrower hereby agrees and represents that it will perform, or cause to be performed, all of the following requirements and conditions:

(a) Borrower will remove any and all ACMs located within the Mortgaged Property which are required by Lender to be removed based upon a recommendation by an environmental engineer selected by Lender.

(b) Removal of any ACMs shall be performed by a licensed contractor acceptable to Lender pursuant to the Asbestos Removal Contract. The Asbestos Removal Contract shall provide for, among other things, the removal of all ACMs and proper classification, packaging and transportation for disposal of asbestos waste. All work to be performed by the licensed contractor pursuant to the Asbestos Removal Contract shall be bonded.

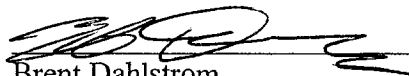
(c) Borrower shall deliver to Lender evidence of completion of the work contemplated in the Asbestos Removal Contract, which evidence may include an inspection and certification by Lender's environmental engineer or such other party acceptable to Lender that no visible asbestos residue or airborne fibers in excess of acceptable levels are present within the Mortgaged Property following completion of the work.


2. Borrower agrees and represents that it will transport and dispose of, or will cause its licensed contractor to transport and dispose of, any and all hazardous and non-hazardous material in accordance with applicable state and federal requirements.

Borrower hereby accepts the foregoing Borrower Operations and Maintenance Plan for ACMs as of September 27, 2019 and has signed and delivered this acceptance under seal (where applicable) or has caused this acceptance to be signed and delivered under seal (where applicable) by its duly authorized representative. Where applicable law so provides, Borrower intends that this acceptance shall be deemed to be signed and delivered as a sealed instrument.

BORROWER:

Peach Basket, LLC,
an Iowa limited liability company

By: 
Brent Dahlstrom
Its: Manager

By: 
Jason Conder
Its: Manager