

PROMISSORY NOTE

May 23, 2023

\$2,406,226.00

1. Promise to Pay. **AHFC VILLA DEL REY NON-PROFIT CORPORATION**, a Texas non-profit corporation (“**Borrower**”, whether one or more) promise(s) to pay to the order of **Broadway National Bank** (“**Lender**”), at its offices in the City of **San Antonio, Bexar County, Texas** the principal sum of **Two Million Four Hundred Six Thousand Two Hundred Twenty-Six and No/100 Dollars (\$2,406,226.00)** or so much thereof as may be advanced pursuant to a loan agreement (“**Loan Agreement**”) dated the same date as this Note executed by Borrower and Lender, with interest on the principal balance from time to time remaining unpaid from each date of advance of principal until maturity at the “**Applicable Rate**” as defined in this Note. All matured, unpaid principal and interest shall bear interest from date of maturity until paid at the “**Maximum Rate**” defined in this Note. It is expressly agreed and understood that this Note does not evidence a revolving credit facility in that Borrower's repayment of principal shall not enable Borrower to reborrow any principal amount repaid. As used in this Note, the term “**Loan Documents**” means this Note and all other documents described in the Loan Agreement as “**Loan Documents**”.

2. Interest Rate.

(a) *Maximum Rate.* The term “**Maximum Rate**” as used in this Note means, at the particular time in question, the maximum rate of non-usurious interest (taking into account all amounts paid or required to be paid which may be deemed, held, or classified as interest under applicable law) which, under applicable law, may then be charged on this Note or, if no maximum rate exists, **eighteen percent (18.00%)** per annum. If the maximum rate of non-usurious interest changes after the date of this Note, the Maximum Rate shall automatically be increased or decreased, as the case may be, without notice to Borrower from time to time as of the effective time of each change in the maximum non-usurious rate. If Chapter 303 of the Texas Finance Code is applicable to this Note, the interest rate ceiling applicable to this Note is the “weekly ceiling” as defined in Chapter 303 of the Texas Finance Code.

(b) *Applicable Rate.* The “**Applicable Rate**” of interest shall be **5.60%** per annum.

(c) *Interest Computation.* Interest shall be computed on the basis of a year of **360** days and for the actual number of days elapsed (including the first day but excluding the last day). Interest shall be calculated on the unpaid principal to the date of each installment paid and the payment shall be credited first to accrued but unpaid interest and the balance to the reduction of the principal.

3. Payment. This Note is due and payable as follows:

(a) *Scheduled Payments.* Interest only shall be due and payable monthly as it accrues, on the **1st** day of each calendar month, beginning on **July 1, 2023**, and continuing regularly thereafter until **June 1, 2026** (the “**Maturity Date**”), when the entire amount of unpaid principal and all accrued but unpaid interest shall be due and payable.

(b) *Prepayments.* For purposes of this Section, the term “**Loan Year**” means the period of time commencing on and including **May 23** of any year during the term of this Note and ending on and including **May 22** of the succeeding year. Borrower shall have the privilege of making principal prepayments during each of the first three Loan Years by paying the following penalties:

First Loan Year -- 2% of the amounts prepaid

This Note may be prepaid, in whole or in part, at any time after **May 23, 2024**, without penalty of any kind. All partial prepayments shall be applied first against the accrued but unpaid interest and then to the principal amount outstanding and shall not postpone the due date of any subsequent monthly installments.

4. Extended Terms. As used in this Note, the term “**First Extended Term**” means the period beginning on **June 2, 2026** and continuing through **June 1, 2027**, the term “**Second Extended Term**” means the period beginning on **June 2, 2027** and continuing through **June 1, 2028**, the term “**Extended Terms**” refers to both the First Extended Term and the Second Extended Term, and the term “**Extended Term**” refers to either the First Extended Term or the Second Extended Term. If the term of the Note is extended for the First Extended Term pursuant to Article 7 of the Loan Agreement, the “Maturity Date” of the Note shall be extended until the end of the First Extended Term, and the terms and conditions in Sections 5 and 6 below will apply to the First Extended Term. If thereafter the term of the Note is extended for the Second Extended Term pursuant to Article 7 of the Loan Agreement, the “Maturity Date” of the Note shall be extended until the end of the Second Extended Term, and the terms and conditions in Sections 5 and 6 below will apply to the Second Extended Term. All terms and conditions of this Note not superseded by such Sections shall continue to apply during the Extended Terms.

5. Extended Term Interest Rate.

(a) *Applicable Rate.* The “**Applicable Rate**” of interest during the Extended Terms shall be **5.60%** per annum.

(b) *Interest Computation.* For purposes of allocation of any monthly installment payment as between principal and interest during the Extended Terms, interest shall be calculated by multiplying the outstanding principal balance on this Note immediately prior to allocation of the monthly installment payment, times the annual interest rate in effect at that time divided by twelve. All other interest calculations on this Note during the Extended Terms shall be made on a daily interest basis, calculated on the basis of actual days elapsed in a 365-day year.

6. Extended Term Payments. This Note is due and payable during the Extended Terms as follows:

(a) *First Extended Term Scheduled Payments.* A payment of accrued and unpaid interest will be due and payable on **June 1, 2026**. Commencing **July 1, 2026** and continuing regularly and monthly on the **1st** day of each month thereafter, principal and interest shall be due and payable in an amount or amounts sufficient to repay the entire unpaid principal balance of this Note plus interest on or before **June 1, 2056**. Unless the term of this Note is extended for the Second Extended Term pursuant to Article 7 of the Loan Agreement, a balloon payment equal to the entire amount of unpaid principal and all accrued and unpaid interest shall be due and payable on **June 1, 2027**.

(b) *Second Extended Term Scheduled Payments.* Commencing **June 1, 2027** and continuing regularly and monthly on the **1st** day of each month thereafter, principal and interest shall be due and payable in an amount or amounts sufficient to repay the entire unpaid principal balance of this Note plus interest on or before **June 1, 2056**. A balloon payment equal to the entire amount of unpaid principal and all accrued and unpaid interest shall be due and payable on **June 1, 2028**.

(c) *Prepayments.* This Note may be prepaid, in whole or in part, at any time during the Extended Terms without penalty of any kind. Prepayments shall be credited first to accrued but unpaid interest to the date of the prepayment and the balance to the reduction of principal and shall not reduce the amount of or postpone the due date of any subsequent monthly installments.

(d) *Late Payment Penalty.* If any installment or payment provided for in this Note during the Extended Terms shall become overdue for a period of **15** days, Lender may charge and collect a late charge in an amount equal to **5.00%** of any such overdue installment or payment, in order to cover the extra expense involved in handling delinquent payments.

7. Notice and Opportunity to Cure. For purposes of this instrument, the term “**Monetary Default**” means a failure by Borrower or any other person or entity to perform any obligation contained in the Loan Documents for the payment of money. For purposes of this instrument, the term “**Non-Monetary Default**” means a failure by Borrower or any other person or entity to perform any obligation contained in the Loan Documents other than the obligation to make payments of money. Notwithstanding anything contained in this

instrument to the contrary, Lender shall not accelerate the payment of the Note because of a Monetary Default unless Borrower fails to cure the Monetary Default within **10** days after the date on which Lender gives written notice of the default to Borrower. Notwithstanding anything contained in this instrument to the contrary, Lender shall not accelerate the payment of the Note because of a Non-Monetary Default unless Borrower fails to cure the Non-Monetary Default within **30** days after the date on which Lender gives written notice of the default to Borrower; provided that if the Non-Monetary Default is not susceptible to being cured within 30 days, Borrower shall have an addition period (not to exceed an additional 15 days) to cure such Non-Monetary Default, so long as Borrower commences the cure within 30 days and diligently prosecutes the cure to completion thereafter. No notice of default and no opportunity to cure shall be required if during any twelve month period Lender has already sent a notice to Borrower concerning default in the performance of the same obligation. Nothing contained in this paragraph shall be construed to obligate Lender to forebear in any other manner from exercising its remedies and Lender may pursue any other rights or remedies which Lender may have because of the default.

8. Balloon Notice. THIS LOAN IS PAYABLE IN FULL ON THE MATURITY DATE. AT MATURITY, BORROWER MUST REPAY THE ENTIRE PRINCIPAL BALANCE OF THE LOAN AND UNPAID INTEREST THEN DUE. LENDER IS UNDER NO OBLIGATION TO REFINANCE THIS LOAN AT THAT TIME. BORROWER WILL, THEREFORE, BE REQUIRED TO MAKE PAYMENT OUT OF OTHER ASSETS THAT BORROWER OWNS, OR BORROWER WILL HAVE TO FIND ANOTHER LENDER WILLING TO LEND BORROWER THE MONEY. IF BORROWER REFINANCES THIS LOAN AT MATURITY, BORROWER MAY HAVE TO PAY SOME OR ALL OF THE CLOSING COSTS NORMALLY ASSOCIATED WITH A NEW LOAN EVEN IF BORROWER OBTAINS FINANCING FROM THE SAME LENDER.

9. Default. Subject to any notice and cure provisions set forth in the Loan Documents, in the event that (i) default is made in the payment of any amounts payable under this Note or any sums of money payable under the terms of any of the other Loan Documents, or (ii) Borrower should breach any of the covenants contained in any of the Loan Documents, at the option of Lender, the entire unpaid principal balance of this Note, together with accrued but unpaid interest thereon, shall at once become due and payable, without notice, and without presentment or demand for payment, and the liens given to secure the payment of this Note may be foreclosed immediately. Failure to exercise this option shall not constitute a waiver of the right to exercise such option at any other time in the future.

10. Collection Costs. Borrower shall pay on demand all attorney's fees and all other costs and expenses incurred by Lender in the enforcement of or preservation of Lender's rights under this Note and the Loan Documents, including, without limitation, all attorney's fees and expenses, investigation costs, and all court costs, whether or not suit is filed hereon, or whether (i) at maturity or by acceleration, or (ii) before or after maturity, or (iii) in connection with a probate proceeding, bankruptcy, reorganization, insolvency, or appeal, or (iv) in connection with the collection or enforcement of this Note or any of the other Loan Documents against Borrower. Borrower agrees to pay interest on any expenses or other sums due to Lender under this paragraph that are not paid when due, at a rate per annum equal to the Maximum Rate.

11. Waivers. **THE UNDERSIGNED, ALL ENDORSERS, AND ALL PERSONS LIABLE OR TO BECOME LIABLE ON THIS NOTE, EXPRESSLY WAIVE DEMAND FOR PAYMENT, PRESENTATION FOR PAYMENT, NOTICE OF INTENTION TO ACCELERATE MATURITY, NOTICE OF ACCELERATION, PROTEST, NOTICE OF PROTEST, AND NONPAYMENT AS TO THIS NOTE AND AS TO EACH INSTALLMENT DUE ON THIS NOTE.** The acceptance by Lender, at any time and from time to time, of part payment of this Note shall not be deemed to be a waiver of any default then existing. No waiver by Lender of any default shall be deemed to be a waiver of any other then existing or subsequent default, nor shall any such waiver by Lender be deemed to be a continuing waiver. No delay or omission by Lender in exercising any right, power, or option granted to Lender in this Note shall impair any such right, power, or option or be construed as a waiver of it or an acquiescence to it, nor shall any single or partial exercise of any such right, power, or option preclude other or further exercise of it or the exercise of any other right, power, or option of Lender under the terms of this Note. To be effective, a waiver by Lender of any right,

remedy, power, privilege, or condition arising from this instrument must be in writing, identified as a waiver of this instrument, and executed by Lender.

12. Usury Savings Clause. It is the intention of Lender and Borrower to conform strictly with applicable usury laws now in force. No provision of this Note or any other document executed in connection with, as evidence of, or as security for the indebtedness evidenced by this Note shall require the payment or permit the collection of interest in excess of the maximum amount permitted by applicable law. If at any time the interest received or contracted for exceeds the maximum lawful rate, Lender shall refund the amount of the excess or shall credit the amount of the excess against amounts owing under the loan and such excess shall not be considered the payment of interest. Determination of the rate of interest shall be made by amortizing, prorating, allocating, and spreading in equal parts during the full contracted period of the life of the loan all interest at any time contracted for, charged, or received from Borrower in connection with the loan. Borrower agrees that as a condition precedent to any claim seeking usury penalties against Lender, Borrower shall provide written notice to Lender, advising Lender in reasonable detail of the nature and amount of the violation, and Lender shall have 60 days after receipt of such notice in which to correct such usury violation, if any, by either refunding such excess interest to Borrower or crediting such excess interest against this Note and/or any other indebtedness then owing by Borrower to Lender.

13. Governing Law. This Note shall be governed by and construed under the applicable laws of the State of Texas and the laws of the United States of America, except that Chapter 346 of the Texas Finance Code and its successor statutes, as amended (which regulates certain revolving credit loan accounts and revolving tri-party accounts), shall not apply.

14. Notices. All notices provided for or permitted to be given pursuant to this instrument must be in writing and may be given or served by depositing the same in the United States mail, addressed to the person to be notified, postage prepaid, and registered or certified with return receipt requested, or by federal express, or other overnight delivery, or by delivering such notice by courier or by hand to such person. Except as otherwise provided in this instrument, notices are effective on the earlier to occur of (i) receipt by the party to be notified or (ii) three days after deposit in the mail in accordance with this paragraph. For purposes of this instrument, Lender's address is **1177 N.E. Loop 410, San Antonio, Texas 78209**, and Borrowers' address is **2525 Wallingwood Dr., Building 13, Suite A, Austin, Texas 78746**.

15. Miscellaneous. All payments on this Note must be paid in lawful money of the United States of America immediately available funds. Borrower agrees to perform and comply with the covenants, conditions, provisions, and agreements contained in this Note and in every other instrument evidencing or securing payment of the indebtedness evidenced by this Note.

16. Joint and Several Liability. If this Note is executed by more than one party, each surety party is jointly and severally liable for the obligations of Borrower under this Note. If Borrower is a partnership or joint venture, each general or joint venture partner of Borrower shall be jointly and severally liable for the obligations of Borrower under this Note **AND EACH SUCH GENERAL OR JOINT VENTURE PARTNER WAIVES ANY REQUIREMENT OF LAW THAT LENDER EXHAUST ANY ASSETS OF BORROWER BEFORE PROCEEDING AGAINST SUCH GENERAL OR JOINT VENTURE PARTNER'S ASSETS.**

17. Security. This Note is secured, among other things, by a Deed of Trust dated the same date as this Note.

18. Jury Waiver. **LENDER AND BORROWER HEREBY WAIVE THE RIGHT TO ANY JURY TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER LENDER OR BORROWER AGAINST THE OTHER.**

19. Commercial Purpose. Borrower represents and warrants to Lender that the Loan will be used by Borrower for business, commercial, or agricultural purposes, and not for personal, family, or household use.

[Signature page follows]

BORROWER:

AHFC VILLA DEL REY NON-PROFIT CORPORATION,
a Texas nonprofit corporation

By:



Rosie Truelove, Vice President

[Signature Page to Note]