

Borrower:	ESSENTIAL LIVING INC
Program Option:	Flex PACE for Affordable Housing
Community Participation:	

INTEREST BUYDOWN AGREEMENT PACE PROGRAM

This Interest Buydown Agreement is made and dated as of **February 25, 2016**, between **CITY OF MINOT** (the "Community"), and the **Bank of North Dakota** ("BND") acting on behalf of the PACE Program ("PACE") for the purpose of a buydown on the interest for the loan (the "Loan") received by **ESSENTIAL LIVING INC** (the "Borrower") from **FIRST WESTERN BANK & TRUST** (the "Lender") dated _____ in the original principal amount of **\$1,917,326.96**. The Borrower, Community, and BND agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Defined Terms. Capitalized terms used in this Agreement and not otherwise defined shall have the meanings given to them in the Note and Related Documents. As used in this Agreement, the following terms have the following meanings (terms defined in the singular to have the same meaning when used in the plural and vice versa):

Addendum to the Promissory Note – means the Addendum to the Promissory Note entered into by the Borrower and Lender. The addendum addresses specific terms and conditions with respect to the Borrower's participation of their Loan in PACE Program offered by BND.

Agreement - means this Interest Buydown Agreement, as amended, supplemented, or modified from time to time.

Affiliate - means any Person (1) which directly or indirectly controls, or is controlled by, or is under common control with the Originating Lender or Borrower; (2) which directly or indirectly beneficially owns or holds five (5%) or more of any class of voting stock of the Originating Lender or Borrower; or (3) five percent (5%) or more of the voting stock of which is directly or indirectly beneficially owned or held by the Originating Lender or Borrower. The term control means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

BND Buydown Amount - means the portion of the Interest Buydown Amount to be paid by BND as set forth on the attached Payment Schedule - Exhibit A.

Borrowing Rate - means the interest rate to be paid by the Borrower after subtracting the Interest Buydown Amount from the interest expense which will accrue at the initial Yield Rate over the life of the PACE commitment as set forth on Payment Schedule - Exhibit A to the Interest Buydown Agreement. If the terms of the Note provide for a variable or adjustable rate structure, the Borrowing Rate may vary over the term of the Note depending upon the periodic adjustment of the rate index over the term of the obligation, but in no event will it be less than the minimum rate set forth in the Note.

Business Day - means any day other than a Saturday, Sunday, or other day on which commercial banks in North Dakota are authorized or required to close under the laws of the State of North Dakota, unless otherwise provided for in the Note.

Buydown Documents – means this Agreement, and the Escrow Agreement and any attachments or schedules incorporated therein.

Community Buydown Amount - means the portion of the Interest Buydown Amount to be paid by the Community and set forth on the attached Payment Schedule - Exhibit A.

Community In-kind Commitment Amount - means the amount of "in-kind" commitment made by the Community, if any, to match the BND Buydown Amount to be paid by BND as provided by the PACE Program. The "in-kind" Community Commitment Amount is provided by the Community in lieu of its cash portion of the interest buydown amount, and is a contribution towards total costs of the Borrower's project in a form acceptable to BND. The payment schedule attached to this document as Exhibit A

Borrower:	ESSENTIAL LIVING INC
Program Option:	Flex PACE for Affordable Housing
Community Participation:	

specifies the Community commitment amount, if any.

Escrow Agent – means Bank of North Dakota acting through its Trust Department.

Flex PACE Program – means the program option within the PACE Program which provides an interest buydown to borrowers that do not meet the job creation or industry-type requirement of the PACE Program, but do meet other needs as determined appropriate by the Community.

Flex PACE Affordable Housing Program – means the program option within the PACE Program which provides an interest buydown to borrowers for the permanent financing of affordable multi-family housing units within the Community.

Escrow Agreement – means Agreement by which the payments to disburse the Interest Buydown Amount is to be administered by the Escrow Agent.

Interest Buydown Amount – means the actual amount to be paid by the Escrow Agent on behalf of the Borrower over the life of the Note to buy down the Yield Rate to the Borrowing Rate as set forth Payment Exhibit A to the Interest Buydown Agreement.

The Interest Buydown Amount includes the BND Buydown Amount and the Community Buydown Amount unless all or any portion of the Community's cash portion is made in the form of an "in-kind" Community Commitment Amount, then the Interest Buydown Amount may only consist of the BND Buydown Amount. The Interest Buydown Amount shall not exceed \$500,000.00.

The Interest Buydown Amount has been based upon the Yield Rate at the time of closing, unless otherwise agreed to in writing by the Lender, BND, and the Borrower. The Interest Buydown Amount shall not vary, and subject to the terms and conditions of the PACE Program it shall be paid on the basis of a set stream of payments as defined under the column entitled INTEREST EXPENSE DIFF. DUE TO BUYDOWN as listed on Payment Schedule - Exhibit A to the Interest Buydown Agreement.

Investment – Total costs of equipment, real estate and/or improvements to real property associated with the PACE loan request.

Note – means that Note from Lender to Borrower in the original principal amount of \$1,917,326.96 and dated _____.

PACE Program – means the "Partnership in Assisting Community Expansion Program" and includes loans approved under PACE Program options for PACE, Flex PACE or Flex PACE for Affordable Housing.

Participation Agreement – means the agreement between the Lender and BND in connection with the Loan.

Payment Schedule - means the Exhibit Attached to this agreement as Exhibit A as may be updated and supplemented from time to time by BND.

Person - means an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority, or other entity of whatever nature.

Yield Rate - means the interest rate on the Note which, at any point in time when there is a default, may include the default rate as that term is defined in the Note.

ARTICLE II

TERMS OF THE INTEREST RATE BUYDOWN

SECTION 2.01. Interest Buydown Amount. BND and the Community agree on the terms and conditions set forth in this Agreement to buy down the interest from the Yield Rate to the Borrowing Rate for the Loan.

Borrower:	ESSENTIAL LIVING INC
Program Option:	Flex PACE for Affordable Housing
Community Participation:	

1. Interest Payments. BND and the Community shall make interest buydown payments to the Escrow Agent as provided for in the attached Payment Schedule – Exhibit A.
2. Method of Payment. BND and the Community shall make each payment to the Escrow Agent as provided by the Buydown Documents no later than the date when due as defined by the promissory note in lawful money of the United States in immediately available funds unless otherwise expressly provided for. Whenever any payment to be made under the Buydown Documents shall be stated to be due on a Saturday, Sunday, or a public holiday, or the equivalent for banks generally under the laws of the State of North Dakota, the payment shall be made on the next succeeding Business Day.
3. Disbursement of the Interest Buydown Amount. The Escrow Agent shall disburse the Interest Buydown Amount to the Lender in the amounts and on the dates as set out and described in the Payment Schedule – Exhibit A subject to the Note.
4. Default by the Borrower. In the event of a default by the Borrower, as defined in the Note, the Escrow Agent shall discontinue any payments required under the Buydown Documents until such time as the default is cured.
5. Late or Partial Payments by the Borrower. If the Borrower makes a late payment or a partial payment, the Interest Buydown Amount payment will not be made and the interest rate from the period of the due date of the payment until the payment is received will be the Yield Rate, including any default rate provided for in the Note. If the late or partial payments are paid by the Borrower, Escrow Agent will resume making Interest Rate Reduction Payments on the next scheduled payment date, unless otherwise agreed to by BND.
6. Prepayments. In the event the Borrower makes a prepayment under the terms of the Note, BND may re-amortize the Payment Schedule – Exhibit A to the Agreement but such reamortization shall not be effective unless received in writing by the Lender fifteen (15) days prior to the next payment due date under Note.
7. Partial Payment or Termination by the Community. In the event the Community makes a payment to the Escrow Agent which results in insufficient funding of the Community Buydown Amount or terminates its participation in PACE for the loan to the Borrower, the Community shall provide notice in writing to the Borrower, the Lender and BND no less than fifteen (15) days prior to the next scheduled due date under the Note.

Upon receipt of notice from the Community and until such time as the deficiency is cured, the following shall occur:

- The Escrow Agent shall continue to make the BND Buydown Amount payments plus any partial payment of the Community Buydown Amount remitted by the Community on behalf of the Borrower.
 - To the extent the Interest Buydown Amount paid by the Escrow Agreement does not reduce the interest expense to the interest expense calculated at the Borrowing Rate then the Borrower shall remit the difference to Lender.
8. Termination of PACE Program. In the event that funding under the PACE Program is terminated for any reason prior to the closing of the loan that is the subject of the Note, this Addendum shall have no force or effect and any obligation of BND, the Community and the Escrow Agent to pay the Interest Buydown Amount shall cease.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Borrower:	ESSENTIAL LIVING INC
Program Option:	Flex PACE for Affordable Housing
Community Participation:	

SECTION 3.01. The Community represents and warrants to the Borrower and BND that:

1. Good Standing, and Due Qualification. The Community is in good standing under the laws of the State of North Dakota. The execution, delivery, and performance of this Agreement by the Community has been duly authorized by all necessary Persons.
2. Other Agreements. The Community is not a party to any indenture, loan, or credit agreement, or to any lease or other agreement or instrument, or subject to any charter or corporate restriction which could have a material adverse effect on the business, properties, assets, operations, or conditions, financial or otherwise, of the Borrower, Originating Lender or their Affiliates, or the ability of the Borrower, Originating Lender or their Affiliates to carry out the Borrower's and the Originating Lender's obligations under the Loan Documents. The Community and the Community's Affiliates are not in default in any respect in the performance, observance, or fulfillment of any of the obligations, covenants, or conditions contained in any agreement or instrument material to the performance of the Loan Documents.
3. Sufficient Funds. The Community has or will make available sufficient funds to finance the Community Buydown Amount or Community In-kind Commitment Amount. This includes pledging revenue producing mechanisms which the Community is statutorily authorized to pledge or impose. Revenue producing mechanisms include but are not limited to any mill levy or other tax which may be pledged or imposed for the purpose of economic development.
4. Source of Funds. The Community Buydown Amount or Community In-kind Commitment Amount does not nor will it ever be derived directly or indirectly from a loan, grant or gift from the Borrower or the Borrower's Affiliate or a contribution from Lender or Lender's Affiliate which is greater than the Lender or its Affiliate would normally contribute to the community's economic development efforts. The Community Buydown Amount may be in the form of a loan. Interest may begin to accrue, however, no repayment of principal or interest on the Community loan may commence until the PACE interest buydown amount has been fully expended.
5. Litigation. There is no pending or threatened action or proceeding against or affecting the Community before any court, governmental agency, or arbitrator, which may, in any one case or in the aggregate, materially adversely affect the ability of the Community to perform its obligation under the Loan Documents to which it is a party.
6. No Defaults on Outstanding Judgments or Orders. The Community has satisfied all judgments, and is not in default with respect to any judgment, writ, injunction, decree, rule, or regulation or any court, arbitrator, or federal, state, municipal, or other governmental authority, commission, board, bureau, agency, or instrumentality, domestic or foreign, which materially adversely affects the ability of the Community to perform its obligation under the loan documents to which it is a party.

ARTICLE IV

AFFIRMATIVE COVENANTS

SECTION 4.01. Notice of Adverse Actions. So long as the Loan remains unpaid, all parties to this Agreement shall promptly after the commencement thereof, provide all parties notice of all actions, suits, and proceedings before any court or governmental department, commission, board, bureau, agency, or instrumentality, domestic or foreign, affecting the parties which could have a material adverse effect the Community's ability to perform under the Loan Documents.

SECTION 4.02. Obligation to Resolve Disputes. It is the intent of all parties to this Agreement that conflicts or potential conflicts and circumstances or situations which arise which are not considered herein, be resolved at the most informal level possible and to the mutual benefit of each party to the extent possible.

SECTION 4.03. Program Requirements. So long as the Note is participating in the PACE Program:

Borrower:	ESSENTIAL LIVING INC
Program Option:	Flex PACE for Affordable Housing
Community Participation:	

1. Job Creation: - Job creation is not necessarily a requirement of the Flex PACE or Flex PACE for Affordable Housing Programs, but will be tracked for informational purposes. The Borrower will show evidence of the level of employment created and maintained in North Dakota for the duration of this Agreement. At the request of the BND, the Borrower shall complete a recipient report to verify employment levels, and such other evidence as BND may request from the Borrower
2. Accountability Compliance. To comply with North Dakota's accountability legislation (N.D.C.C. chapter 54-60.1), the Borrower agrees to execute and deliver to the Lender the accountability information release and business incentive agreement prior to or at loan closing. BND will provide these documents to the Lender prior to loan closing for execution by the Borrower and the Lender will return these documents to BND prior to or after loan closing.

The Borrower agrees to submit to BND a recipient report on an annual basis. BND will provide the recipient report to the Lender for delivery and completion by the Borrower on an annual basis. The Borrower agrees to complete the recipient report and return it to the Lender for delivery back to BND. If the Borrower cannot meet the goals established in the business incentive agreement, the Interest Buydown Amount will be prorated to reflect any partial fulfillment of the job and compensation goals. BND is responsible for tracking compliance with this requirement.

3. Donations, Gifts or Loans. The Borrower has not nor will it ever make directly or indirectly a loan, grant or gift to the Lender, Community, or their Affiliates, which will be used to secure, promote or otherwise influence, the Lender's or Community's ability or desire to make available Loan funds under the PACE Program.
4. Verification of Affordable: The Borrower will provide evidence to BND that at a minimum there will be one affordable housing unit created and maintained in North Dakota for the duration of this Agreement for every \$25,000 of BND Buydown Amount provided.

On an annual basis, the Borrower shall provide to the local housing authority or other designated local government agency evidence of rental concessions made as part of the Borrower's application and approval under the Flex PACE Affordable Housing Program. The evidence provided shall be in a form and substance satisfactory to the local housing authority or other local government agency. The local housing authority or other local government agency will verify then current market rental rates and verify to BND the status of the Borrower's compliance with the terms of the Flex PACE Affordable Housing Program.

ARTICLE V

CONDITIONS PRECEDENT

SECTION 5.01. Condition Precedent to this Agreement. The obligation of BND under this Agreement is subject to the condition precedent that BND shall have received on or before the day of the Loan each of the following, in form and substance satisfactory to BND and its counsel:

1. Evidence of all Corporate Action by the Community. Certified (as of the date of this Agreement) copies of all corporate action taken by the Community, including resolutions of its Board of Directors, or certified copies of the official minutes of the appropriate governing body, or the equivalent thereof, authorizing the execution, delivery, and performance of the Buydown Documents to which it is a party and each other document to be delivered pursuant to this Agreement.
2. Incumbency and Signature Certificate of the Community. A certificate (dated as of the date of this Agreement) of the Secretary of the Community certifying the names and true signatures of the officers of the Community authorized to sign the Buydown Documents to which it is a party and each other document to be delivered by the Community under this Agreement.

Borrower:	ESSENTIAL LIVING INC
Program Option:	Flex PACE for Affordable Housing
Community Participation:	

3. Opinion of Counsel for the Community. A favorable opinion of counsel for the Community in substantially the form of Exhibit B and as to such other matters as BND may reasonably request.
4. Business Incentive Agreement and Accountability Release from the Borrower.
5. Buydown Documents as required by the PACE Program from all parties to this Agreement.

SECTION 5.02. Notification to Lender. Upon satisfaction of the conditions, BND shall notify the Lender in writing that all conditions have been satisfied for the Loan's participation in the PACE Program.

ARTICLE VI

MISCELLANEOUS

SECTION 6.01. Amendments, Etc. No amendment, modification, termination, or waiver of any provision, nor consent to any departure from this Agreement, shall in any event be effective unless such is in writing and signed by the respective party and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 6.02. Notices, Etc. All notices and other communications provided for under this Agreement shall be in writing and shall be effective upon the earlier of (a) when actually delivered, (b) when deposited with a nationally recognized overnight courier or (c) if mailed, when deposited in the United State mail, as first class, certified or registered mail postage prepared, directed to the applicable party at the address specified below, except that notices to BND pursuant to the provisions of Article II shall not be effective until received by BND.

Community:	CITY OF MINOT PO BOX 5006 MINOT, ND 58702-5006
BND:	BANK OF NORTH DAKOTA PO BOX 5509 BISMARCK, ND 58506-5509 Attention: Commercial Loan Department
Borrower:	ESSENTIAL LIVING INC 400 10TH ST SE MINOT ND 58701-4908

Any party may change its address for notices by giving formal written notice to the other parties and specifying that the purpose of the notice is to change the party's address.

SECTION 6.03. No Waiver, Remedies. No failure on either parties' part to exercise, and no delay in exercising, any right, power, or remedy under any Buydown Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right under any Buydown Documents preclude any other or further exercise thereof or the exercise of any other right. The remedies provided in the Buydown Documents are cumulative and not exclusive of any remedies provided by law.

SECTION. 6.04. Successors and Assigns. This Agreement may not be assigned or transferred by either party without the prior consent of the other party.

SECTION 6.05. Costs, Expenses, and Attorney Fees. The Community and BND agree to indemnify each other for reasonable fees and out-of-pocket expenses, including attorney fees, in connection with the enforcement of any portion of this Agreement.

SECTION 6.06. Indemnification for Misrepresentation. The Community and BND agree to indemnify each other for any and all loss, payment and additional expense resulting from any misrepresentation or breach

Borrower:	ESSENTIAL LIVING INC
Program Option:	Flex PACE for Affordable Housing
Community Participation:	

of warranty made herein, including any expense and legal fees that might be incurred because of any such misrepresentation or breach of warranty.

SECTION 6.07. Disclosure of Information. The Community hereby consents to the disclosure of all financial, business, and other information about the Community which BND may possess at any time to other lenders participating in the Loan.

SECTION 6.08. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of North Dakota.

SECTION 6.09. Severability of Provisions. Any provision of any Buydown Document which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of the Buydown Documents or affecting the validity or enforceability of the provision in any other jurisdiction.

SECTION 6.10. Headings. Article and Section headings in the Buydown Documents are included for the convenience of reference only and shall not constitute a part of the applicable Buydown Documents for any other purpose.

SECTION 6.11. Third Party Beneficiary. The parties acknowledge that the Borrower is an intended third party beneficiary of this agreement and, to the extent that funds are available and no determination has been made by a court of competent jurisdiction that this agreement is unenforceable, is entitled to enforce the agreement as provided by N.D.C.C. § 9-02-04.

SECTION 6.12. DOCUMENT IMAGING AND ELECTRONIC TRANSACTIONS. All parties hereby acknowledge the receipt of a copy of this Agreement and all other loan documents. Bank may, on behalf of parties, create a microfilm or optical disk or other electronic image of this Agreement and any or all of the loan documents. Bank may store the electronic image of this Agreement and loan documents in its electronic form and then destroy the paper original as part of Bank's normal business practices, with the electronic image deemed to be an original.

Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligation hereunder have been duly authorized, and that the Agreement is a valid and legal agreement binding on such party and enforceable in accordance with its terms.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers duly authorized, as of the date first above written.

CITY OF MINOT

By: 

Its: Mayer

BANK OF NORTH DAKOTA

By: _____

Kim R Kautzman

Its: Business Banker

OFFICE USE ONLY

Return Signed Documents to BND

Borrower:	ESSENTIAL LIVING INC
Program Option:	Flex PACE for Affordable Housing
Community Participation:	

ESSENTIAL LIVING INC

By: _____

Its: _____

Exhibit A: Essential Living Inc

LOAN TYPE: Affordable Housing
 LOAN NUMBER:
 LEAD BANK:

NOTE: The borrower and originating lender should be aware that the fund will provide a set stream of subsidy payments (interest buydown) based upon the payment schedule below. The amount of the borrower's payment, the amortization and all other terms of the loan shall be governed by the promissory note.
 The balances shown here, other than the specific buydown amounts, are intended for illustrative purposes only.

Buydown Account Details

INTEREST BUYDOWN AMOUNT: \$500,000.00
 BND BUYDOWN AMOUNT: \$500,000.00
 PRESENT VALUE BND: \$479,525.27
 CREATED DATE: 1/30/2018

Loan without buydown

PRINCIPAL: \$1,917,326.96
 YIELD RATE: 5.00
 AMORTIZATION (MONTHS): 240
 PAYMENT: \$12,730.87

Loan with buydown

PRINCIPAL: \$1,917,326.96
 BORROWING RATE: 1.00
 AMORTIZATION (MONTHS): 240

Period	Payment	Principal	Interest	Balance
1	\$12,730.87	\$4,475.71	\$8,255.16	\$1,912,851.25
2	\$12,730.87	\$5,292.00	\$7,438.87	\$1,907,559.25
3	\$12,730.87	\$4,517.77	\$8,213.10	\$1,903,041.48
4	\$12,730.87	\$4,801.53	\$7,929.34	\$1,898,239.95
5	\$12,730.87	\$4,557.89	\$8,172.98	\$1,893,682.06
6	\$12,730.87	\$4,840.53	\$7,890.34	\$1,888,841.53
7	\$12,730.87	\$4,598.36	\$8,132.51	\$1,884,243.17
8	\$12,730.87	\$4,618.16	\$8,112.71	\$1,879,625.01
9	\$12,730.87	\$4,899.10	\$7,831.77	\$1,874,725.91
10	\$12,730.87	\$4,659.13	\$8,071.74	\$1,870,066.78
11	\$12,730.87	\$4,938.93	\$7,791.94	\$1,865,127.85
12	\$12,730.87	\$4,700.46	\$8,030.41	\$1,860,427.39
13	\$12,730.87	\$4,720.70	\$8,010.17	\$1,855,706.69
14	\$12,730.87	\$5,256.50	\$7,474.37	\$1,850,450.19
15	\$12,730.87	\$4,763.65	\$7,967.22	\$1,845,686.54
16	\$12,730.87	\$5,040.51	\$7,690.36	\$1,840,646.03
17	\$12,730.87	\$4,805.87	\$7,925.00	\$1,835,840.16
18	\$12,730.87	\$5,081.54	\$7,649.33	\$1,830,758.62
19	\$12,730.87	\$4,848.44	\$7,882.43	\$1,825,910.18
20	\$12,730.87	\$4,869.31	\$7,861.56	\$1,821,040.87
21	\$12,730.87	\$5,143.20	\$7,587.67	\$1,815,897.67
22	\$12,730.87	\$4,912.42	\$7,818.45	\$1,810,985.25
23	\$12,730.87	\$5,185.10	\$7,545.77	\$1,805,800.15
24	\$12,730.87	\$4,955.90	\$7,774.97	\$1,800,844.25
25	\$12,730.87	\$4,977.24	\$7,753.63	\$1,795,867.01
26	\$12,730.87	\$5,746.94	\$6,983.93	\$1,790,120.07
27	\$12,730.87	\$5,023.41	\$7,707.46	\$1,785,096.66
28	\$12,730.87	\$5,292.97	\$7,437.90	\$1,779,803.69
29	\$12,730.87	\$5,067.83	\$7,663.04	\$1,774,735.86
30	\$12,730.87	\$5,336.14	\$7,394.73	\$1,769,399.72
31	\$12,730.87	\$5,112.62	\$7,618.25	\$1,764,287.10
32	\$12,730.87	\$5,134.63	\$7,596.24	\$1,759,152.47
33	\$12,730.87	\$5,401.07	\$7,329.80	\$1,753,751.40
34	\$12,730.87	\$5,180.00	\$7,550.87	\$1,748,571.40
35	\$12,730.87	\$5,445.16	\$7,285.71	\$1,743,126.24
36	\$12,730.87	\$5,225.74	\$7,505.13	\$1,737,900.50

Period	Payment	Principal	Interest	Balance
1	\$6,126.74	\$4,475.71	\$1,651.03	\$1,912,851.25
2	\$6,779.77	\$5,292.00	\$1,487.77	\$1,907,559.25
3	\$6,160.39	\$4,517.77	\$1,642.62	\$1,903,041.48
4	\$6,387.40	\$4,801.53	\$1,585.87	\$1,898,239.95
5	\$6,192.49	\$4,557.89	\$1,634.60	\$1,893,682.06
6	\$6,418.60	\$4,840.53	\$1,578.07	\$1,888,841.53
7	\$6,224.86	\$4,598.36	\$1,626.50	\$1,884,243.17
8	\$6,240.70	\$4,618.16	\$1,622.54	\$1,879,625.01
9	\$6,465.45	\$4,899.10	\$1,566.35	\$1,874,725.91
10	\$6,273.48	\$4,659.13	\$1,614.35	\$1,870,066.78
11	\$6,497.32	\$4,938.93	\$1,558.39	\$1,865,127.85
12	\$6,306.54	\$4,700.46	\$1,606.08	\$1,860,427.39
13	\$6,322.73	\$4,720.70	\$1,602.03	\$1,855,706.69
14	\$6,751.37	\$5,256.50	\$1,494.87	\$1,850,450.19
15	\$6,357.09	\$4,763.65	\$1,593.44	\$1,845,686.54
16	\$6,578.58	\$5,040.51	\$1,538.07	\$1,840,646.03
17	\$6,390.87	\$4,805.87	\$1,585.00	\$1,835,840.16
18	\$6,611.41	\$5,081.54	\$1,529.87	\$1,830,758.62
19	\$6,424.93	\$4,848.44	\$1,576.49	\$1,825,910.18
20	\$6,441.62	\$4,869.31	\$1,572.31	\$1,821,040.87
21	\$6,660.73	\$5,143.20	\$1,517.53	\$1,815,897.67
22	\$6,476.11	\$4,912.42	\$1,563.69	\$1,810,985.25
23	\$6,694.25	\$5,185.10	\$1,509.15	\$1,805,800.15
24	\$6,510.89	\$4,955.90	\$1,554.99	\$1,800,844.25
25	\$6,527.97	\$4,977.24	\$1,550.73	\$1,795,867.01
26	\$7,143.73	\$5,746.94	\$1,396.79	\$1,790,120.07
27	\$6,564.90	\$5,023.41	\$1,541.49	\$1,785,096.66
28	\$6,780.55	\$5,292.97	\$1,487.58	\$1,779,803.69
29	\$6,600.44	\$5,067.83	\$1,532.61	\$1,774,735.86
30	\$6,815.09	\$5,336.14	\$1,478.95	\$1,769,399.72
31	\$6,636.27	\$5,112.62	\$1,523.65	\$1,764,287.10
32	\$6,653.88	\$5,134.63	\$1,519.25	\$1,759,152.47
33	\$6,867.03	\$5,401.07	\$1,465.96	\$1,753,751.40
34	\$6,690.17	\$5,180.00	\$1,510.17	\$1,748,571.40
35	\$6,902.30	\$5,445.16	\$1,457.14	\$1,743,126.24
36	\$6,726.77	\$5,225.74	\$1,501.03	\$1,737,900.50

Period	Interest Buydown	BND (100.00%)
1	\$6,604.13	\$6,604.13
2	\$5,951.10	\$5,951.10
3	\$6,570.48	\$6,570.48
4	\$6,343.47	\$6,343.47
5	\$6,538.38	\$6,538.38
6	\$6,312.27	\$6,312.27
7	\$6,506.01	\$6,506.01
8	\$6,490.17	\$6,490.17
9	\$6,265.42	\$6,265.42
10	\$6,457.39	\$6,457.39
11	\$6,233.55	\$6,233.55
12	\$6,424.33	\$6,424.33
13	\$6,408.14	\$6,408.14
14	\$5,979.50	\$5,979.50
15	\$6,373.78	\$6,373.78
16	\$6,152.29	\$6,152.29
17	\$6,340.00	\$6,340.00
18	\$6,119.46	\$6,119.46
19	\$6,305.94	\$6,305.94
20	\$6,289.25	\$6,289.25
21	\$6,070.14	\$6,070.14
22	\$6,254.76	\$6,254.76
23	\$6,036.62	\$6,036.62
24	\$6,219.98	\$6,219.98
25	\$6,202.90	\$6,202.90
26	\$5,587.14	\$5,587.14
27	\$6,165.97	\$6,165.97
28	\$5,950.32	\$5,950.32
29	\$6,130.43	\$6,130.43
30	\$5,915.78	\$5,915.78
31	\$6,094.60	\$6,094.60
32	\$6,076.99	\$6,076.99
33	\$5,863.84	\$5,863.84
34	\$6,040.70	\$6,040.70
35	\$5,828.57	\$5,828.57
36	\$6,004.10	\$6,004.10

37	\$12,730.87	\$5,248.24	\$7,482.63	\$1,732,652.26
38	\$12,730.87	\$5,992.78	\$6,738.09	\$1,726,659.48
39	\$12,730.87	\$5,296.64	\$7,434.23	\$1,721,362.84
40	\$12,730.87	\$5,558.52	\$7,172.35	\$1,715,804.32
41	\$12,730.87	\$5,343.38	\$7,387.49	\$1,710,460.94
42	\$12,730.87	\$5,603.95	\$7,126.92	\$1,704,856.99
43	\$12,730.87	\$5,390.51	\$7,340.36	\$1,699,466.48
44	\$12,730.87	\$5,413.72	\$7,317.15	\$1,694,052.76
45	\$12,730.87	\$5,672.32	\$7,058.55	\$1,688,380.44
46	\$12,730.87	\$5,461.45	\$7,269.42	\$1,682,918.99
47	\$12,730.87	\$5,718.71	\$7,012.16	\$1,677,200.28
48	\$12,730.87	\$5,509.59	\$7,221.28	\$1,671,690.69
49	\$12,730.87	\$5,533.31	\$7,197.56	\$1,666,157.38
50	\$12,730.87	\$6,251.37	\$6,479.50	\$1,659,906.01
51	\$12,730.87	\$5,584.05	\$7,146.82	\$1,654,321.96
52	\$12,730.87	\$5,837.86	\$6,893.01	\$1,648,484.10
53	\$12,730.87	\$5,633.23	\$7,097.64	\$1,642,850.87
54	\$12,730.87	\$5,885.66	\$6,845.21	\$1,636,965.21
55	\$12,730.87	\$5,682.83	\$7,048.04	\$1,631,282.38
56	\$12,730.87	\$5,707.29	\$7,023.58	\$1,625,575.09
57	\$12,730.87	\$5,957.64	\$6,773.23	\$1,619,617.45
58	\$12,730.87	\$5,757.52	\$6,973.35	\$1,613,859.93
59	\$12,730.87	\$6,006.45	\$6,724.42	\$1,607,853.48
60	\$12,730.87	\$5,808.17	\$6,922.70	\$1,602,045.31
61	\$12,730.87	\$5,833.17	\$6,897.70	\$1,596,212.14
62	\$12,730.87	\$6,301.68	\$6,429.19	\$1,589,910.46
63	\$12,730.87	\$5,885.42	\$6,845.45	\$1,584,025.04
64	\$12,730.87	\$6,130.77	\$6,600.10	\$1,577,894.27
65	\$12,730.87	\$5,937.16	\$6,793.71	\$1,571,957.11
66	\$12,730.87	\$6,181.05	\$6,549.82	\$1,565,776.06
67	\$12,730.87	\$5,989.33	\$6,741.54	\$1,559,786.73
68	\$12,730.87	\$6,015.12	\$6,715.75	\$1,553,771.61
69	\$12,730.87	\$6,256.82	\$6,474.05	\$1,547,514.79
70	\$12,730.87	\$6,067.96	\$6,662.91	\$1,541,446.83
71	\$12,730.87	\$6,308.17	\$6,422.70	\$1,535,138.66
72	\$12,730.87	\$6,121.25	\$6,609.62	\$1,529,017.41
73	\$12,730.87	\$6,147.60	\$6,583.27	\$1,522,869.81
74	\$12,730.87	\$6,808.60	\$5,922.27	\$1,516,061.21
75	\$12,730.87	\$6,203.38	\$6,527.49	\$1,509,857.83
76	\$12,730.87	\$6,439.80	\$6,291.07	\$1,503,418.03
77	\$12,730.87	\$6,257.82	\$6,473.05	\$1,497,160.21
78	\$12,730.87	\$6,492.70	\$6,238.17	\$1,490,667.51
79	\$12,730.87	\$6,312.72	\$6,418.15	\$1,484,354.79
80	\$12,730.87	\$6,399.90	\$6,399.97	\$1,478,014.89
81	\$12,730.87	\$6,572.47	\$6,158.40	\$1,471,442.42
82	\$12,730.87	\$6,395.49	\$6,335.38	\$1,465,046.93
83	\$12,730.87	\$6,626.51	\$6,104.36	\$1,458,420.42
84	\$12,730.87	\$6,451.56	\$6,279.31	\$1,451,968.86
85	\$12,730.87	\$6,479.34	\$6,251.53	\$1,445,489.52
86	\$12,730.87	\$7,109.52	\$5,621.35	\$1,438,380.00
87	\$12,730.87	\$6,537.84	\$6,193.03	\$1,431,842.16
88	\$12,730.87	\$6,764.86	\$5,966.01	\$1,425,077.30
				\$1,120,316.56
				\$492,249.66
				\$628,066.90

37	\$6,744.77	\$5,248.24	\$1,496.53	\$1,732,652.26
38	\$7,340.40	\$5,992.78	\$1,347.62	\$1,726,659.48
39	\$6,783.49	\$5,296.64	\$1,486.85	\$1,721,362.84
40	\$6,992.99	\$5,558.52	\$1,434.47	\$1,715,804.32
41	\$6,820.88	\$5,343.38	\$1,477.50	\$1,710,460.94
42	\$7,029.33	\$5,603.95	\$1,425.38	\$1,704,856.99
43	\$6,858.58	\$5,390.51	\$1,468.07	\$1,699,466.48
44	\$6,877.15	\$5,413.72	\$1,463.43	\$1,694,052.76
45	\$7,084.03	\$5,672.32	\$1,411.71	\$1,688,380.44
46	\$6,915.33	\$5,461.45	\$1,453.88	\$1,682,918.99
47	\$7,121.14	\$5,718.71	\$1,402.43	\$1,677,200.28
48	\$6,953.85	\$5,509.59	\$1,444.26	\$1,671,690.69
49	\$6,972.82	\$5,533.31	\$1,439.51	\$1,666,157.38
50	\$7,547.27	\$6,251.37	\$1,295.90	\$1,659,906.01
51	\$7,013.41	\$5,584.05	\$1,429.36	\$1,654,321.96
52	\$7,216.46	\$5,837.86	\$1,378.60	\$1,648,484.10
53	\$7,052.76	\$5,633.23	\$1,419.53	\$1,642,850.87
54	\$7,254.70	\$5,885.66	\$1,369.04	\$1,636,965.21
55	\$7,092.44	\$5,682.83	\$1,409.61	\$1,631,282.38
56	\$7,112.01	\$5,707.29	\$1,404.72	\$1,625,575.09
57	\$7,312.29	\$5,957.64	\$1,354.65	\$1,619,617.45
58	\$7,152.19	\$5,757.52	\$1,394.67	\$1,613,859.93
59	\$7,351.33	\$6,006.45	\$1,344.88	\$1,607,853.48
60	\$7,192.71	\$5,808.17	\$1,384.54	\$1,602,045.31
61	\$7,212.71	\$5,833.17	\$1,379.54	\$1,596,212.14
62	\$7,587.52	\$6,301.68	\$1,285.84	\$1,589,910.46
63	\$7,254.51	\$5,885.42	\$1,369.09	\$1,584,025.04
64	\$7,450.79	\$6,130.77	\$1,320.02	\$1,577,894.27
65	\$7,295.90	\$5,937.16	\$1,358.74	\$1,571,957.11
66	\$7,491.01	\$6,181.05	\$1,309.96	\$1,565,776.06
67	\$7,337.64	\$5,989.33	\$1,348.31	\$1,559,786.73
68	\$7,358.27	\$6,015.12	\$1,343.15	\$1,553,771.61
69	\$7,551.63	\$6,256.82	\$1,294.81	\$1,547,514.79
70	\$7,400.54	\$6,067.96	\$1,332.58	\$1,541,446.83
71	\$7,592.71	\$6,308.17	\$1,284.54	\$1,535,138.66
72	\$7,443.17	\$6,121.25	\$1,321.92	\$1,529,017.41
73	\$7,464.25	\$6,147.60	\$1,316.65	\$1,522,869.81
74	\$7,993.05	\$6,808.60	\$1,184.45	\$1,516,061.21
75	\$7,508.88	\$6,203.38	\$1,305.50	\$1,509,857.83
76	\$7,698.01	\$6,439.80	\$1,258.21	\$1,503,418.03
77	\$7,552.43	\$6,257.82	\$1,294.61	\$1,497,160.21
78	\$7,740.33	\$6,492.70	\$1,247.63	\$1,490,667.51
79	\$7,596.35	\$6,312.72	\$1,283.63	\$1,484,354.79
80	\$7,618.09	\$6,399.90	\$1,278.19	\$1,478,014.89
81	\$7,804.15	\$6,572.47	\$1,231.68	\$1,471,442.42
82	\$7,662.57	\$6,395.49	\$1,267.08	\$1,465,046.93
83	\$7,847.38	\$6,626.51	\$1,220.87	\$1,458,420.42
84	\$7,707.42	\$6,451.56	\$1,255.86	\$1,451,968.86
85	\$7,729.65	\$6,479.34	\$1,250.31	\$1,445,489.52
86	\$8,233.79	\$7,109.52	\$1,124.27	\$1,438,380.00
87	\$7,776.45	\$6,537.84	\$1,238.61	\$1,431,842.16
88	\$7,958.06	\$6,764.86	\$1,193.20	\$1,425,077.30
				\$617,863.01
				\$492,249.66
				\$125,613.35

37	\$5,986.10	\$5,986.10
38	\$5,390.47	\$5,390.47
39	\$5,947.38	\$5,947.38
40	\$5,737.88	\$5,737.88
41	\$5,909.99	\$5,909.99
42	\$5,701.54	\$5,701.54
43	\$5,872.29	\$5,872.29
44	\$5,853.72	\$5,853.72
45	\$5,646.84	\$5,646.84
46	\$5,815.54	\$5,815.54
47	\$5,609.73	\$5,609.73
48	\$5,777.02	\$5,777.02
49	\$5,758.05	\$5,758.05
50	\$5,183.60	\$5,183.60
51	\$5,717.46	\$5,717.46
52	\$5,514.41	\$5,514.41
53	\$5,678.11	\$5,678.11
54	\$5,476.17	\$5,476.17
55	\$5,638.43	\$5,638.43
56	\$5,618.86	\$5,618.86
57	\$5,418.58	\$5,418.58
58	\$5,578.68	\$5,578.68
59	\$5,379.54	\$5,379.54
60	\$5,538.16	\$5,538.16
61	\$5,518.16	\$5,518.16
62	\$5,143.35	\$5,143.35
63	\$5,476.36	\$5,476.36
64	\$5,280.08	\$5,280.08
65	\$5,434.97	\$5,434.97
66	\$5,239.86	\$5,239.86
67	\$5,393.23	\$5,393.23
68	\$5,372.60	\$5,372.60
69	\$5,179.24	\$5,179.24
70	\$5,330.33	\$5,330.33
71	\$5,138.16	\$5,138.16
72	\$5,287.70	\$5,287.70
73	\$5,266.62	\$5,266.62
74	\$4,737.82	\$4,737.82
75	\$5,221.99	\$5,221.99
76	\$5,032.86	\$5,032.86
77	\$5,178.44	\$5,178.44
78	\$4,990.54	\$4,990.54
79	\$5,134.52	\$5,134.52
80	\$5,112.78	\$5,112.78
81	\$4,926.72	\$4,926.72
82	\$5,068.30	\$5,068.30
83	\$4,883.49	\$4,883.49
84	\$5,023.45	\$5,023.45
85	\$5,001.22	\$5,001.22
86	\$4,497.08	\$4,497.08
87	\$4,954.42	\$4,954.42
88	\$2,319.26	\$2,319.26
		\$500,000.00
		\$500,000.00

Borrower:	ESSENTIAL LIVING INC
Program Option:	Flex PACE for Affordable Housing
Community Participation:	

EXHIBIT "B"
OPINION OF COUNSEL
_____, 20____

I have acted as counsel for **CITY OF MINOT** in connection with the terms and conditions of the Interest Buydown Agreement dated **February 25, 2016**.

In this capacity, I have examined the Interest Buydown Agreement, the Escrow Agreement, the Buydown Documents, and such laws, documents, certificates, and other instruments as I have deemed necessary for the purpose of this opinion. Capitalized terms used in this opinion which are defined in the Interest Buydown Agreement shall have the same meanings as in the Interest Buydown Agreement unless defined otherwise.

Based upon the foregoing, it is my opinion that:

1. The Community is a corporation duly organized, existing and in good standing under the laws of North Dakota and is qualified to transact business and is in good standing in North Dakota and, to my knowledge, is not required to be qualified as a foreign corporation in any other jurisdiction.
2. The Community has full power to execute and deliver the Interest Buydown Agreement, the Escrow Agreement and to perform its obligations under the Buydown Documents.
3. All corporate action by the Community, and all consents and approvals of any persons necessary to the validity of the Buydown Documents has been duly taken, and the Buydown Documents and such other documents do not conflict with any provisions of the charter or bylaws of the Community, or of any applicable laws or any other agreement binding the Community or its property of which I have knowledge.
4. The Interest Buydown Agreement, the Escrow Agreement, the Buydown Documents, and all other documents to be delivered under the Interest Buydown Agreement to be executed by, and each is a valid and binding obligation of, the Community, enforceable in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights generally or by general equitable principals.
5. After appropriate inquiry, I am without any knowledge of any matters contrary to the representations and warranties contained in Article III of the Interest Buydown Agreement.
6. All parties hereby acknowledge the receipt of a copy of this Agreement and all other loan documents. Bank may, on behalf of parties, create a microfilm or optical disk or other electronic image of this Agreement and any or all of the loan documents. Bank may store the electronic image of this Agreement and loan documents in its electronic form and then destroy the paper original as part of Bank's normal business practices, with the electronic image deemed to be an original.
7. Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligation hereunder have been duly authorized, and that the Agreement is a valid and legal agreement binding on such party and enforceable in accordance with its terms.

BY:

(Signature)

(Typed/Printed Name)

(Firm Name/Address)

OFFICE USE ONLY

Return Signed Documents to BND

Borrower:	ESSENTIAL LIVING INC
Program Option:	Flex PACE for Affordable Housing
Community Participation:	