

**UPON RECORDING RETURN TO:**

Alston & Bird LLP  
1201 West Peachtree Street  
Atlanta, Georgia 30309  
Attention: Jeffrey M. H. Adams

**Cross Reference:** Sublease Agreement dated as of June 1, 1997 recorded in Film 1701, page 1229 as Document Number 1611769, Sedgwick County, Kansas Records

**SUBLEASE TERMINATION AGREEMENT**

THIS SUBLEASE TERMINATION AGREEMENT (this "Agreement") is made and entered into as of this 26th day of February, 2010, by and between CITY OF WICHITA, KANSAS, a municipal corporation of the State of Kansas, as Sublessor (the "Issuer"), and BROADMOOR AT CHELSEA ACQUISITION, L.P., a Missouri limited partnership, as Sublessee (the "Partnership").

**W I T N E S S E T H:**

WHEREAS, the Issuer issued its Multifamily Housing Revenue Bonds (Broadmoor at Chelsea Apartments Project), Series No. V-A, 1997 in the principal amount of \$5,200,000 (the "Series A Bonds"), pursuant to an Indenture of Trust, dated as of June 1, 1997 (the "Series A Indenture"), between the Issuer and Security Bank of Kansas City, as trustee (the "Series A Trustee") and its Subordinated Multifamily Housing Revenue Bonds (Broadmoor at Chelsea Apartments Project), Series No. V-B, 1997 in the principal amount of \$800,000 (the "Series B Bonds", together with the Series A Bonds, the "Bonds") pursuant to a Subordinate Trust Indenture, dated as of June 1, 1997 (the "Series B Indenture"), between the Issuer and Security Bank of Kansas City, as trustee (the "Series B Trustee", together with the Series A Trustee, the "Trustee"), the proceeds of which were applied to finance the acquisition and rehabilitation of a 240-unit commercial multifamily residential project in the City of Wichita, Kansas known as Broadmoor at Chelsea Apartments, including, without limitation, the real estate and improvements located thereon and the personal property thereon (except for any personal property owned by any tenant of a residential unit or the resident property manager) and all appurtenant rights and easements related thereto (collectively, the "Project") for the Partnership; and

WHEREAS, in order to provide funds to finance the Project, the Issuer determined to (i) make amounts available solely from the proceeds of the Series A Bonds to enable the Series A Trustee to fund a loan made by Prudential Multifamily Mortgage Inc., as successor to Washington Mortgage Financial Group, Ltd. (the "Lender") to the Partnership in the principal amount of \$5,200,000 (the "Mortgage Loan"), evidenced by a promissory note (the "Mortgage Note") in such amount from the Partnership and secured by a Multifamily Mortgage, Assignment of Rents and Security Agreement (the

"Mortgage") with respect to the Project, in consideration of the assignment of the Mortgage Note and other Mortgage Loan documents to the Federal National Mortgage Association ("Fannie Mae") in exchange for the delivery to the Trustee, subject to the satisfaction of certain conditions, by Fannie Mae of the Pass-Through Certificate and (ii) make amounts available from the proceeds of the Series B Bonds to enable the Series B Trustee to fund a loan to the Partnership in the principal amount of \$800,000, evidenced by a promissory note secured solely by certain Cash Surplus Revenues (as defined in the Series B Indenture); and

WHEREAS, in order to satisfy the requirements of the Act, the Issuer purchased a leasehold interest in the Project pursuant to that certain Base Lease Agreement between the Partnership and the Issuer dated as of June 1, 1997 recorded in Film 1701, page 1214 as Document Number 1611768 (the "Lease"), and Issuer, in turn, subleased the Project back to the Partnership pursuant to that certain Sublease Agreement dated as of June 1, 1997, recorded in Film 1701, Page 1229 as Document Number 1611769 (the "Sublease"); and

WHEREAS, in connection with the sale of the Project by the Partnership to Chelsea Partners, LLC, the Partnership has notified the Issuer that the Mortgage Loan has been repaid, the Series B Bonds have been canceled and the Series A Bonds have been defeased in accordance with the terms of the Series A Indenture, and, therefore, the Lease and Sublease have terminated by their terms; and

WHEREAS, the Partnership and the Issuer desire to document the termination of the Sublease in accordance with Section 6.3 of the Sublease.

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration in hand paid by each party hereto to the other, the receipt and sufficiency of which are hereby acknowledged, the Partnership and the Issuer hereby agree as follows:

1. In connection with the sale of the Project, the Issuer acknowledges that on February 26, 2010 (i) the Mortgage Loan was paid off and the Series B Bonds were canceled, (ii) Fannie Mae caused its obligations under the Pass-Through Certificate to be prepaid, and (iii) the Series A Bonds were defeased (the "Termination Date"). Accordingly, the Partnership and the Issuer agree that the Sublease automatically terminated on the Termination Date and, effective as of the Termination Date, the Partnership and the Issuer are each released, as to the other, from all liability and obligations thereafter arising under the Sublease; provided, however, that the Partnership shall remain liable for its surviving indemnification obligations in accordance with and subject to the terms of Section 6.2(c) and 6.4(f) of the Sublease (which obligations, under Section 6.2(c) only, shall terminate on the date that is two (2) years after the date of this Agreement).

2. The Issuer hereby acknowledges payment in full by the Partnership of all Subrentals due from the Partnership under Sections 4.2 and 4.3 and Article VIII of the

Sublease. The Issuer hereby expressly acknowledges and agrees that as of the Termination Date the Issuer has no further right or interest in the Project and the Sublease.

3. The Issuer acknowledges receipt from the Partnership of the sum of One Thousand and No/100 Dollars (\$1,000.00), and accepts such payment as full and final performance and satisfaction of any and all obligations of the Partnership arising under Section 6.3 and Article VIII of the Sublease.

4. This Agreement shall be construed and interpreted under the laws of the State of Kansas, without regard to its conflicts laws or choice of law rules. The parties agree that this Agreement is the result of negotiation by the parties, each of whom was represented by counsel, and thus, this Agreement shall not be construed against the party drafting the same. The parties further agree that termination of the Sublease prior to the original expiration date of the Sublease Term is in the best interest of each of the parties, and that neither party shall be entitled to any compensation or consideration for such early termination other than as may be expressly set forth hereinabove.

5. This Agreement contains the entire agreement of the parties hereto with respect to the termination of the Sublease, and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein or incorporated herein by reference shall be of any force or effect.

6. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective personal representatives, successors and assigns.

7. If any term or provision of this Agreement or the application thereof to any particular circumstance shall for any reason and to any extent be held to be invalid or unenforceable, then such term or such provision shall be ignored, and to the maximum extent possible, this Agreement shall continue in full force and effect, but without giving effect to such term or provision.

8. All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Sublease.

IN WITNESS WHEREOF, the Partnership and the Issuer have caused this Agreement to be executed under seal as of the date first above written.

PARTNERSHIP:

BROADMOOR AT CHELSEA ACQUISITION,  
L.P., a Missouri limited partnership

By: NATIONAL CORPORATE TAX CREDIT  
INC. VII, a California corporation, its  
operating general partner

By: \_\_\_\_\_  
Michael J. Hornbrook  
Senior Vice President

ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF \_\_\_\_\_ )

I HEREBY CERTIFY, that on this \_\_\_\_\_ day of \_\_\_\_\_, 2010, before me, the subscriber, a Notary Public of the State of \_\_\_\_\_ aforesaid, personally appeared Michael Hornbrook, the Senior Vice President of National Corporate Tax Credit, Inc. VII, which is the operating general partner of **BROADMOOR AT CHELSEA ACQUISITION, L.P.**, a Missouri limited partnership, and acknowledged the foregoing Agreement to be its corporate act, and as such officer and agent as aforesaid.

WITNESS my hand and notarial seal the day and year last above written.

\_\_\_\_\_  
Notary Public  
Print Name: \_\_\_\_\_

My Commission Expires:

ISSUER:

CITY OF WICHITA, KANSAS

\_\_\_\_\_  
Carl Brewer, Mayor

ATTEST:

\_\_\_\_\_  
Karen Sublett, City Clerk

[Seal]

ACKNOWLEDGEMENT

STATE OF KANSAS            )  
  )  
COUNTY OF SEDGWICK    )

I HEREBY CERTIFY, that on this \_\_\_\_\_ day of \_\_\_\_\_, 2010, before me, the subscriber, a Notary Public of the State of Kansas aforesaid, personally appeared Carl Brewer, the Mayor of the City of Wichita, Kansas, a municipal corporation of the State of Kansas, and Karen Sublett, the City Clerk of such city, and each acknowledged their execution and attestation, respectively, as such officer and agent as aforesaid, on behalf of the City of Wichita and as the act of such city.

WITNESS my hand and notarial seal the day and year last above written.

\_\_\_\_\_  
Notary Public  
Print Name:\_\_\_\_\_

My Commission Expires:

APPROVED AS TO FORM:

---

Gary E. Rebenstorf, City Attorney and  
Director of Law