

EXHIBIT A

RESOLUTION NO.

WHEREAS, Austin Housing Finance Corporation (the “Issuer”) has been duly created and organized pursuant to and in accordance with the provisions of the Texas Housing Finance Corporations Act, Chapter 394 of the Texas Local Government Code, as amended (the “Act”), to finance the costs of residential ownership and development that will provide decent, safe, and sanitary housing for persons of low and moderate income at prices they can afford; and

WHEREAS, the Act authorizes the Issuer to issue bonds to defray, in whole or in part, the development costs of a residential development; and

WHEREAS, the Board of Directors of the Issuer (the “Board”) has determined to authorize the issuance of the Issuer’s Multifamily Housing Revenue Bonds (Sycamores at Pleasant Valley) Series 2025 (the “Bonds”), in one or more series in accordance with the terms of a Trust Indenture (the “Indenture”) by and among the Issuer and the Trustee named in the Indenture (the “Trustee”), to obtain funds to finance the Development (defined below); and

WHEREAS, the Issuer desires to use the proceeds of the Bonds to finance the costs of constructing a multifamily residential rental development located in Austin, Texas (the “Development”) containing units occupied by persons of low and moderate income, as determined by the Issuer and as required by Section 142(d) of the Internal Revenue Code of 1986, as amended, and to pay costs of issuance of the Bonds (if necessary); and

WHEREAS, the Issuer and the Borrower will execute and deliver a Financing Agreement (the “Financing Agreement”) in which the Issuer will agree to lend funds to the Borrower to enable the Borrower to finance the Development; and

26 **WHEREAS**, the Issuer will assign its rights under the Financing Agreement
27 to the Trustee pursuant to the Indenture in order to secure repayment of the Bonds;
28 and

29 **WHEREAS**, the Issuer, the Trustee and the Borrower will execute a
30 Regulatory and Land Use Restriction Agreement (the “Regulatory Agreement”)
31 which will be filed of record in the real property records of Travis County, Texas;
32 and

33 **WHEREAS**, the Board has further determined that the Issuer will deliver
34 the Bonds to Zions Bancorporation, N.A. dba Amegy Bank (“Purchaser”) under a
35 Bond Purchase and Funding Agreement (“Bond Purchase Agreement”); and

36 **WHEREAS**, the Board has examined proposed forms of the Indenture, the
37 Financing Agreement, the Regulatory Agreement and the Bond Purchase
38 Agreement, all of which are attached to and comprise a part of this Resolution; has
39 found the form and substance of such documents to be satisfactory and proper and
40 the recitals contained to be true, correct and complete; and has determined to
41 authorize the issuance of the Bonds, the execution and delivery of the documents
42 and the taking of such other actions as may be necessary or convenient in
43 connection with this transaction; **NOW, THEREFORE**,

44 **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE AUSTIN**
45 **HOUSING FINANCE CORPORATION:**
46

47 **Section 1.1 - Issuance, Execution and Delivery of the Bonds.** The
48 issuance of the Bonds is authorized in accordance with the conditions in the
49 Indenture, and, upon execution and delivery of the Indenture, the authorized
50 representatives of the Issuer named in this Resolution each are authorized to
51 execute and attest to the Bonds and to deliver the Bonds to the Attorney General of
52 the State of Texas for approval, the Comptroller of Public Accounts of the State of

Texas for registration, and the Trustee for authentication (to the extent required in the Indenture), and then to deliver the Bonds to the Funding Lender. The maturity date for the Bonds will not exceed the latest date allowed under Texas law. The interest rate for the Bonds will not exceed the maximum amount allowed under Texas law and the aggregate principal amount of Bonds will not exceed \$25,000,000 in the aggregate.

Section 1.2 - Approval, Execution and Delivery of the Indenture. The form and substance of the Indenture (including the form of Bonds therein) are approved in substantially final form, with such changes therein as may be approved by the authorized representatives of the Issuer named in this Resolution at the time of execution and delivery thereof, and the authorized representatives of the Issuer named in this Resolution each are authorized to execute and attest to (if required) the Indenture and to deliver the Indenture to the Trustee.

Section 1.3 - Approval, Execution and Delivery of the Financing Agreement and Regulatory Agreement. The form and substance of the Financing Agreement and the Regulatory Agreement are approved in substantially final form, with such changes therein as may be approved by the authorized representatives of the Issuer named in this Resolution at the time of execution and delivery thereof, and the authorized representatives of the Issuer named in this Resolution each are authorized to execute and attest (if required) the Financing Agreement and the Regulatory Agreement.

Section 1.4 - Approval, Execution, and Delivery of the Bond Purchase Agreement. The sale of the Bonds is approved, the form and substance of the Bond Purchase Agreement are approved in substantially final form solely with respect to the Bonds, and the authorized representatives of the Issuer named in this resolution each are authorized to execute and attest to the Bond Purchase

79 Agreement, and to deliver the Bond Purchase Agreement to the Borrower and the
80 Purchaser.

81 **Section 1.5 – Approval of Development.** For purposes of House Bill 21 of
82 the 89th Texas Legislative session, which amended the Act, the Issuer approves the
83 development.

84 **Section 1.6 - Execution and Delivery of Other Documents.** The
85 authorized representatives of the Issuer named in this Resolution each are
86 authorized to execute, attest to, and to affix the Issuer's seal to such other
87 agreements, commitments, assignments, bonds, certificates, contracts, documents,
88 instruments, releases, financing statements, letters of instruction, notices of
89 acceptance, written requests and other papers as may be necessary or convenient to
90 carry out or assist in carrying out the purposes of this Resolution. Moreover, the
91 authorized representative is authorized to perform any and all actions to comply
92 with Act, as amended by House Bill 21 of the 89th Texas Legislative session.

93 **Section 1.7 - Exhibits Incorporated Herein.** That all of the terms and
94 provisions of each of the documents listed below as an exhibit are hereby
95 incorporated into and made a part of this Resolution for all purposes:

96 **Exhibit A** - Indenture

97 **Exhibit B** - Financing Agreement

98 **Exhibit C** - Regulatory Agreement

99 **Exhibit D** - Bond Purchase and Funding Agreement

100 **Section 1.8 - Power to Revise Form of Documents.** The authorized
101 representatives of the Issuer named in this Resolution each are authorized to
102 approve such revisions in the form of the documents attached hereto as may be
103 acceptable to such authorized representative or authorized representatives,
104 following consultation with McCall, Parkhurst & Horton L.L.P., Bond Counsel to

the Issuer, with such approval to be evidenced by the execution of such documents by the authorized representatives of the Issuer named in this Resolution.

Section 1.9 - Authorized Representatives. The President, Vice President, Treasurer, Secretary, and Manager each is hereby named as an authorized representative of the Issuer, acting alone, for purposes of executing, attesting, affixing the Issuer's seal to, and delivering the documents and instruments referred to herein.

Section 2.0 - Meeting. The meeting at which this Resolution was adopted was held on September 11, 2025, and a quorum was present. Such meeting was held in accordance with the requirements of applicable law and Issuer's bylaws.

ADOPTED: _____, 2025

ATTEST: _____

Erika Brady
Secretary

EXHIBIT A

TRUST INDENTURE

by and between

AUSTIN HOUSING FINANCE CORPORATION,
as Issuer

and

ZIONS BANCORPORATION, NATIONAL ASSOCIATION,
as Trustee

Dated as of September 1, 2025

Relating to

[\$14,800,000]

Austin Housing Finance Corporation Multifamily Housing Revenue Bonds
(Sycamores at Pleasant Valley), Series 2025

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TRUST INDENTURE

This TRUST INDENTURE (as the same may be amended, modified or supplemented from time to time, this “*Indenture*”) dated as of September 1, 2025, is entered into by and between AUSTIN HOUSING FINANCE CORPORATION, a public, nonprofit housing finance corporation organized and existing under the laws of the State of Texas (together with its successors and assigns, the “*Issuer*”), and ZIONS BANCORPORATION, NATIONAL ASSOCIATION, a national banking association incorporated under the laws of the United States and authorized to accept and execute trusts having a principal place of business in Houston, Texas and possessing corporate trust powers, herein appearing by and through its undersigned duly authorized trust officer as trustee (together with any successor trustee hereunder and their respective successors and assigns, the “*Trustee*”):

WITNESSETH:

WHEREAS, the Issuer has been duly created and organized pursuant to and in accordance with the provisions of Texas Housing Finance Corporations Act, Texas Local Government Code, Chapter 394, as amended (the “*Act*”); and

WHEREAS, pursuant to the Act, and for the purpose of providing a means of financing the costs of residential ownership and development that will provide decent, safe and sanitary housing for persons of low and moderate income at prices or rentals they can afford, the Issuer is authorized to enter into lease agreements, loan agreements and other financing agreements and to issue its bonds and to use the proceeds thereof to provide for the financing of the design, acquisition, equipping, furnishing, installing, improving and other developing of any real or personal property, or any combination thereof, including such design, acquisition, equipping, furnishing, installing improving and otherwise developing of multifamily housing residential rental facilities all for authorized purposes as described in the Act, the Issuer has been duly created and is authorized to carry out the public purpose described in the Act; and

WHEREAS, the Issuer deems it desirable and in keeping with its purposes to issue its \$[14,800,000] Multifamily Housing Revenue Bonds (Sycamores at Pleasant Valley), Series 2025 (the “*Bonds*”) for the purposes of funding a loan in the aggregate principal amount not to exceed \$[14,800,000] (the “*Bond Loan*”) to 5900 Pleasant Valley, LP, a limited partnership organized and existing under the laws of the State of Texas (together with its permitted successor and assigns, the “*Borrower*”), the proceeds of which will be used to finance a portion of the acquisition, rehabilitation and equipping of a 75-unit multifamily residential facility (as defined in the Financing Agreement and referred to herein as the “*Improvements*”) located at 5901 South Pleasant Valley, Austin, Texas 78744 (as defined in the Financing Agreement and referred to herein as the “*Land*”; collectively with the Improvements, the “*Development*”); and

WHEREAS, the Issuer has agreed to issue the Bonds and to make the Bond Loan in accordance with the Financing Agreement dated as of September 1, 2025 (the “*Financing Agreement*”), between the Issuer, and Borrower and joined in and acknowledged by Zions Bancorporation, N.A. dba Amegy Bank as Bond Owner (as defined herein), and the Borrower has

agreed to (x) apply the proceeds of the Bond Loan to pay a portion of the costs of acquisition, rehabilitation and/or equipping of the Development, (y) make payments sufficient to pay the principal of and interest on and purchase price of the Bonds when due (whether at maturity, by redemption, acceleration or otherwise), and (z) observe the other covenants and agreements and make the other payments set forth therein; and

WHEREAS, the Borrower has delivered to the Issuer its Promissory Note dated the date of issuance of the Bonds in the principal amount not to exceed \$[14,800,000] (as the same may be amended, supplemented or modified from time to time, the “*Bond Loan Note*”) evidencing the Borrower’s obligation to repay the Bond Loan and the Issuer has made the Bond Loan to the Borrower, subject to the terms and conditions of this Indenture; and

WHEREAS, pursuant to the terms and provisions of a Bond Purchase and Funding Agreement dated September 1, 2025 (the “*Bond Purchase and Funding Agreement*”), among the Issuer, the Borrower, and the Bond Owner, the Issuer has agreed to sell and the Bond Owner has agreed to purchase the Bonds, and the Bond Owner has agreed to administer the Bond Loan for and on behalf of the Trustee; and

WHEREAS, the execution and delivery of this Indenture and the issuance of the Bonds have been in all respects duly and validly authorized by the Issuer.

NOW, THEREFORE, in consideration of the premises and the mutual promises, representations and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

GRANTING CLAUSES

The Issuer, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the Holders thereof, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to secure the payment of the principal of and interest and premium, if any, on the Bonds according to their tenor and effect and the performance and observance by the Issuer of all the covenants, agreements, and conditions expressed or implied herein and in the Bonds, does hereby assign, transfer in trust, and pledge to the Trustee and its successors and assigns in trust forever, and does hereby grant a security interest unto the Trustee and its successors in trust, and to them and their assigns forever, the following (excepting, however, the Unassigned Issuer’s Rights) (collectively referred to as the “*Trust Estate*”):

GRANTING CLAUSE FIRST

All right, title, interest, and privileges of the Issuer in, to, and under (but not its obligations under) the Financing Agreement and the Bond Loan Note, including, but not limited to, all sums which the Issuer is entitled to receive from the Borrower pursuant to the Bond Purchase and Funding Agreement, the Financing Agreement (but excluding the Unassigned Issuer’s Rights), the

Funds (excluding funds held in the Rebate Fund), and all other sums (except rebatable arbitrage, whether or not deposited in the Rebate Fund and Issuer Fees) that are required to be deposited in the Funds in accordance with Article 6 hereof;

GRANTING CLAUSE SECOND

All of the Issuer's right, title, and interest in all property mortgaged, pledged, and assigned under the Bond Loan Mortgage and the Bond Loan Documents to secure the Bond Loan (not including the Unassigned Issuer's Rights) or the Bonds and any and all other property of every name and nature that may from time to time hereafter by delivery or by writing of any kind be subjected to the lien hereof by the Issuer or by anyone on its behalf or with its written consent, and the Trustee is hereby authorized to receive any and all such property at any and all times and to hold and apply the same as additional security hereunder subject to the terms hereof; and

GRANTING CLAUSE THIRD

The earnings derived from the investment of any of the foregoing sums (except amounts on deposit in the Rebate Fund and Issuer Fees) as provided herein.

TO HAVE AND TO HOLD all the Trust Estate, together with all rights and privileges hereby transferred, pledged, assigned or granted or agreed or intended so to be, to the Trustee and its successors and assigns in trust and to them and their assigns forever and in connection therewith, Issuer hereby constitutes and appoints the Trustee as the Issuer's true and lawful attorney with respect to the Trust Estate, irrevocable in law or in equity, in the Issuer's name, place and stead, but at Trustee's cost and expense, to have, use and take all lawful ways and means for the recovery of all of the said money and interest; and in case of payment, to discharge the same as fully as the Issuer might or could if the assignment of the Trust Estate to Trustee were not made;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth, first for the equal and proportionate benefit, security, and protection of all Holders from time to time of the Bonds issued under and secured by this Indenture, without privilege, priority, or distinction as to the lien or otherwise of any of the Bonds over any of the others except as otherwise provided herein, all as herein provided, and for the uses and purposes and upon the terms, agreements, and conditions set forth herein;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall pay, or cause to be paid, or provide fully for payment as herein provided of the principal of the Bonds and the interest due or to become due thereon (together with premium, if any), at the time and in the manner set forth in the Bonds according to the true intent and meaning thereof, and shall make the payments into the Bond Fund as required under Article 6 hereof or shall provide, as provided hereby in Article 8, for the payment thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof and of the Bond Loan Documents, then this Indenture and the rights hereby granted shall cease, terminate, and become void, and thereupon

the Trustee, on payment of its lawful charges and disbursements then unpaid, on demand of the Issuer and upon the payment by the Issuer of the cost and expenses thereof, shall duly execute, acknowledge and deliver to the Issuer such instruments of satisfaction or release as may be necessary or proper to discharge this Indenture of record, and if necessary shall grant, reassign and deliver to the Issuer, all and singular the property, rights, privileges and interests by it hereby granted, conveyed and assigned, and all substitutes therefor, or any part thereof, not previously disposed of or released as herein provided; otherwise this Indenture shall be and remain in full force.

THIS INDENTURE is hereby expressly declared, covenanted and agreed by and between the parties hereto, that the Bonds issued and secured hereunder are to be issued, authenticated, and delivered and that all the Trust Estate is to be held and applied under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee for the benefit of the Bond Owner from time to time of the Bonds to the extent of its rights, as follows:

ARTICLE 1

DEFINITIONS, EXHIBITS AND GENERAL PROVISIONS

Section 1.1. Definitions. Capitalized terms not otherwise defined herein shall have the meaning specified in the herein defined Financing Agreement (whether or not specific reference is given to the Financing Agreement) and in the Bond Purchase and Funding Agreement (whether or not specific reference is given to the Bond Purchase and Funding Agreement). The following capitalized terms, as used in this Indenture, shall have the meanings, specified below unless the context shall otherwise require:

“*Accounts*” means, collectively, the accounts of the Bond Fund created by Section 6.4 hereof.

“*Act*” has the meaning provided in the Recitals.

“*Additional Charges*” means the payments required in connection with Section 4.3 of the Financing Agreement.

“*Administrative Limited Partner*” means 5900 SPV ALP, LLC, a Texas limited liability company, in its capacity as administrative special limited partner of the Borrower, and any approved permitted successor of the Borrower.

“*Amortization Period Commencement Date*” has the meaning assigned to that term in the Bond Purchase and Funding Agreement.

“*Authorized Denomination*” means \$100,000 or any amount (including cents) in excess thereof.

“Authorized Officer” means the President, First Vice President, Second Vice President, Secretary or Assistant Secretary of the Issuer, and any other officer or employee of the Issuer designated to perform a specified act, to sign a specified document or to act generally, on behalf of the Issuer.

“Bankruptcy Code” means the United States Bankruptcy Reform Act of 1978, as amended, or any similar or succeeding federal bankruptcy law.

“Basic Payments” has the meaning assigned to that term in the Financing Agreement.

“Bond Closing Date” has the meaning given to that term in the Bond Purchase and Funding Agreement.

“Bond Counsel” means McCall Parkhurst & Horton LLP, or any other firm of nationally recognized bond counsel experienced in tax exempt private activity bond financing selected by the Issuer.

“Bond Documents” has the meaning assigned to that term in the Bond Purchase and Funding Agreement.

“Bond Fund” means the Fund created by Section 6.4 hereof.

“Bond Loan” has the meaning provided in the Recitals.

“Bond Loan Documents” has the meaning assigned to that term in the Bond Purchase and Funding Agreement.

“Bond Loan Mortgage” has the meaning assigned to that term in the Bond Purchase and Funding Agreement.

“Bond Loan Note” means the Bond Loan Note defined in the Recitals which will be in the original principal amount of \$[14,800,000.00], dated as of the Bond Closing Date, and made by the Borrower to the order of the Issuer and assigned by the Issuer to the Trustee.

“Bond Owner” means any Holder of the Bonds, but shall, in any event, include Zions Bancorporation, N.A., dba Amegy Bank, and any successor or other Holder of the Bonds.

“Bond Registrar” means the Trustee, and any successor thereto appointed, qualified, and then acting as such under the provisions of this Indenture, and their respective successors and assigns.

“Bond Regulatory Agreement” means that certain Regulatory Agreement and Declaration of Restrictive Covenants dated the same date as this Indenture, by and among Borrower, Issuer and Trustee, as amended or supplemented from time to time.

“*Bond Year*” has the meaning assigned to such term in the Tax Exemption Agreement.

“*Bonds*” has the meaning provided in the Recital

“*Borrower*” has the meaning provided in the Recitals.

“*Business Day*” shall have the meaning given to that term in the Financing Agreement but for purposes hereof shall include any day other than a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city where the designated corporate trust office of the Trustee and the Bond Registrar are located are authorized by law or executive order to close.

“*Closing Memorandum*” means the Bond Closing Memorandum executed by the Borrower dated the Bond Closing Date in connection with the issuance of the Bonds.

“*Code*” or “*Internal Revenue Code*” has the meaning assigned to the term “*Code*” in the Tax Exemption Agreement.

“*Comptroller*” means the Comptroller of Public Accounts of the State.

“*Computation Date*” has the meaning set forth in Section 1.148-1(b) of the Regulations and as defined in the Regulatory Agreement.

“*Condemnation*” or the phrase “*eminent domain*” as used herein shall include the taking or requisition by Governmental Authority or by a person, firm, or corporation acting under governmental authority and a conveyance made under threat of such taking or requisition, and “*Condemnation Award*” shall mean payment for property condemned or conveyed under threat of Condemnation.

“*Conditions to Conversion*” has the meaning assigned to the term in the Bond Purchase and Funding Agreement.

“*Costs of Issuance*” has the meaning given to such term in the Tax Exemption Agreement.

“*Costs of Issuance Deposit*” means [the deposit set forth in the Closing Memorandum].

“*Costs of Issuance Fund*” means the fund created by Section 6.9 hereof.

“*Default*” means any event or occurrence which with notice, lapse of time, or expiration of any applicable cure period, would be an Event of Default.

“*Default Rate*” has the meaning assigned to that term in the Bond Purchase and Funding Agreement.

“*Defeasance Collateral*” shall have the meaning set forth in Section 8.1 hereof.

“Development” has the meaning set forth in the Recitals.

“Development Certificate” means the Development Certificate dated the Bond Closing Date, executed by the Borrower in connection with the Bonds.

“Development Fund” means the fund created under Section 6.2 hereof.

“Electronic Means” means the manner that an Electronic System (as that term is defined in the Bond Purchase and Funding Agreement) is used.

“Electronic Signature” means any symbol, or process attached to or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

“Event of Default” means any of those events defined as Events of Default by Section 9.1 of this Indenture.

“Event of Taxability” means a final judgment or order of a court of original jurisdiction, a final order of any other court of competent jurisdiction, or a final ruling or decision of the Internal Revenue Service, in any such case to the effect that the interest on the Bonds (other than interest on the Bonds for a period during which such Bond is held by a “substantial user” of any facility financed with the proceeds of the Bonds or a “related person,” as such terms are used in section 147(a) of the Code and except as a result of any minimum tax, preference tax, or other similar tax) is not excludible from the gross income for federal income purposes of the holder thereof. With respect to the foregoing, a judgment or order of a court or a ruling or decision of the Internal Revenue Service shall be considered final only if no appeal or action for judicial review has been filed and the time for filing such appeal or action has expired (and in any event, all legal rights for appeals or for further judicial or administrative review have been exhausted).

“Extended Use Agreement” has the meaning give to such term in Section 13.10 hereof.

“Favorable Opinion of Bond Counsel” means, with respect to any action, or omission of an action, the taking or omission of which requires such an opinion, an unqualified written opinion of Bond Counsel to the effect that such action or omission does not adversely affect the excludability from gross income for federal income tax purposes of interest payable on the Bonds under existing law (subject to the inclusion of any exceptions contained in the opinion of Bond Counsel delivered upon the original issuance of the Bonds or other customary exceptions acceptable to the recipient thereof).

“Financing Agreement” has the meaning assigned to that term in the Recitals.

“Funds” means, collectively, the Bond Fund, the Development Fund, the Rebate Fund, the Revenue Fund, the Mortgage Recovery Fund, and the Costs of Issuance Fund.

“*Governmental Authority*” shall have the meaning assigned to that term in the Bond Purchase and Funding Agreement.

“*Hazardous Substances*” has the meaning assigned to that term in the Environmental Indemnity Agreement under and as defined in the Bond Purchase and Funding Agreement.

“*Holder*” means the person in whose name a Bond is registered in the Bond Register.

“*Indenture*” means this Trust Indenture, as the same may from time to time be amended, modified or supplemented as herein provided.

“*Independent Accountant*” means a certified public accountant or firm of certified public accountants registered and qualified to practice as such under the laws of the State, and not employed by the Issuer or the Borrower, except to perform independent audits of the books and records of either or both of them or other similar periodic reviews and to perform other independent services.

“*Independent Counsel*” means any attorney acceptable to the Trustee, duly admitted to practice law before the highest court of any state or of the District of Columbia, who may be counsel to the Issuer but who may not be an officer or an employee of the Issuer.

“*Initial Bond*” means the Initial Bond registered by the Comptroller and subsequently canceled and replaced by definitive Bonds pursuant to this Indenture in the form of *Exhibit B* hereto.

“*Investor Limited Partner*” shall have the meaning assigned to that term in the Bond Purchase and Funding Agreement.

“*Investor’s Letter*” means a letter in the form of *Exhibit C* hereto and executed by the initial Holder and any subsequent transferees of the Bonds pursuant to Section 3.12 hereof.

“*Issuer*” has the meaning assigned to that term in the introductory paragraph of this Agreement.

“*Issuer Administration Fee*” means the fee payable annually in arrears to the Issuer on each September 1, in the amount equal to the greatest of (i) .03% per annum of the aggregate outstanding principal amount of the Bonds on September 1 or (ii) \$12 per Development rental unit or (iii) \$1,200. On the Bond Closing Date, the Borrower will pay the Issuer Administration Fee for calendar years 2025 and 2026. The Trustee will remit to the Issuer, payable solely from funds provided by the Borrower, all payments of the Issuer Administration Fee due on or after September 1, 202[7]. If the Issuer Administration Fee is not paid in full by August 31 of the calendar year after which payment is owed, the outstanding fee balance shall be increased at a rate equal to the Secured Overnight Financing Rate for August 31 of the applicable year plus an additional 5.0%. If a fee remains unpaid for a period of two years or more, the outstanding fee balance will be considered to be the original outstanding amount plus any unpaid interest accrued.

“Issuer Closing Fee” means the Issuer’s issuance fee in the amount of [.50]% of the original aggregate principal amount of the Bonds, payable by the Trustee to the Issuer on the Bond Closing Date from amounts in the Costs of Issuance Fund, or otherwise by the Borrower.

“Issuer Fees” means, collectively, the Issuer Administration Fee and the Issuer Closing Fee.

“Land” has the meaning assigned to that term in the Bond Purchase and Funding Agreement.

“Lease Stabilization” has the meaning assigned to that term in the Bond Purchase and Funding Agreement.

“Maturity Date” means [September] 1, 20[46].

“Maximum Lawful Rate” shall mean the Maximum Rate under and as defined in the Bond Purchase and Funding Agreement, but in no event shall the Maximum Lawful Rate exceed the maximum interest rate that may be paid on the Bonds pursuant to Chapter 1204 of the Texas Government Code.

“Mortgaged Property” means the properties, real, personal, or mixed, described in the granting clauses of the Bond Loan Mortgage (and defined in the Bond Loan Mortgage as such), as they may at any time exist.

“Mortgage Recovery Fund” means the Fund created by Section 6.7 hereof.

“Net Foreclosure Proceeds” means the net proceeds from a foreclosure conducted under the terms of the Bond Loan Mortgage after payment of all related costs, expenses, and debts.

“Operations Office” with respect to the Trustee means the designated office of the Trustee or any affiliate of the Trustee for the payment of interest and principal on the Bonds.

“Ordinary Fees and Expenses” means the fees and expenses charged or incurred by the Trustee in the fulfillment of its obligations hereunder, including its obligations as Paying Agent and Bond Registrar, which are reimbursable to the Trustee from the Trust Estate in an aggregate annual amount equal to \$10,000.00 per year to be paid in advance, beginning on the Bond Closing Date (together with an acceptance fee of \$3,500.00 payable upon execution of this Indenture), plus its indirect out-of-pocket expenses (including attorneys’ fees and expenses), or as otherwise set forth on that certain fee schedule provided by Trustee to Issuer and the Borrower.

“*Outstanding Bonds*” or “*Bonds Outstanding*” means, as of the date of determination, all Bonds theretofore issued and delivered under this Indenture except:

(a) A Bond theretofore canceled by the Bond Registrar, the Trustee, or the Paying Agent or delivered to the Bond Registrar, the Trustee, or the Paying Agent for cancellation;

(b) A Bond for which payment or redemption moneys or securities (as provided in Section 3.10 hereof or Article 8 hereof) shall have been theretofore deposited with the Trustee or the Paying Agent in trust for the Holders of such Bond; *provided, however*, that if such Bond is to be redeemed, notice of such redemption shall have been duly given pursuant to this Indenture or irrevocable written direction shall have been given by the Issuer to the Trustee to call such Bond for redemption at a stated redemption date; and

(c) A Bond in exchange for or in lieu of which other Bond shall have been issued and delivered pursuant to Section 3.7 hereof or other provisions of this Indenture; *provided, however*, that in determining whether the Holders of the requisite principal amount of Outstanding Bond have given any request, demand, authorization, direction, notice, consent, or waiver hereunder, Bond owned by the Borrower shall be disregarded and deemed not to be Outstanding Bond (unless the Borrower owns all the Bonds otherwise outstanding, in which case they shall be deemed Outstanding), except that in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent, or waiver, only Bond which the Trustee actually knows to be so owned shall be disregarded.

“*Paying Agent*” means the Trustee or any other entity designated pursuant to this Indenture as the agent of the Issuer and the Trustee to receive and disburse the principal of and premium, if any, and interest on the Bonds.

“*Payment Date*” has the meaning assigned to that term in the Bond Purchase and Funding Agreement, *provided* that on and after the Amortization Period Commencement Date, the Payment Date for mandatory sinking fund redemption payments may be on a different date as shall be set forth in *Exhibit D*, as may be revised and/or replaced.

“*Permitted Investments*” means, to the extent not prohibited by State law, the following:

(a) certificates or interest-bearing notes or obligations of the United States, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest;

(b) investments in any of the following obligations, provided such obligations are backed by the full faith and credit of the United States: (a) direct obligations or fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States, (b) debentures of the Federal Housing Administration, (c) mortgage-backed securities of the Government National Mortgage Association, (d) certificates of beneficial

interest of the Farmers Home Administration, (e) obligations of the Federal Home Loan Bank, (f) development notes and local authority Bond of the United States Department of Housing and Urban Development, or (g) obligations of the Private Export Funding Corp.;

(c) investments in (a) senior obligations of the Federal Home Loan Bank System, (b) participation certificates or senior debt obligations of the Federal Home Loan Mortgage Corporation, (c) mortgage-backed securities and senior debt obligations (excluding stripped mortgage securities that are valued greater than par on the portion of the unpaid principal) of the Federal National Mortgage Association or (d) senior debt obligations of the Student Loan Marketing Association;

(d) repurchase agreements with primary dealers and/or banks rated “A” or better at the time of acquisition thereof by either of the Rating Agencies collateralized with the obligations described in (a) or (b) above held by a third-party custodian;

(e) money market mutual funds (including such funds of or managed by the Trustee or an affiliate of the Trustee) registered with the Securities Exchange Commission conforming to Rule a-7 of the Investment Company Act of 1940 that invest in direct obligations issued by the U.S. Treasury and repurchase agreements backed by those obligations, and rated in the highest category by either of the Rating Agencies;

(f) certificates of deposit of any bank (including the Trustee or an affiliate thereof), trust company or savings and loan association whose short-term obligations are rated “A-1” or better at the time of acquisition thereof by either of the Rating Agencies provided that such certificates of deposit are fully secured by the obligations described in (a) or (b) above, the Trustee has a perfected first security interest in the obligations securing the certificates and the Trustee holds (or shall have the option to appoint a bank, trust company or savings and loan association as its agent to hold) the obligations securing the certificates;

(g) certificates of deposit of any bank (including the Trustee or an affiliate thereof), trust company or savings and loan association which certificates are fully insured by the Federal Deposit Insurance Corporation (“FDIC”);

(h) commercial paper rated “A 1+” or better at the time of acquisition thereof by either of the Rating Agencies;

(i) obligations of, or obligations fully guaranteed by, any state of the United States of America or any political subdivision thereof which obligations are rated by either of the Rating Agencies in the highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise and without regard to credit enhancement) assigned by such rating agency to obligations of that nature;

(j) investments in the IntraFi Cash Service savings program offered by the Trustee through the Intrafi network whereby the investments are spread among

participating lending and financial institutions as needed to ensure the investments are within FDIC limits, and all of which investments are fully insured by the FDIC;

(k) demand deposits of any bank insured by FDIC;

(l) any other investment which is approved in writing by the Bond Owner and the Issuer; and

(m) demand deposits of any bank insured by FDIC whereas the bank uses an option to invest those funds in the IntraFi Cash Service savings program through the IntraFi network whereby the investments are spread among participating lending and financial institutions as needed to ensure the investments are within FDIC limits, and all of which investments are fully insured by the FDIC.

The Trustee shall not have a duty or any obligation to determine whether a Permitted Investment is prohibited by State law.

“Principal Office” with respect to the Trustee means the office identified in Section 13.6 hereof.

“Qualified Development Costs” has the meaning given to such term in the Tax Exemption Agreement.

“Rating Agency” means S&P Global Ratings or Moody’s Ratings.

“Rebate Analyst” means a certified public accountant or financial analyst, or any firm of the foregoing, or financial institution experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code, selected and retained by the Borrower at the expense of the Borrower, with the prior written consent of the Issuer, to make the rebate computations required under this Indenture and the Financing Agreement. The initial Rebate Analyst shall be

“Rebate Analyst Fee” means the fee payable by the Borrower annually in arrears to the Rebate Analyst on each January 1 in the amount of \$1,800, commencing, on January 1, 2027, so long as the Bonds are Outstanding.

“Rebate Fund” means the fund so designated in Section 6.6 hereof into which the Trustee is to deposit rebatable arbitrage paid by the Borrower.

“Record Date” means with respect to any Payment Date, (a) the close of business on the 15th day of the month (whether or not a Business Day) prior to such Payment Date or (b) if there is a default in payment of interest and principal due on such Payment Date, a Special Record Date that is ten (10) days prior (whether or not a Business Day) to the date for the payment of such defaulted interest established by the Trustee by notice mailed by the Trustee; such notice shall be

mailed not less than fifteen (15) days preceding the applicable special payment date, to the Holders as set forth in the Bond Register at the close of business on the Special Record Date.

“Record Date Holders” has the meaning provided in Section 3.2(7) of this Indenture.

“Recovery Proceeds” means the proceeds of any insurance recovery or Condemnation Award less amounts reimbursed to the Borrower, the Trustee, and the Issuer for expenses incurred in connection therewith.

“Regulations” means any proposed, temporary, or final Income Tax Regulations issued pursuant to sections 103 and 141 through 150 of the Code. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amended or replace the specific Regulation referenced.

“Representative” means, with respect to the Issuer, an Authorized Officer, and with respect to the Administrative Limited Partner, any officer or manager of the Administrative Limited Partner, or any other person at any time designated to act on behalf of the Issuer or the Borrower, as the case may be, as evidenced by a written certificate furnished to such other party and the Trustee containing the specimen signature of such person and signed for the Issuer by any officer or for the Borrower by any officer of the Administrative Limited Partner. The Trustee may conclusively presume that a person designated in a written certificate filed with it as a Representative is a Representative until such time as the Issuer or the Borrower, as the case may be, files with it a written certificate satisfying the above requirements, identifying a different person or persons to act in such capacity.

“Resolution” means the resolution adopted by the board of the Issuer on September 11, 2025.

“Responsible Officer” means any person duly authorized and designated by the Trustee, the Bond Registrar, or the Paying Agent to act on its behalf in carrying out the applicable duties and powers of such entity as set forth in this Indenture; any action required by the Trustee, the Bond Registrar, or the Paying Agent under this Indenture may be taken by a Responsible Officer.

“Revenue Fund” means the Fund designated in Section 6.3 hereof.

“Securities Act” has the meaning provided in Section 3.12 hereof.

“Sponsoring Political Subdivision” means the City of Austin, Texas.

“State” means the State of Texas.

“Tax Credits” means the federal low-income housing tax credits allocated to the Development pursuant to section 42 of the Code (and which are referred to as the *“Low-Income Housing Tax Credit”* in the Bond Purchase and Funding Agreement).

“*Tax Exemption Agreement*” means that certain Federal Tax Certificate executed by the Issuer and Borrower, as in effect on the Closing Date and as it may thereafter be amended or supplemented or restated in accordance with its terms.

“*Title Company*” means Chicago Title.

“*Title Insurance Policy*” has the meaning assigned to that term in the Bond Purchase and Funding Agreement.

“*Treasury Regulations*” shall have the meaning assigned to the term “Regulations” in the Tax Exemption Agreement.

“*Trustee*” has the meaning assigned to that term in the introductory paragraph of this Indenture.

“*Trust Estate*” means the Trust Estate as described and set forth in the Granting Clauses hereof.

“*Unassigned Issuer’s Rights*” means (a) all of the Issuer’s right, title and interest in reimbursement and indemnification pursuant to the Bond Documents and all enforcement remedies with respect to the foregoing, all of which shall survive any transfer or payment of the Bonds in full or in part and, if so indicated in the Financing Agreement or this Indenture, which shall also survive the termination of the Financing Agreement and this Indenture, (b) all the rights to receive the Issuer’s Fee, (c) the right to receive Notices and to make any determination and to grant any approval or consent to anything in this Indenture, the Financing Agreement, the Tax Exemption Agreement, the Bond Regulatory Agreement, the Note and the Bonds requiring the determination, consent or approval of the Issuer, (d) all rights of the Issuer to enforce the representations, warranties, covenants and agreements of the Borrower set forth in the Tax Exemption Agreement and in the Bond Regulatory Agreement, (e) any and all rights, remedies and limitations of liability of the Issuer set forth in the Bond Documents regarding (1) the negotiability, registration and transfer of the Bonds, (2) the loss or destruction of the Bonds, (3) the limited liability of the Issuer as provided in the Act and in this Indenture and the Bond Documents, (4) no liability of the Issuer to third parties, and (5) no warranties of suitability or merchantability by the Issuer, (f) all rights of the Issuer in connection with any amendment to or modification of this Indenture, the Financing Agreement, the Tax Exemption Agreement the Bond Regulatory Agreement, the Note and the Bonds and (g) any and all limitations of the Issuer’s liability and the Issuer’s disclaimers of warranties set forth in this Indenture, the Bond Regulatory Agreement, the Tax Exemption Agreement or the Financing Agreement, and the Issuer’s right to inspect and audit the books, records and permits of the Borrower and the Development.

Section 1.2. Rules of Interpretation. (1) This Indenture shall be governed by and construed in accordance with the laws and judicial decisions of the State, except as they may be preempted by Federal rules, regulations, and laws applicable to the Issuer. References in this Indenture and the other Bond Documents to particular sections of the Internal Revenue Code, the Uniform Commercial Code, or any other legislation, rule, or regulation shall be deemed to refer

also to any successor sections thereto or other re-designation for codification purposes. The Issuer and the Trustee expressly acknowledge and agree that any judicial action to enforce any rights of the Issuer under this Indenture may be brought and maintained at the option of the acting party in any state district court in the State having jurisdiction over the matter or in the United States District Court for any district in the State having jurisdiction over the matter or in any United States Bankruptcy Court in any case involving or having jurisdiction over the Borrower or over the Development.

(2) References in this Indenture to any particular article, section, or subdivision hereof are to the designated article, section, or subdivision of this Indenture as originally executed.

(3) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; and all computations provided for herein shall be made in accordance with generally accepted accounting principles consistently applied and applied on the same basis as in prior years.

(4) The Table of Contents and titles of articles and sections herein are for convenience of reference only and are not a part of this Indenture and shall not define or limit the provisions hereof.

(5) Unless the context hereof clearly requires otherwise, the singular shall include the plural and vice versa and the masculine shall include the feminine gender and neuter state and vice versa.

(6) Articles, sections, subsections, and clauses mentioned by number only are those so numbered which are contained in this Indenture.

(7) Any opinion of counsel called for herein shall be a written opinion of such counsel.

(8) Every “request,” “order,” “demand,” “direction,” “application,” “appointment,” “notice,” “statement,” “certificate,” “consent,” or similar action under this Indenture by any party shall, unless the form of such issuance is specifically provided, be in writing signed by a duly authorized representative of such party with a duly authorized signature.

(9) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms refer to this Indenture, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of adoption of this Indenture.

(10) Words of the masculine gender shall mean and include correlative words of the female and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa.

(11) Words importing the redemption of a Bond or the calling of a Bond for redemption do not include or connote the payment of such Bond at its stated maturity or the purchase of such Bond.

(12) References in this Indenture to particular sections of the Code, the Act or any other legislation shall be deemed to refer also to any successor sections thereto or other re-designation for codification purposes.

(13) The terms “receipt,” “received,” “recovery,” “recovered” and any similar terms, when used in this Indenture with respect to moneys or payments due the Issuer, shall be deemed to refer to the passage of physical possession and control of such moneys and payments to the Issuer, the Bond Owner or the Trustee on its behalf.

(14) All references herein to time shall be to the prevailing Central time.

(15) All references in this Indenture to “counsel fees,” “attorney fees,” or the like shall mean and include fees and disbursements of in-house or outside counsel, whether or not suit is instituted, and including fees and disbursements preparatory to and during trial and appeal and in any bankruptcy or arbitration proceeding.

ARTICLE 2

REPRESENTATIONS AND COVENANTS OF THE ISSUER

Section 2.1. Representations by the Issuer. The Issuer represents and covenants to the Trustee and the Bond Owner that:

(a) The Issuer is a public, nonprofit housing finance corporation, duly organized, validly existing and in good standing under the Act and the laws of the State.

(b) The Issuer has power and lawful authority to adopt the Resolution, to execute and deliver the Bond Documents, to issue the Bonds and to receive the proceeds of the Bonds, to apply the proceeds of the Bonds to finance the Bond Loan, and to perform and observe the provisions of the Bond Documents and the Bonds on its part to be performed and observed.

(c) The Issuer has duly authorized the execution and delivery of each of the Bond Documents, the issuance, execution, sale and delivery of the Bonds, and the performance of the obligations of the Issuer thereunder.

(d) No member, shareholder, or partner of the Issuer, nor any other official or employee of the Issuer, has any interest, financial, employment or other, in the Borrower, the Development or in the transactions contemplated hereby.

(e) There is no action, suit, proceeding, inquiry or investigation pending or, to the knowledge of the Issuer, threatened against the Issuer by or before any court, governmental agency or public board or body, which (i) affects or questions the existence or the territorial jurisdiction of the Issuer or the title to office of any member of the Issuer; (ii) affects or seeks to prohibit, restrain or enjoin the execution and delivery of any of the

Bond Documents, or the issuance, execution or delivery of the Bonds; (iii) affects or questions the validity or enforceability of any of the Bond Documents or the Bonds; (iv) questions the excludability from gross income for federal income taxation of interest on the Bonds; or (v) questions the power or authority of the Issuer to perform its obligations under any of the Bond Documents or the Bonds or to carry out the transactions contemplated by any of the Bond Documents or the Bonds.

(f) The Issuer makes no representation or warranty, expressed or implied, that the proceeds of the Bonds will be sufficient to finance the acquisition, rehabilitation and equipping of the Development or that the Development will be adequate or sufficient for the Borrower's intended purposes.

(g) The Issuer has used no broker in connection with the execution hereof and the transactions contemplated hereby.

(h) None of the adoption of the Resolution, the execution and delivery of the Bond Documents, the issuance, execution, sale and delivery of the Bonds or the performance by the Issuer of its obligations under the Bond Documents or the Bonds will violate any provision of law (including the Act) or regulation, or any decree, writ, order or injunction by which the Issuer is bound, or conflict with the provisions of the organizational documents of the Issuer, or contravene the provisions of or constitute a default under any agreement, indenture, resolution or other instrument to which the Issuer is a party or by which the Issuer is bound.

(i) All actions on the part of the Issuer necessary for the execution and delivery of the Bond Documents, the issuance, execution, sale and delivery of the Bonds and the performance by the Issuer of its obligations thereunder have been duly and effectively taken. No consent, authorization or approval of, or filing or registration with, any governmental or regulatory body is required on the part of the Issuer for the execution and delivery of the Bond Documents, the issuance, execution, sale and delivery of the Bonds, or the performance by the Issuer of its obligations under the Bond Documents or the Bonds, except the aforesaid action on the part of the Issuer which has been duly and effectively taken.

(j) All requirements and conditions specified in the Act, the organizational documents of the Issuer, the Resolution and all other applicable laws and regulations to the adoption of the Resolution, the making of the Bond Loan, the execution and delivery of the Bond Documents and the issuance, execution, sale and delivery of the Bonds have been fulfilled; *provided, however*, that Issuer makes no representation regarding blue sky or securities laws.

Section 2.2. Covenants of the Issuer. The Issuer hereby agrees with the Bond Owner from time to time of the Bonds that, so long as the Bonds remains unpaid:

(a) The Issuer will take no action and, to the extent of its ability to do so, will suffer no action to be taken to terminate its existence.

(b) The Issuer will take all action and do all things which it is authorized by law to take and do in order to perform and observe all covenants and agreements on its part to be performed and observed under the Bond Documents and the Bonds and in order to provide for and to assure payment of the Bonds and interest thereon when due.

(c) The Issuer will not knowingly take any action impairing any authority, right or benefit given or conferred by the Bond Documents or the Bonds.

(d) The Issuer will pay or cause to be paid the principal of and the interest on the Bonds as the same become due, but solely to the extent of payments remitted pursuant to the Bond Loan Note.

(e) The Issuer will do, execute, acknowledge, when appropriate, and deliver from time to time at the request of the Bond Owner or the Trustee such further acts, instruments, financing statements and other documents as are necessary or desirable to better assure, transfer, pledge or assign to the Trustee, and grant a security interest unto the Trustee in and to the Trust Estate and the other properties and revenues herein described and otherwise to carry out the intent and purpose of the Bond Documents and the Bonds (except with respect to the Unassigned Issuer's Rights).

ARTICLE 3

THE BONDS

Section 3.1. Authorized Amount and Form of Bond. Each Bond secured by this Indenture shall be issued in fully registered form without coupons and in substantially the form set forth herein with such appropriate variations, omissions, and insertions as are permitted or required by this Indenture, and in accordance with the further provisions of this Article 3. The aggregate principal amount of the Bonds that shall be issued hereunder shall be \$[14,800,000.00]. The Bonds, together with the Certificate of Authentication, the form of Assignment, and the registration information thereon, shall be in substantially the forms found at *Exhibit B* hereto, with such appropriate variations, omissions, substitutions and or insertions as are permitted or required hereby or are required by law and may have such letters, numbers or other marks of identification and such legends and endorsements placed thereon as may be required to comply with any applicable laws or rules or regulations, or as may, consistent herewith, be determined by the officer of the Issuer executing such Bonds, as evidenced by such officer's execution of the Bonds. The Initial Bond, which shall be lettered "I", shall be numbered "1" and registered by the Comptroller, shall be identical to the form of Bond attached hereto as *Exhibit B*, except that the penultimate paragraph of the Initial Bond shall read as follows:

“THIS BOND SHALL NOT BE VALID OR BECOME OBLIGATORY for any purpose or be entitled to any benefit or security under the Indenture unless the Comptroller’s Registration Certificate hereon has been executed by an authorized representative of the Texas Comptroller of Public Accounts by manual signature.”

In lieu of the authentication certificate of the Trustee, the Initial Bond shall contain the following certificate:

**“REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS**

OFFICE OF THE COMPTROLLER OF	§	
PUBLIC ACCOUNTS OF	§	REGISTER NO. _____
THE STATE OF TEXAS	§	

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Texas Comptroller of Public Accounts.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

Texas Comptroller of Public Accounts

(SEAL)”

Section 3.2. Issuance of Bonds. The Bonds shall:

- (1) be dated as of the Bond Closing Date;
- (2) be initially issued and delivered as fully registered Bond without coupons, in an Authorized Denomination; after initial issuance, a Bond may be exchanged after redemption for a Bond in the denomination of less than \$100,000 to the extent necessary to represent the unredeemed portion of such Bond;
- (3) be designated Series 2025 Bond;
- (4) except for the Initial Bond, which shall be numbered I-1, the Bonds shall be numbered from R-1 consecutively upwards in chronological order of delivery;
- (5) mature on the Maturity Date, and shall be subject to mandatory sinking fund redemption pursuant to Section 4.1(5) of this Indenture;

(6) shall bear interest from the Bond Closing Date thereof at the Interest Rate under and as provided for in the Bonds (being the Interest Rate under and as defined in the Bond Purchase and Funding Agreement);

(7) be payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts, at the Operations Office of the Trustee or Paying Agent, except that interest on the Bonds will be payable either by instruction to the depository or by check mailed on the Payment Date by the Trustee to the Holders of such Bond on the applicable Record Date (the “*Record Date Holders*” as further defined in the form of Bond set forth in *Exhibit B* hereto) at the last addresses thereof as shown in the Bond Register on the applicable Record Date; and the principal of and any premium on any Bond shall be payable at the Operations Office of the Trustee without presentation and surrender of the Bonds except for the final principal payment; and

(8) be subject to redemption upon the terms and conditions and at the redemption prices specified in Article 4 hereof.

Notwithstanding anything contained herein to the contrary, during any period of time that the Bond Loan Note bears interest at the Default Rate or late charges are due under Section 4.3(5) of the Financing Agreement, the Bonds shall also bear interest at the Default Rate including any late charges under Section 4.3(5) of the Financing Agreement and during any period of time that the Bond Loan Note bears interest at the rate described in Section 5.12 of the Financing Agreement, the Bonds shall also bear interest at such rate; *provided* that in no event shall the interest rate on the Bonds including any late charges due under Section 4.3(5) of the Financing Agreement exceed the Maximum Lawful Rate. Late charges due under Section 4.3(5) of the Financing Agreement are in addition to the Default Rate. If the date for payment of the principal of, premium, if any, or interest on the Bonds shall be a day which is not a Business Day, then the date for such payment shall be the next succeeding day which is a Business Day, and payment on such later date shall have the same force and effect as if made on the nominal date of payment. Any Holder of at least \$1,000,000 principal amount of any Bond (or a lesser amount of such Bond if such Bond constitute all the Bonds at the time Outstanding), upon payment by the Holder of the costs of wire transfers, may file with the Trustee an instrument satisfactory to the Trustee not less than five (5) days prior to the applicable Record Date requesting the interest amounts payable by the Trustee to such Holder be paid either by instruction to the depository or by transferring by wire transfer in immediately available funds, on the day such payment is due, the amount to be distributed to such Holder to a designated account maintained by such Holder at any bank in the United States. The designation so given will be effective unless and until rescinded in writing by the Holder at least five (5) days prior to the Record Date for the Payment Date to which such rescission is designated to apply. The Trustee shall pay all amounts payable by the Trustee hereunder to such Holder by transfer directly to said designated bank in accordance with the provisions of any such instrument. All payments so made shall be valid and effective to satisfy and discharge the liability upon such Bond. Notwithstanding the foregoing, all payments of principal of and interest on and/or premium on the Bonds payable on the Maturity Date, or any

date of redemption (other than pursuant to Section 4.1(5) hereof) shall only be payable upon presentation of the Bonds maturing, being redeemed at the Operations Office.

Section 3.3. Execution. Each Bond shall be signed by, or executed with the facsimile or manual signature of, the President of the Issuer and attested by the facsimile or manual signature of the Secretary of the Issuer. In case any officer of the Issuer whose signature or whose facsimile signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until such delivery, and also any Bond may be signed by such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of delivery of such Bond such persons may not have been such officers.

Section 3.4. Registration and Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Indenture unless (i) for the Initial Bond, a certificate of registration on such Bond, substantially in the form set forth in *Exhibit B* hereto, shall have been duly executed manually by an authorized representative of the Comptroller, or, (ii) for any Bond other than the Initial Bond, a certificate of authentication on such Bond, substantially in the form set forth in *Exhibit B* hereto, shall have been duly executed manually by a Responsible Officer of the Bond Registrar. Certificates of authentication or registration on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate the signatures of officers of the Issuer on each Bond (other than the Initial Bond) by execution of the certificate of authentication on the Bonds; and the certificate of authentication so executed on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Indenture.

Section 3.5. Conditions Precedent to the Delivery of Bond. Upon the execution and delivery of this Indenture and delivery of the purchase price of the Bonds, the Issuer shall execute the Initial Bond and register the same with the Comptroller, and the Bond Registrar shall immediately cancel the Initial Bond and authenticate exchange Bonds to the Bond Holders. The Bond Registrar shall deliver the exchange Bonds to, or upon the order of, each respective Bond Owner, as applicable, at such time as may be directed by the Issuer after the Trustee has received the following (which may be provided electronically):

(1) executed counterparts of the Financing Agreement, the Bond Loan Note (endorsed to the Trustee), the Tax Exemption Agreement, the Development Certificate and this Indenture;

(2) copies of executed counterparts of the Bond Purchase and Funding Agreement, the Bond Loan Mortgage, the Bond Regulatory Agreement and the Ground Lease;

(3) copies of executed counterparts of all documents specifically identified in the definition of Bond Loan Documents not specifically referred to in paragraphs (1) and (2) above;

(4) a copy, duly certified, of the Resolution passed by the governing body of the Issuer, approving the execution and delivery of this Indenture, the Financing Agreement and the Bond Regulatory Agreement and the issuance of the Bonds;

(5) reserved;

(6) a request and authorization (which may be part of a certificate of the Issuer) to the Trustee on behalf of the Issuer, signed by the Representative of the Issuer, to deliver the Bonds to the Bond Owner upon payment to the Trustee of an amount equal to the purchase price for the Bonds and payment of the Costs of Issuance;

(7) the opinion of counsel to the Borrower addressed to the Issuer, the Trustee, and the Bond Owner;

(8) an opinion or opinions of Bond Counsel or counsel to the Issuer, as appropriate, addressed to the Issuer, the Trustee, and the Bond Owner, to the effect that (a) the Bonds have been duly and validly issued, and (b) the interest on the Bonds is excludible from gross income of the Holder thereof for federal income tax purposes, subject to customary assumptions and qualifications;

(9) an Investor's Letter executed by the Bond Owner and addressed to the Trustee and the Issuer, in the form of *Exhibit C* hereto;

(10) the Costs of Issuance Deposit;

(11) the purchase price equal to the original aggregate principal amount of the Bonds from the Bond Owner;

(12) the approving opinion of the Attorney General of the State approving the Bonds and registration certificate for the Initial Bond from the Comptroller; and

(13) any other documents or opinions which the Trustee, the Issuer, the Bond Owner or Bond Counsel may reasonably require which shall be deemed satisfied by the delivery of the opinion of Bond Counsel referenced in Section 3.5(8) above.

Section 3.6. Additional Bonds. No Additional Bond may be issued hereunder.

Section 3.7. Mutilated, Lost or Destroyed Bond. In case any Bond issued hereunder shall become mutilated or be destroyed or lost, the Issuer shall, if not then prohibited by law, cause to be executed, and the Bond Registrar shall authenticate and deliver, a new Bond of like amount, Maturity Date, and tenor, in exchange and substitution for and upon cancellation of any such mutilated Bond, or in lieu of and in substitution for any such Bond destroyed or lost, upon the Holder's paying the reasonable expenses and charges of the Bond Registrar and the Issuer and, in the case of a Bond destroyed or lost, the Holder's filing with the Bond Registrar of evidence satisfactory to the Issuer, the Bond Registrar and the Trustee that such Bond was destroyed or lost,

and of the Holder's ownership thereof, and furnishing the Borrower, the Issuer, the Trustee, and the Bond Registrar with indemnity satisfactory to them. If the mutilated, destroyed, or lost Bond has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Bond prior to payment.

Section 3.8. Ownership of Bonds. The Issuer, the Trustee, the Bond Registrar, and Paying Agent may deem and treat the Holder of any Bond, whether or not such Bond shall be overdue, as the absolute owner of such Bond for the purpose of receiving payment thereof and for all other purposes whatsoever, and the Issuer (or any agent thereof), the Trustee, the Bond Registrar, and the Paying Agent shall not be affected by any notice to the contrary.

Section 3.9. Registration, Transfer, and Exchange of Registered Bond. (1) The Bond Registrar shall, at the expense of the Borrower, authenticate a fully registered Bond (other than the Initial Bond), and shall cause to be kept at the designated corporate trust office of the Bond Registrar (which will be the Operations Office for the Trustee if it is the Bond Registrar) a Bond Register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Trustee or the Bond Registrar shall provide for the registration of Bond and the registration of transfers of Bond. The Bond Registrar shall contain a record of every Bond, including bond number and principal amount, at any time registered by the Bond Registrar (or, in the case of the Initial Bond, the Comptroller) or authenticated hereunder, together with the name and address of the Holder thereof, the date of registration or authentication, the date of transfer or payment, and such other matters as are appropriate for the Bond Register in the estimation of the Issuer, the Bond Registrar and the Trustee.

(2) The transfer of the Bonds is subject to registration by the Holder thereof only upon compliance with the conditions for registration of transfer imposed on the Holder under this Section 3.9 and Section 3.12 hereof. Upon surrender of any Bond at the designated corporate trust office of the Bond Registrar (which will be the Operations Office of the Trustee if it is the Bond Registrar), the Issuer shall execute (if necessary), and the Bond Registrar shall authenticate and deliver, in the name of the designated transferee or transferees (but not registered in blank or to "bearer" or a similar designation), one or more new Bond of any Authorized Denomination of a like aggregate principal amount, having the same stated maturity and interest rate.

(3) At the option of the Holder, Bond may be exchanged for other Bond of any Authorized Denomination of a like aggregate principal amount and stated maturity, upon surrender of the Bonds to be exchanged at the designated corporate trust office of the Bond Registrar or, in the case in which the Trustee is the Bond Registrar, at the Operations Office of the Trustee, and upon payment of the taxes, if any, hereinafter referred to. Whenever any Bond is so surrendered for exchange, the Issuer shall execute (if necessary), and the Bond Registrar shall authenticate and deliver, the Bonds which the Holder making the exchange is entitled to receive.

(4) All Bonds delivered in exchange for or upon transfer of Bonds shall be valid special and limited obligations of the Issuer evidencing the same debt, and entitled to the same benefits under this Indenture, as the Bonds surrendered for such exchange or transfer.

(5) Registration of the transfer of a Bond may be made on the Bond Register by the Holder in person or by the Holder's attorney duly authorized in writing. Every Bond presented or surrendered for registration of transfer or exchange shall (i) be accompanied by evidence of compliance with the provisions of Section 3.12 hereof, and (ii) be duly endorsed or be accompanied by a written instrument or instruments of transfer, in the form printed on the Bonds or in another form satisfactory to the Bond Registrar, duly executed and with guaranty of signature of the Holder thereof or his, her or its attorney duly authorized in writing, and (iii) include written instructions as to the details of the transfer of the Bonds.

(6) No service charge shall be made to the Holder for any registration, transfer, or exchange, but the Bond Registrar and the Trustee shall require payment of a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in connection with any transfer or exchange of Bond, other than exchanges expressly provided in this Indenture to be made without expense or without charge to Holders, and any legal or unusual costs of transfers or lost Bond.

(7) Subject to the provisions of subsection (8) below, the Bond Registrar shall endeavor to comply with rules applicable to transfer agents registered with the Securities and Exchange Commission as to the 72 hour "turnaround" standard established for the transfer of registered corporate securities.

(8) The Bond Registrar shall not be required (a) to transfer or exchange any Bond during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of Bond under this Indenture and ending at the close of business on the day of such mailing or (b) to transfer or exchange any Bond so selected for redemption in whole or in part.

Section 3.10. Nonpresentment of Bonds. In the event any Bond shall not be presented for payment when the principal, premium, if any, redemption price (other than pursuant to Section 4.1(5) hereof for which presentment is not required for payment) thereof becomes due, if funds sufficient to pay such Bond shall have been paid to the Trustee (or the Paying Agent (if any)) for the benefit of the registered owner thereof, all liability of the Issuer to the registered owner thereof for the payment of such Bond shall forthwith cease, terminate, and be completely discharged, and thereupon it shall be the duty of the Trustee or other Paying Agent, subject to applicable escheat laws, to hold such fund or funds uninvested, without liability for interest thereon, for the benefit of the Holder of such Bond, who shall thereafter be restricted exclusively to such fund or funds, for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond. Any such moneys still held by the Trustee (or other Paying Agent, if any) after three (3) years from the date on which such amount was due to be paid, except as otherwise required by law, shall be delivered in accordance with the unclaimed property laws of the State of Texas, and, thereafter all liability of the Trustee or such Paying Agent with respect to such money, shall thereupon cease.

Section 3.11. Disposition of Bond. Whenever any Outstanding Bond shall be delivered to the Bond Registrar or the Trustee for cancellation pursuant to this Indenture, upon payment of the

principal amount and interest represented thereby or for replacement pursuant to Section 3.7 hereof or transfer pursuant to Section 3.9 hereof, such Bond shall be canceled and disposed of by the Bond Registrar or the Trustee, as the case may be, in accordance with its applicable policies, and counterparts of a certificate of cancellation evidencing such cancellation shall be furnished by the Bond Registrar, or the Trustee, as the case may be, to the Issuer, from time to time, upon written request, and in accordance with the Bond Registrar's or the Trustee's policies.

Section 3.12. Restrictions on Transfer. Bond or interests in Bond may be transferred (i) to an "accredited investor" (as defined in Rule 501(a)(1), (2), (3), (7), or (8) of Regulation D promulgated under the Securities Act of 1933, as amended (the "*Securities Act*")); or (ii) to a Qualified Institutional Buyer (as defined in Rule 144A promulgated under the Securities Act).

The Bond Registrar shall not register any transfer or exchange of any Bond or any interests therein pursuant to Section 3.12(i) or (ii) above unless a Holder's prospective transferee delivers to the Trustee and the Issuer an investor's letter substantially in the form set forth in *Exhibit C* hereto ("*Investor's Letter*"). The Issuer and the Trustee shall be entitled to rely, without any further inquiry, on any Investor's Letter delivered to them and shall be fully protected in registering any transfer or exchange of any Bond in reliance on any such Investor's Letter. Other than to receive an Investor's Letter as provided herein, the Trustee shall have no obligation to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer or exchange of the Bond or any interest therein. ANY SUCH HOLDER DESIRING TO EFFECT SUCH TRANSFER SHALL AGREE TO INDEMNIFY THE BORROWER, THE ISSUER, THE TRUSTEE, THE PAYING AGENT, AND THE BOND REGISTRAR FROM AND AGAINST ANY AND ALL LIABILITY, COST OR EXPENSE (INCLUDING ATTORNEYS' FEES) THAT MAY RESULT IF THE REPRESENTATIONS CONTAINED IN SUCH INVESTOR'S LETTER ARE FALSE IN ANY MATERIAL RESPECT. The Trustee or the Bond Registrar, as the case may be, are authorized and directed to put a stop order on the Bonds Registry in regard to the foregoing restrictions on the transfer of the Bonds.

The Bond Registrar will have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any restrictions other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and, to do so, if and when expressly required by the terms of this Indenture and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Assignment of the Bonds (and of interests therein) are further subject to the terms and requirements of the Bond Purchase and Funding Agreement; provided in the event of any conflict or inconsistency between this Indenture and the Bond Purchase and Funding Agreement with respect to any such assignment or transfer, the provisions of this Indenture shall control.

Notwithstanding the foregoing or anything to the contrary contained herein or in any of the Bond Documents, (a) the withdrawal, removal and/or replacement of the General Partner and/or Administrative Limited Partner in accordance with the Borrower's limited partnership agreement shall not require the consent of the Purchaser, the Issuer or any other Person so long as the General

Partner or the Administrative Limited Partner, as applicable, is replaced with an Affiliate of Red Stone Equity Manager, LLC (“Red Stone”) and (b) the consent of the Purchaser, the Issuer or any other Person shall not be required for (i) a transfer of the limited partner interests of the Investor Limited Partner and/or Special Limited Partner in the Borrower and/or (ii) a transfer of ownership interests in the General Partner, Administrative Limited Partner or the Investor Limited Partner and/or Special Limited Partner, in either case, to an Affiliate of Red Stone. Further, except with the prior written approval of the Purchaser, the Borrower agrees to construct, develop and operate the Development in such a manner as to assure that no entity other than the Borrower is or will be a “substantial user” or “related person” to a “substantial user” and, if it should take or permit any such action, the Borrower will take all lawful actions that it can take to rescind such action promptly upon having knowledge thereof.

ARTICLE 4.

REDEMPTION OF BOND BEFORE MATURITY

Section 4.1. Redemption. Subject to the provisions of Section 4.2 and Section 4.4 hereof, the Bonds are subject to redemption as follows:

(1) *Mandatory Redemption.* The Bonds shall be subject to mandatory redemption and shall be redeemed in full at the written direction of the Bond Owner (i) following an Event of Default and acceleration of maturity thereof in accordance with Section 9.2 hereof, (ii) in an amount (or amounts) necessary to reduce the outstanding balance of the Bonds to satisfy the Conditions to Conversion (including in connection with payment made upon completion of the Improvements from the completion installment of the capital contribution as and when provided for in the Bond Purchase and Funding Agreement), and (iii) in part, in the principal amounts due on and under the Bonds after the Conditions to Conversion as provided for in this Indenture. Trustee shall apply proceeds of a mandatory redemption made under this Section to the Bonds Outstanding in the manner instructed by the Bond Owner.

(2) *Extraordinary Mandatory Redemption.* Unless the Development is to be restored in accordance with the terms of the Bond Purchase and Funding Agreement or the Bond Loan Mortgage, the Bonds are subject to mandatory redemption, in whole or in part, on any Business Day, at the written direction of the Borrower and with the written consent of the Bond Owner, in the event of damage to, or destruction or Condemnation of the Development or any part thereof under the conditions and to the extent provided in Section 6.7(2)(b) hereof, at a redemption price equal to the principal amount of the Bonds to be redeemed plus accrued and unpaid interest. The foregoing extraordinary mandatory redemption event described in this Section 4.1(2) shall occur on the first Payment Date after which proper notice is given under this Indenture.

(3) *Excess Development Fund Proceeds.* The Bonds are subject to mandatory redemption, in whole or in part, if Bond proceeds remaining on deposit in the Development Fund are not needed for the development of the Development or to cause the Conditions to

Conversion to occur prior to the Amortization Period Commencement Date (based on the Borrower's advice to the Trustee that no further requisitions will be made from the Development Fund, together with the written consent to such advice by the Bond Owner), such redemption amount to be based on the amount then remaining on deposit in the Development Fund, such redemption to occur at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest; *provided* that, if the amount of Bond proceeds that remains in the Development Fund and to be used to redeem Bond pursuant to this provision causes less than 95 percent (95%) of the net proceeds of the Bonds to be used to provide an exempt facility, such redemption must adhere to the remedial action requirements set forth in Section 1.142-2 of the Treasury Regulations. The Trustee may assume that the amount of Bond proceeds that remains in the Development Fund and to be used to redeem Bond pursuant to this provision will not cause less than 95 percent (95%) of the net proceeds of the Bonds to be used to provide an exempt facility, unless the Borrower delivers to the Trustee a certificate to the contrary and provides written instructions in regard to comply with Section 1.142-2 of the Treasury Regulations.

(4) *Optional Redemption.* The Bonds are subject to redemption at the option of the Borrower (as a prepayment of the Bond Loan), in whole or in part as and when provided for in the Bond Purchase and Funding Agreement. The Trustee shall receive written notice from the Borrower forty-five (45) days prior to the required notice mailing date of the Borrower's intention to cause an optional redemption of the Bonds. The Trustee shall conduct a selection of the Bonds for partial redemption in a random by lot selection process. Notice of a redemption shall be mailed or communicated as stated in this Indenture thirty (30) days prior to a redemption date.

(5) *Mandatory Sinking Fund Redemption.* The Bonds shall be subject to mandatory sinking fund redemption in the years and in the principal amounts set forth in *Exhibit D* attached to this Indenture (without notice to the Holder or presentment by Holder); *provided* that, if Bond is redeemed by the Borrower pursuant to Section 4.1(7), on the Conditions to Conversion, the Bond Owner shall provide to the Trustee and Issuer a revised mandatory sinking fund redemption schedule showing substantially level monthly debt service on the Bonds, based on the principal amount of the Bonds outstanding on the Conditions to Conversion at a 40-year amortization calculated based on the interest rate of the Bonds, and based on the then existing Maturity Date, together with an opinion of Bond Counsel that the revised schedule does not adversely affect the excludability from gross income of the interest on the Bonds for federal income tax purposes.

(6) *Mandatory Redemption upon Default.* The Bonds are subject to mandatory redemption, in whole, upon the occurrence and continuance of an Event of Default (and in lieu of an acceleration under Section 9.2) at the written direction of the Bond Owner at a redemption price equal to the principal amount of the Bonds then Outstanding, plus accrued and unpaid interest, plus a redemption premium equal to three percent (3%) of the principal of the Bonds subject to redemption.

(7) *Redemption by Borrower for Lease Stabilization.* The Bonds are subject to redemption, in part, at the option of the Borrower from sources determined by Borrower (other than the Funding Sources as defined in the Bond Purchase and Funding Agreement), subject to Section 4.1(1) and (4) hereof, on any date on or prior to the Amortization Period Commencement Date but after the date the Development is placed in service under the Code, in an aggregate amount sufficient to cause the requirements for the Conditions to Conversion to be met as provided in the Bond Purchase and Funding Agreement, at a redemption price equal to the aggregate principal amount thereof plus accrued and unpaid interest. If the Bonds are redeemed as provided in the preceding sentence, the Bond Owner shall provide to the Trustee and the Issuer the revised mandatory sinking fund redemption schedule and opinion described in Section 4.1(5) above.

(8) *Electronic Notices.* Notices of prepayments under Section 4.1(4) may be made by Electronic Means (including e-mail and internet or intranet websites) pursuant to procedures approved by the Bond Owner. Such approval may be limited to particular notices or communications. Unless the Bond Owner otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment), *provided* that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an internet or intranet website shall be deemed received upon the "receipt" by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available in identifying the website address therefor. The Trustee, the Borrower, the Bond Owner and the Issuer may change the address or telecopier number or e-mail address for notices and other communications hereunder by notice to the others.

Section 4.2. Notice of Redemption. (1) To effect the redemption of the Bonds under Section 4.1 hereof, the Trustee shall promptly give notice within the time, in the manner and with the effect provided by this Section 4.2. Notice of redemption shall be mailed by first class mail (or by overnight delivery) not less than thirty (30) days prior to the redemption date by the Trustee to the Paying Agent (if the Paying Agent is not the Trustee), the Issuer and the Holders of Bond to be redeemed (with a copy to the Borrower and the Investor Limited Partner). No defect in or failure to give notice shall affect the validity of the proceedings for redemption of any Bond not affected by such defect. Such notice, which shall be prepared by the Trustee at the expense of the Borrower, shall state the date on which and the place where the Bonds shall be presented for redemption and, unless all Outstanding Bond is to be redeemed, each such notice shall refer to the Bonds to be redeemed by their numbers and maturities. The notice shall state the conditions precedent to redemption specified in Section 4.4 hereof. Except as specifically provided in this Indenture and provided sufficient funds are on deposit at the Trustee with respect to such redemption, the Bonds thus called for redemption, provided funds for their redemption have been duly deposited, shall cease to bear interest from and after the specified redemption date and the

Holder of such Bond shall have no further rights with respect to the Bonds or under this Indenture except to receive the redemption price of such Bond.

(2) The Bond Registrar, if not the Trustee, shall, upon the Trustee's request, furnish the names and addresses of the Holders of the Bonds as of the Record Date immediately preceding such redemption date to the Trustee and the Issuer.

Section 4.3. Cancellation. Subject to the provisions of Section 3.10 hereof, all Bonds which have been redeemed shall be canceled by the Trustee or the Bond Registrar as provided in Section 3.11 hereof and shall not be reissued.

Section 4.4. Method of Redemption. (1) The Trustee shall redeem the Bonds under Section 4.1(2) hereof only if it has received written notice and instructions from the Bond Owner to so redeem at least forty-five (45) days before the required notice mailing date (or such shorter period as consented to by the Trustee), and the Trustee has been provided with immediately available funds sufficient for such purpose when added to other funds on deposit in the Bond Fund, at least ten (10) Business Days prior to the redemption date. The Trustee shall redeem Bond under Section 4.1(2) or Section 4.1(4) hereof in accordance with the instructions from the Borrower, subject to Section 4.1(2). At least forty-five (45) days prior to the required notice mailing date (or such shorter period as consented to by the Trustee), the Borrower shall give the Trustee written notice of its election to redeem Bond pursuant to Section 4.1(2) or Section 4.1(4), which notice shall contain the redemption date and the principal amount of Bond to be redeemed and direct the Trustee to redeem the Bonds. Mandatory sinking fund redemptions under Section 4.1(5) do not require any prior notice of redemption.

(2) If less than all of the Outstanding Bonds shall be called for redemption or purchased, the Trustee shall select or arrange for the selection of Bonds to be redeemed by lot, pursuant to its rules and procedures, in Authorized Denominations, provided that any Bond or portion thereof remaining Outstanding shall be in an Authorized Denomination. If a Bond may be redeemed only in part, it shall be surrendered to the Trustee (with a written instrument of transfer in form satisfactory to the Issuer and the Trustee duly executed by the Holder thereof or his, her or its attorney duly authorized in writing) and the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of such Bond, at the Borrower's expense, a new Bond or Bond of any Authorized Denomination, as requested by such Holder, having the same stated maturity and interest rate in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered.

(3) Notwithstanding the foregoing or anything herein to the contrary, in connection with a redemption of a Bond, the redemption payment (or any other payment on the Bonds) shall be made to the Bond Owner (except as otherwise provided in the Bond Purchase and Funding Agreement).

ARTICLE 5

GENERAL COVENANTS

Section 5.1. Payment of Principal, Premium, and Interest. The Issuer will duly and punctually pay or cause to be paid the principal of, premium, if any, and interest on the Bonds in accordance with the terms of the Bonds and this Indenture, but solely from and to the extent of the Trust Estate, and trust funds deposited in the Funds (excluding amounts held in the Rebate Fund and rebatable arbitrage whether or not deposited in the Rebate Fund) to the extent hereof and in the manner provided in Article 6 hereof. Nothing in the Bonds or in this Indenture shall be considered as assigning or pledging funds or assets of the Issuer other than the Trust Estate.

Section 5.2. Performance of Covenants. (1) The Issuer covenants that it will faithfully perform at all times any and all of its covenants, undertakings, stipulations, and provisions contained in this Indenture, and in every Bond executed, authenticated, and delivered hereunder. The Issuer represents that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Bonds authorized hereby, to execute this Indenture, to loan the proceeds of the Bonds to the Borrower, and to assign and pledge the payments from the Financing Agreement in the manner and to the extent herein set forth; that all action required on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken; and that the Bonds in the hands of the Holders thereof are and will be valid and enforceable obligations of the Issuer according to the terms thereof.

(2) The Trustee covenants that it is duly organized, validly existing, and in good standing and possesses all authorizations necessary to enter into this Indenture; that it has full power and authority to enter into this Indenture and the transactions contemplated hereby; that this Indenture has been duly executed and delivered by it; that this Indenture constitutes a legal, valid, binding, and enforceable obligation of the Trustee (subject to bankruptcy, insolvency, or creditor rights laws generally and principles of equity generally); that the execution, delivery, and performance of this Indenture by the Trustee will not cause or constitute, including after due notice or lapse of time or both, a default under or conflict with organizational documents or other agreements or otherwise materially or adversely affect performance of duties; that the execution of this Indenture by the Trustee, assuming that neither the Trustee or this Indenture is required to be qualified under the Trust Indenture Act of 1939, as amended, will not violate any law, regulation, order, or decree of any Governmental Authority; assuming that neither the Trustee or the Indenture is required to be qualified under the Trust Indenture Act of 1939, as amended, that all consents, approvals, authorizations, orders, or filings of or with any court or governmental agency or body, if any, required for the execution, delivery, and performance of this Indenture by the Trustee have been obtained or made; and that there is no pending action, suit, proceeding, arbitration, or governmental investigation against it, an adverse outcome of which would materially adversely affect its performance under this Indenture.

Section 5.3. Instruments of Further Assurance. The Issuer covenants that it has not made, done, executed, or suffered, and will not make, do, execute, or suffer, any act or thing within its

control whereby its interest in the Financing Agreement or in the Bond Purchase and Funding Agreement or any part thereof is now or at any time hereafter will be impaired, changed, or encumbered in any manner whatsoever, except as may be expressly permitted herein or in the Financing Agreement or in the Bond Purchase and Funding Agreement; and that it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such instruments supplemental hereto and such further acts, instruments, and transfers as the Trustee may reasonably require for the better assuring, transferring, pledging, assigning, and confirming unto the Trustee all and singular the Trust Estate.

Section 5.4. Recording and Filing. The Trustee, at the written direction of the Bond Owner, and at the expense of the Borrower, shall take such action with respect to the execution and filing of any continuation statements with respect to financing statements in which it is named as the secured party, copies of which have been provided to the Trustee, as are necessary to maintain the perfection of the liens on personal property granted in the Bond Loan Mortgage and to preserve and protect fully the security of the Holders of the Bonds and the rights of the Trustee hereunder and under any of the other aforesaid instruments. Notwithstanding the foregoing, the Trustee shall not be responsible for the sufficiency or the proper recording or indexing of any financing or continuation statements.

Section 5.5. Books and Records. The Trustee covenants that so long as any Outstanding Bond issued hereunder and secured by this Indenture shall be unpaid, the Trustee will keep proper books or records and accounts, in which full, true, and correct entries will be made of all its financial dealings or transactions in relation to the Development and the payments derived from the Financing Agreement, this Indenture, and the Bond Loan Mortgage. Upon reasonable notice and at reasonable times during the Trustee's regular business hours and under reasonable regulations established by the Trustee, such books shall be open to the inspection of the Borrower, the Investor Limited Partner, the Bond Owner, the Holders, and the Issuer, and such accountants or other agencies as the Borrower, the Bond Owner, the Holders, or the Issuer may from time to time designate in writing to the Trustee.

Section 5.6. Access to Bond Register. At reasonable times and under reasonable regulations established by the Bond Registrar, the Bond Register or a copy thereof may be inspected and copied by the Borrower, the Issuer, the Trustee, the Bond Owner or the Holders of ten percent (10%) or more in principal amount of the then Outstanding Bond (or a designated representative thereof), such authority of any such designated representative to be evidenced to the reasonable satisfaction of the Bond Registrar. Except as otherwise may be provided by law, the Bond Register shall not be deemed a public record and shall not be made available for inspection by the public, unless and until notice to the contrary is given to the Bond Registrar by the Issuer and the Bond Owner.

Section 5.7. Rights Under Financing Agreement and the Bond Purchase and Funding Agreement. The Financing Agreement and the Bond Purchase and Funding Agreement each sets forth covenants and obligations of the Issuer and the Borrower, and reference is hereby made to the same for a detailed statement of said covenants and obligations. The Issuer agrees to cooperate in the enforcement of all covenants and obligations of the Borrower under the Financing

Agreement and the Bond Purchase and Funding Agreement and agrees that the Trustee and the Bond Owner may enforce all rights of the Issuer (other than the Unassigned Issuer's Rights) and all obligations of the Borrower under and pursuant to the Financing Agreement in their respective names and on behalf of the Holders, whether or not the Issuer has undertaken to enforce such rights and obligations.

Section 5.8. Rights Under Bond Loan Mortgage. The Issuer acknowledges that it has assigned its interest in and to the Bond Loan Mortgage, other than the Unassigned Issuer's Rights, to the Trustee under this Indenture and that such instrument further secures payment of the Bond Loan, interest thereon, and amounts due under certain other Bond Loan Documents, and reference is hereby made to the same for a detailed statement of the obligations of the parties thereto (and that the Bond Owner is authorized to act for and on behalf of the Trustee in this regard).

Section 5.9. Tax Covenants Relating to the Bonds. The Issuer covenants and agrees that:

(1) Until the final Maturity Date of the Bonds, based upon the Borrower's covenants in the Financing Agreement, the Tax Exemption Agreement and the Bond Regulatory Agreement, it will not use any money on deposit in any Fund or Account maintained in connection with the Bonds, whether or not such money was derived from the proceeds of the sale of the Bonds or from any other source, in a manner that would cause the Bonds to be an "Arbitrage Bond," within the meaning of section 148 of the Code. In the event that the Borrower notifies the Issuer that it is necessary to (i) restrict or limit the yield on the investment of moneys held by the Trustee pursuant to this Indenture, or (ii) use such moneys in any certain manner to avoid the Bonds being considered "arbitrage Bond," the Issuer, at the written direction and expense of the Borrower, shall deliver to the Trustee an order containing appropriate instructions, in which event the Trustee shall take such action as provided in such instructions to restrict or limit the yield on such investment or to use such moneys in accordance with such order.

(2) The Issuer will not (i) knowingly use or permit the use of any proceeds of the Bonds or any other funds of the Issuer, directly or indirectly, in any manner, or (ii) take or permit to be taken any other action or actions, which would result in any of the Bonds being treated other than as an obligation described in section 103(a) of the Code.

(3) The Issuer will not take any action which would result in all or any portion of the Bonds being treated as "federally guaranteed" within the meaning of section 149(b)(2) of the Code.

(4) Unless a Favorable Opinion of Bond Counsel is rendered, the Issuer will request the Borrower to:

(A) expend all proceeds of the Bonds and the investment income thereon (excluding amounts in the Rebate Fund) within three years of the date of issuance of the Bonds; and

(B) make the payments (but only from the sources and subject to the limitations described in Section 6.6 hereof), if any, required to be made to the United States pursuant to the Code in order to establish or maintain the excludability from gross income of interest on the Bonds for purposes of federal income taxation. In this regard, the Issuer will cause the Borrower to maintain books and records complying with any related requirements of the Code.

(5) For purposes of this Section 5.9, the Issuer's compliance shall be based solely on acts or omissions by the Issuer and no acts, omissions, or directions of the Borrower, the Trustee, or any other persons shall be attributed to the Issuer. All officers, employees, and agents of the Issuer are authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the Issuer as of the date of delivery of the Bonds. In complying with the foregoing covenants, the Issuer may rely from time to time upon an opinion of Bond Counsel to the effect that any action by the Issuer or reliance upon any interpretation of the Code or the Treasury Regulations contained in such opinion will not adversely affect the excludability from gross income of the interest on the Bonds for federal income tax purposes under existing law.

Section 5.10. Change in Law. To the extent that published rulings of the Internal Revenue Service, or amendments to the Code or the Treasury Regulations modify the covenants of the Issuer or the Trustee which are set forth in this Indenture or which are necessary for interest on any issue of the Bonds to be excludible from gross income for federal income tax purposes, at the Borrower's expense the Trustee and the Issuer will comply with such modifications to the extent advised by Bond Counsel so to do.

Section 5.11. Indemnification. THE BORROWER SHALL INDEMNIFY THE TRUSTEE OR ANY PREDECESSOR TRUSTEE AND THEIR AGENTS FOR, AND TO HOLD THEM HARMLESS AGAINST, ANY AND ALL LOSS, DAMAGE, CLAIMS, LIABILITY OR EXPENSE, ARISING OUT OF OR IN CONNECTION WITH THE ACCEPTANCE OR ADMINISTRATION OF THE TRUST OR TRUSTS HEREUNDER, INCLUDING THE COSTS AND EXPENSES OF DEFENDING ITSELF AGAINST ANY CLAIM (WHETHER ASSERTED BY THE BORROWER, OR ANY HOLDER OR ANY OTHER PERSON) OR LIABILITY IN CONNECTION WITH ENFORCING THE PROVISIONS OF THIS SECTION, EXCEPT TO THE EXTENT THAT SUCH LOSS, DAMAGE, CLAIM, LIABILITY, OR EXPENSE IS DUE TO SUCH TRUSTEE'S NEGLIGENCE OR WILLFUL MISCONDUCT. This Section 5.11 shall survive the termination and discharge of this Indenture and the resignation and removal of the Trustee.

Section 5.12. Program Investment. The proceeds of the Bonds are to be used to finance the Development. With respect to the Bonds, (a) at least ninety-five percent (95%) of all obligations acquired with the proceeds of the Bonds, by amount of cost outstanding, will be loans to a substantial number of persons representing the general public, loans to exempt persons, or loans to provide housing and related facilities, or any combination of the foregoing; (b) at least ninety-five percent (95%) of all amounts received by the Issuer with respect to the Bonds will be used for one or more of the following purposes: to make loans to provide housing, to pay the principal of or interest on otherwise to service the debt on the Bonds, to reimburse the Issuer or to pay for administrative costs of issuing such obligations, or to redeem or retire such Bonds of the

Issuer at the next earliest possible date of redemption; and (c) any person or any related party, as defined in section 1.150-1 of the Treasury Regulations, as amended, from whom the Issuer may acquire obligations, shall not, pursuant to an arrangement, formal or informal, purchase the Issuer's bonds in an amount related to the amount of the obligations to be acquired from such person by the Issuer.

ARTICLE 6

FUNDS AND ACCOUNTS

Section 6.1. Trust Funds Pledged and Assigned to the Trustee. All payments, revenues, and income receivable by the Issuer under the Financing Agreement, the Bond Purchase and Funding Agreement, and Bond Loan Note and pledged and assigned by this Indenture to the Trustee, together with the balance of the Trust Estate, are to be paid directly to the Trustee and, subject to the provisions of Section 9.6 hereof, deposited by it in the Funds and the Accounts described in this Article 6 and held in trust for the purposes set forth herein, and, except as otherwise provided herein, shall not be subject to any lien, levy, garnishment, or attachment by any creditor of the Issuer or the Borrower nor shall they be subject to any assignment or hypothecation by the Borrower. Moneys on deposit in the Funds and the Accounts described in this Article 6 shall be maintained and administered by the Trustee in trust, and pending application in accordance with the provisions of this Article 6 shall be subject to a lien and charge in favor of the Holders until applied as hereinafter provided. The Trustee shall at all times maintain accurate records of deposits into and withdrawals from and transfers among such Funds and the day of receipt of such deposits, withdrawals, and transfers. In addition, each Fund shall constitute a segregated trust account or accounts maintained by the Trustee, segregated from all other funds of the Trustee, and shall be established in the name of the Trustee (or the Borrower, as may be applicable), as trustee for the Bonds. The Trustee shall not deposit into such Funds any moneys other than as provided in this Indenture or the Financing Agreement.

Section 6.2. Development Fund; Disbursement of Development Funds. (1) A special trust fund is hereby created by the Trustee and designated the Development Fund. The proceeds of the Bonds, less any amounts used for Costs of Issuance, and any other amounts deposited by the Borrower for deposit therein shall be paid to the Trustee on the Bond Closing Date for deposit in the Development Fund.

(2) Intentionally omitted.

(3) Upon satisfaction of the requirements of this Section 6.2 and receipt from the Borrower of (a) a written requisition in the form of *Exhibit A* hereto and (b) written consent to such disbursement by the Bond Owner, which consent shall not be unreasonably withheld, the Trustee shall promptly withdraw and disburse all amounts requested in such requisition from funds in the Development Fund to the Borrower.

(4) Neither the Trustee nor the Issuer shall be responsible for the application by the Borrower of moneys disbursed to the Borrower (if any money is disbursed thereto) in accordance with this Section 6.2.

(5) All requisitions in the form provided by this Indenture and all other statements, orders, certifications, and approvals received by the Trustee, as required by this Article as conditions of payment from the Development Fund, may be conclusively relied upon by the Trustee, and shall be retained by the Trustee, subject at all reasonable times to examination by the Borrower, the Issuer, the Bond Owner, and the agents and representatives thereof.

(6) Without duplication of the terms and requirements of the Financing Agreement and of the Bond Purchase and Funding Agreement, all costs incurred in connection with the requisition and disbursement of funds from the Development Fund, including but not limited to the cost of the Construction Consultant and updates to the Title Insurance Policy, shall be paid by the Borrower.

(7) On or after the satisfaction of the Conditions to Conversion and the occurrence of the Lease Stabilization, all amounts remaining on deposit in the Development Fund that are not proceeds of the Bonds shall be paid to the Borrower, upon receipt by the Trustee of a certificate from the Representative certifying what amount on deposit in the Development Fund are not proceeds of the Bonds. If Lease Stabilization does not occur by the Amortization Period Commencement Date, or on such earlier date as the Borrower (with written concurrence of the Bond Owner) advises the Trustee, no further draws will be made from the Development Fund as provided for in Section 4.1(3) hereof, all amounts remaining on deposit in the Development Fund representing proceeds of the Bonds shall be transferred to the Bond Fund and used to redeem Bond in accordance with Section 4.1(3) hereof within ninety (90) days.

Section 6.3. Revenue Fund. A special trust fund is hereby created by Trustee and designated the Revenue Fund.

(1) *Deposits to the Revenue Fund.* All Basic Payments under the provisions of the Financing Agreement and the Bond Loan Note are assigned by the Issuer to the Trustee pursuant to this Indenture for monthly deposit to the Revenue Fund.

(2) *Uses of Revenue Fund.* Provided no Event of Default has occurred and is continuing, funds on deposit in the Revenue Fund shall be withdrawn and distributed on the first Business Day of each calendar month by the Trustee as follows:

(A) From the Bond Closing Date to and including the Amortization Period Commencement Date:

FIRST: to the Principal Account of the Bond Fund in an amount equal to the principal or redemption price, if any, and then to the Interest Account of the Bond Fund, the interest on Bond to become due on the next Payment Date;

SECOND: to the Rebate Fund, the amount calculated as due with respect to a particular Bond Year by the Rebate Analyst;

THIRD: to the Trustee, the amount of its Ordinary Fees and Expenses then due, if any; then to the Issuer, the amount of its Issuer Fees then due, if any; and then to the Trustee, the Rebate Analyst Fee as well as any other reasonable fees and expenses of the Rebate Analyst as billed and due for its services hereunder; and

FOURTH: to the Trustee, the Additional Charges of the Trustee which have not been paid pursuant to Section 4.3 of the Financing Agreement;

(B) On and after the Amortization Period Commencement Date:

FIRST: to the Principal Account of the Bond Fund in an amount equal to the principal (including mandatory sinking fund redemptions) of, and then to the Interest Account of the Bond Fund, the interest on the Bonds to become due on the next Payment Date, *provided* that in the month next preceding each Payment Date, sufficient amounts shall be transferred to the Bond Fund pursuant to Section 6.4 hereof on the Business Day next preceding such Payment Date so that the aggregate amount on deposit in the Bond Fund is equal to, but not in excess of, the next required payment of principal (including sinking fund redemption) of and interest on the Bonds and provided, further, that when the amount in the Bond Fund is equal to the next required payment of principal (including mandatory sinking fund redemptions) of and interest on the Bonds, no further transfers to the Bond Fund for purposes of debt service on Bond shall be required until the monthly distribution date next following the related Payment Date;

SECOND: to the Rebate Fund, the amount calculated as due with respect to a particular Bond Year by the Rebate Analyst;

THIRD: to the Trustee, the amount of its Ordinary Fees and Expenses then due, if any; then, to the Issuer, the amount of its Issuer Fees then due, if any; and then to the Rebate Analyst, the reasonable fees and expenses, if any, as billed and due to it for services hereunder; and

FOURTH: to the Additional Charges of the Trustee which have not been paid pursuant to Section 4.3 of the Financing Agreement.

On September 15 of each year (or such other time as approved by Bond Owner) and provided that sufficient amounts have been deposited through September 1 of that same year in the Revenue Fund to enable the Trustee to make all deposits (or arrears in deposits) and payments required above, amounts on deposit in the Revenue Fund shall be withdrawn and disbursed by the

Trustee to the Borrower or at the Borrower's request may be used as a credit against its payment obligations under the Bond Loan Note.

Section 6.4. Bond Fund. A special trust fund is hereby created by the Trustee and designated the Bond Fund, which shall contain (i) the Interest Account, (ii) the Principal Account, and (iii) the Redemption Account.

(1) *Interest Account.* The Trustee shall deposit to the Interest Account moneys transferred from the Revenue Fund as provided in Section 6.3 hereof. Moneys in the Interest Account shall be used to pay interest on the Bonds as due. The Trustee shall also deposit to the Interest Account the proceeds, if any, from the Bonds to be used for capitalized interest.

(2) *Principal Account.* The Trustee shall deposit to the Principal Account moneys transferred from the Revenue Fund as provided in Section 6.3 hereof. Moneys in the Principal Account shall be used to pay principal of and mandatory sinking fund redemptions on the Bonds when due.

(3) *Redemption Account.* The Trustee shall deposit to the Redemption Account any amounts of funds transferred or deposited to effect redemption (other than mandatory sinking fund redemption) of Bond pursuant to Article 4 hereof. Moneys on deposit in the Redemption Account shall be used for redemption (other than mandatory sinking fund redemption pursuant to Section 4.1(5) hereof) of Bond pursuant to the provisions of Article 4 hereof.

Section 6.5. Deposit of Funds with Paying Agent. (1) If the Trustee is not the Paying Agent, the Trustee shall transfer and remit sums from the Bond Fund to the Paying Agent, on or before the Business Day immediately prior to each Payment Date or Maturity Date, from the balance then on hand in the Bond Fund, sufficient to pay all principal, interest and redemption premiums then due on the Bonds. The Paying Agent shall hold in trust for the Holders of such Bond all sums so transferred to it until paid to such Holders or otherwise disposed of as herein provided.

(2) The Trustee will cause any Paying Agent which is not the Trustee to execute and deliver to it an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section 6.5, that such Paying Agent will:

(A) hold all sums held by it for the payment of principal of (and premium, if any) or interest on Bond in trust for the benefit of the Holders of such Bond until such sums shall be paid to such Holders or otherwise disposed of as herein provided; and

(B) at any time during the continuance of any default in the making of any such payment of principal (and premium, if any) or interest, upon the written request of the Trustee forthwith pay to the Trustee all sums so held in trust by such Paying Agent. The

Trustee, acting as Paying Agent, shall also be bound by the terms of the foregoing requirements.

Section 6.6. Rebate Fund; Rebate Amount.

(a) The Trustee shall maintain the Rebate Fund, for the benefit of all persons who are or have at any time been holders of the Bonds, at all times prior to the final payment of the United States of America of the amounts described in Subsection (c) of this Section which funds shall not be part of the trust estate established hereunder. The money deposited to the Rebate Fund, together with all investments thereof and investment income therefrom, shall be held in trust separately and apart from the other funds held under the Indenture and applied solely as provided in this Section, unless in the opinion of Bond Counsel failure to make such application will not adversely affect any exclusion from gross income of interest on the Bonds under the Code.

(b) The Trustee shall deposit or transfer to the credit of the account of the Rebate Fund each amount delivered to the Trustee by the Borrower for deposit thereto and each amount directed by the Borrower in writing to be transferred thereto. The Trustee shall credit all earnings and debit all losses from the investment of money held for the account of the Rebate Fund to such fund.

(i) Within 30 days after each Computation Date, the Trustee, on behalf of the Issuer, shall withdraw from the Rebate Fund and pay to the United States of America the appropriate portion of the Rebate Amount (determined by the Rebate Analyst on behalf of the Borrower) in the installments, to the place and in the manner required by Section 148(f) of the Code, the Regulations, and rulings thereunder as instructed by the Borrower or its legal counsel and as provided in subsection (iii) below.

(ii) Within five days after receipt from the Borrower or the Rebate Analyst of written notification of any amount due to the United States of America pursuant to Section 1.148-3(h) of the Regulations accompanied by relevant IRS forms including IRS Form 8038-T, the Trustee shall withdraw from the Rebate Fund an amount which when added to all prior payments to the United States of America equals the correct appropriate portion of the Rebate Amount, plus any penalties and interest and pay such correction amount to the United States of America.

(iii) All payments to the United States of America pursuant to this Subsection shall be made by the Trustee for the account and in the name of the Issuer and shall be paid by draft posted by certified United States Mail (return receipt requested), addressed to the appropriate Internal Revenue Service Center (and, if appropriate, accompanied by the relevant Internal Revenue Service Form, such as Form 8038-T or such other statements, explanations or forms required pursuant to the Regulations or other Internal Revenue Service promulgations).

(c) The Trustee shall preserve all statements, forms, and explanations received from the Borrower or the Issuer pursuant to this Section and all records of transactions in the Rebate Fund until six years after the discharge of the Bonds.

(d) The Trustee may conclusively rely on the information provided, instructions of and forms prepared by the Borrower or the Rebate Analyst with regard to any actions to be taken by it, including payments to be made, pursuant to this Section and shall have no liability for any consequences of any failure of the Borrower to supply accurate or sufficient instructions or to compute correctly any payment due pursuant to this Section. The Trustee shall have no responsibility or duty to perform any rebate calculation or to expend its own funds to make any rebate payments.

(e) If at any time during the term of this Indenture the Borrower, the Issuer or the Trustee desires to take any action which would otherwise be prohibited by the terms of this Section, such Person shall be permitted to take such action if it shall first obtain and provide at the expense of the Borrower to the other Persons named herein an opinion of Bond Counsel to the effect that such action shall not adversely affect the exclusion of interest on the Bonds from gross income of the owners of any Bond for Federal income tax purposes and shall be in compliance with the laws of the State.

(f) Notwithstanding any provision of the Bond Documents and unless otherwise specifically agreed to in a separate written agreement, the Trustee shall not be liable or responsible for any method of calculation, or any calculation or determination which may be required in connection with or for the purpose of complying with Section 148 of the Code or any successor statute or any regulation, ruling, or other judicial or administrative interpretation thereof, including, without limitation, the calculation of amounts required to be paid the United States of America or the determination of the maximum amount which may be invested in “nonpurpose investments” having a higher yield than the yield on the Bonds, in connection with any such investments. The method of calculation, calculation and determination required by Section 148 of the Code shall be accomplished by a Rebate Analyst engaged by the Borrower. The Trustee shall not be liable or responsible for the negligence or misconduct of the Rebate Analyst. The Trustee shall not be liable or responsible for monitoring the compliance by the Borrower or the Issuer of any of the requirements of Section 148 of the Code or any applicable regulation, ruling, or other judicial or administrative interpretation thereof (except for the administrative functions described in this Section and in this Indenture), it being acknowledged and agreed that the sole obligation of the Trustee in this regard shall be (i) to invest the moneys received by the Trustee pursuant to the written instructions of the Borrower in the specific investments identified by the Borrower to make investments as otherwise provided herein and to disburse said moneys in accordance with the terms of this Indenture and (ii) to follow instructions contained in this Section and in this Indenture. The Trustee shall not be liable for the Bonds becoming “arbitrage bonds” within the meaning of the Code, as a result of investments it makes in compliance with the instructions it receives or pursuant to or in compliance with the terms of this Indenture.

(g) Any provision hereof to the contrary notwithstanding, amounts credited to the Rebate Fund shall be free and clear of any lien hereunder.

Section 6.7. Mortgage Recovery Fund. (1) The Trustee shall establish and maintain a special trust fund separate from any other Fund established and maintained hereunder designated as the Mortgage Recovery Fund.

(2) In the event there is damage, destruction, or Condemnation of the Development, the Recovery Proceeds shall be deposited in the Mortgage Recovery Fund and shall be disbursed in the following order of priority: (a) to pay or reimburse the Borrower for the costs of repairing or replacing the Development subject to the requirements provided in paragraph (6) below; (b) to the extent required or permitted by the Financing Agreement, or if the Borrower fails to comply with the requirements of paragraph (6) below, to redeem Bonds, in whole or in part, or to pay the principal of and interest on the Bonds upon the acceleration of the maturity thereof; (c) to make payments of principal and interest on the Bonds; and (d) to pay Additional Charges. The Trustee's use of Recovery Proceeds is further subject to the provisions of paragraph (4) below.

(3) In the event of a foreclosure of the Bond Loan Mortgage, the Net Foreclosure Proceeds realized from the foreclosure sale shall be deposited in the Mortgage Recovery Fund and shall be withdrawn and disbursed by the Trustee to: (a) redeem the Bonds, in whole; (b) make payments of principal and interest on the Bonds or other amounts due under the Bond Loan Documents; or (c) pay Additional Charges. The Trustee's use of Net Foreclosure Proceeds pursuant to clause (C) is subject to the provisions of paragraph (6) below.

(4) Moneys in the Mortgage Recovery Fund shall be transferred by the Trustee to the Bond Fund to pay principal of, premium and interest on the Bonds when due to the extent funds are not otherwise available to make payment on the Bonds when due.

(5) In the event moneys (other than Recovery Proceeds) are deposited in the Mortgage Recovery Fund pursuant to the Bond Loan Mortgage, such moneys shall be disbursed in the manner set forth in paragraph (3) above.

(6) (A) Amounts in the Mortgage Recovery Fund shall be applied to pay or reimburse the Borrower for the costs of repairing or replacing the Development only if the following conditions are satisfied:

(i) The Trustee shall have been furnished a written confirmation from the Bond Owner that the conditions contained in Section 7.12.4 of the Bond Purchase and Funding Agreement have been satisfied or waived;

(ii) The Borrower shall have provided a construction statement itemizing the full cost of the repair or restoration (the "*Construction Statement*");

(iii) The Recovery Proceeds to be deposited in the Mortgage Recovery Fund to pay for such repair or restoration must be sufficient to complete such repair or restoration as stated in the Construction Statement, or the Borrower must deposit in the Mortgage Recovery Fund the net difference prior to commencing repair or restoration;

(iv) Disbursements from the Mortgage Recovery Fund to pay the cost of such repair or restoration shall be made not more frequently than twice a month for restoration work completed and in place pursuant to the construction lending procedures and

conditions contained in Sections 4.1 and 4.2 of the Bond Purchase and Funding Agreement; and

(v) The Borrower submits a written requisition in the form of *Exhibit A* hereto and the Bond Owner gives its written approval of such requisition as required by the Bond Purchase and Funding Agreement.

(B) All requisitions in the form attached as *Exhibit A* hereto and all other statements, orders, certifications, and approvals received by the Trustee, as required by this Article as conditions of payment from the Mortgage Recovery Fund, may be conclusively relied upon by the Trustee, and shall be retained by the Trustee, subject at all reasonable times to examination by the Borrower (so long as the Financing Agreement shall remain in force and effect), the Issuer, and the agents and representatives of each of them.

(C) In the event that the Borrower does not complete the repair or replacement of the Development in accordance with the terms and schedule set forth above and the Borrower is otherwise in default in its obligations with respect to the restoration as required by the Bond Loan Mortgage, if such failure continues to exist thirty (30) days after notice thereof from the Bond Owner to the Borrower, the Trustee shall either (1) disburse moneys in the Mortgage Recovery Fund, including retainage for the payment of costs of repairing or replacing the Development or (2) disburse moneys in the Mortgage Recovery Fund, each in accordance with written instructions from Bond Owner.

(D) Upon the completion of the repair or replacement of the Development (as evidenced by a certificate of the Borrower), the accumulated retainage shall be disbursed to the Borrower and the balance in the Mortgage Recovery Fund, shall be disbursed to the Borrower.

Section 6.8. [Reserved].

Section 6.9. Costs of Issuance Fund. A special trust fund is hereby created by the Trustee and designated the Costs of Issuance Fund (the “*Cost of Issuance Fund*”). There shall be deposited to the credit of the Costs of Issuance Fund on the Bond Closing Date the amount of proceeds of the Bonds, as applicable, set forth in the Closing Memorandum and the Costs of Issuance Deposit. The Trustee shall withdraw and disburse amounts in such Fund upon receipt of a written requisition in the form of *Exhibit A* hereto, with the written approval of the Bond Owner, to pay (or reimburse the Borrower for) Costs of Issuance. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such written direction.

Section 6.10. Interest Earned on Funds. The interest earned from the investment of money maintained and administered by the Trustee in each of the Funds and the Accounts created under this Article 6 (other than the Rebate Fund) shall inure to the benefit of the Borrower and shall be retained in such separate Fund or Account and applied as a credit against the payment next due into such separate Fund or Account.

Section 6.11. Final Balances. Upon the deposit by the Trustee of moneys sufficient to pay all principal of, premium, if any, and interest on the Bonds, and upon satisfaction of all claims against the Issuer hereunder and under the Bond Loan Documents, including any rebate obligation, and all fees, charges, and expenses of the Trustee, the Bond Registrar, the Issuer, and any Paying Agent which are properly due and payable hereunder or to be come due on or before the redemption or payment of the Bonds, or upon the making of adequate provisions for the payment of such amounts as permitted hereby, all moneys remaining in all Funds, except: (1) moneys necessary to pay principal of, premium, if any, and interest on the Bonds, or the redemption price of Bond due in accordance with Section 4.1(5) which moneys shall be held by the Trustee to be paid to the Holders; and (2) moneys, if any, set aside pursuant to Section 6.6. hereof, shall be remitted to the Borrower.

ARTICLE 7

INVESTMENTS

Section 7.1. Investments by the Trustee. (1) Moneys maintained hereunder by the Trustee in the Funds shall be invested by the Trustee in Permitted Investments upon the written direction of the Borrower (which direction may only be provided if no Event of Default is then continuing and is actually known to the Trustee and only if such Permitted Investment shall have been approved in writing by the Bond Owner; otherwise, if an Event of Default is then continuing and actually known to the Trustee, investments shall be made at the sole discretion of the Bond Owner) (which written direction shall specify the amount thereof to be so invested), in Permitted Investments. In the absence of written direction, moneys shall be held uninvested. The Trustee shall have no discretion for investing funds or advising parties on investing funds. The Trustee may invest funds in its own proprietary money market funds or deposit products. The Borrower and the Bond Owner, as the case may be, shall direct investments which mature on or before the Business Day immediately prior to the day such amounts are required and in the amounts required, to enable the Trustee to make payments due hereunder on the Bonds or otherwise, but in no event longer than one hundred and eighty (180) days (unless approved in writing by the Bond Owner). In this regard the Trustee may use its automatic cash management system.

(2) The Trustee shall sell and reduce to cash a sufficient portion of investments under the provisions of this Section whenever the cash balance in the Fund for which the investment was made is insufficient for its current requirements. Securities so purchased as an investment of money shall be held by the Trustee or its custodian, shall be registered in the name of the Trustee or the custodian or the nominee of either if registration is required, and shall be deemed at all times a part of the applicable Fund, and the interest accruing thereon and any profit realized from such investments shall be credited to the Fund from which the investment was made, subject to any transfer to another Fund as herein provided. Any loss resulting from such investment shall be charged to the Fund from which the investment was made, and in the event such loss reduces the amount held in such Fund below the amount required to be deposited in such Fund, the Trustee shall request the Borrower to transfer to the Trustee for deposit into such Fund the amount required to restore amounts in such Fund to the required amount. The Trustee shall not be liable for any loss (including depreciation of value) incurred from the purchase or sale of any investment in

accordance with directions given by the Borrower or the Bond Owner under this Section 7.1 or in accordance with subparagraph (1) above, except for any loss which has been finally adjudicated by court of competent jurisdiction in a final non-appealable judgment to have directly resulted from the negligence or willful misconduct of the Trustee or its employees. The Trustee shall not be held accountable for the Bonds being deemed “arbitrage Bond” if it makes investments pursuant to the instructions given to it in this Section 7.1.

(3) The Trustee may purchase from or sell to itself, or through any affiliated company, as principal or agent, securities herein authorized.

(4) Although the Issuer and the Borrower each recognizes that it may obtain a broker confirmation with respect to the investment of monies in any fund or account (or a written statement containing comparable information) at no additional cost, the Issuer and the Borrower hereby agree that confirmations of Permitted Investments are not required to be issued by the Trustee for any month in which a monthly statement is rendered. No statement need be rendered for any fund or account for any month if no activity occurred in such fund or account during such month.

(5) The Trustee may conclusively rely on the directions of the Borrower or the Bond Owner given as provided above as to the suitability, the legality and the compliance with the terms of this Indenture of the investments so directed.

Section 7.2. Computation of Balances in Funds. In computing the assets of any Fund established hereunder, investments and accrued but unpaid interest thereon shall be deemed a part thereof, and, such investments shall be valued at par value, or at the redemption price thereof, if then redeemable at the option of the obligor, whichever is lower.

Section 7.3. Downgrade of Investments. If any rating of a Permitted Investment during the term of this Indenture falls below such rating that is required pursuant to the definition of “Permitted Investments” then the Trustee shall within five Business Days after the downgrade of the rating of an investment is known to the Trustee as provided in Section 10.1(15) of this Indenture, notify the Borrower and the Bond Owner in writing of such downgrade. The Borrower shall within five (5) Business Days of the receipt of the downgrade notice from the Trustee, direct (with the written consent of the Bond Owner) the Trustee in writing to reinvest such downgraded investment in other Permitted Investments. The Trustee shall not have a duty or obligation to monitor the investment grade of any Permitted Investment.

ARTICLE 8

DISCHARGE OF LIEN

Section 8.1. Payment of Bond; Satisfaction, Defeasance, and Discharge of Bond, and Obligation to Holders. Whenever the conditions specified in either clause (A) or clause (B) of the

following subsection (1) and the conditions specified in the following subsections (2), (3), (4) and (5) to the extent applicable, shall exist, namely:

(1) either:

(A) all Bonds have become due and payable and all principal or premium, if any, and interest on the Bonds shall have been paid in full, or all Bonds have been canceled by the Trustee or delivered to the Trustee for cancellation, except for:

(i) Bonds for which funds have theretofore been deposited in trust or segregated and held in trust by the Paying Agent or the Trustee (even if thereafter repaid to the Issuer or discharged from such trust, as provided in Section 3.10 hereof); and

(ii) Bonds alleged to have been destroyed or lost which have been replaced or paid as provided in Section 3.7 hereof, and (1) which, prior to the satisfaction and discharge of this Indenture as hereinafter provided, have not been presented to the Paying Agent or the Trustee with a claim of ownership and enforceability by the Holder hereof, or (2) whose enforceability by the Holder thereof has been determined adversely to the Holder by a court of competent jurisdiction or other competent tribunal; or

(B) Borrower has paid or caused to be paid, as trust funds, to the Trustee cash and/or Permitted Investments of the type described in clause (i) of the definition of that term which do not permit the redemption thereof at the option of the issuer thereof, the principal of, premium, if any, and interest on which when due (or upon the redemption thereof at the option of the holder), will, without reinvestment, provide cash, which together with the cash, if any, deposited at the same time, shall be sufficient, to pay and discharge the entire indebtedness of the Bond (excluding any Bond described in clauses (i) and (ii) of paragraph (A) above) not theretofore canceled by the Trustee or delivered to the Trustee for cancellation at their stated maturity or redemption date, as the case may be (the “*Defeasance Collateral*”), and has made arrangements satisfactory to the Trustee for the giving of notice of redemption, if any, by the Trustee at the expense of the Borrower in the same manner as is provided by Section 4.2 hereof;

(2) the Borrower has paid, caused to be paid or made arrangements satisfactory to the Trustee and the Issuer for the payment of all other sums due and payable hereunder and under the Bond Loan Documents, including any rebate obligation, and any Issuer Fees;

(3) if discharge is to be effected under paragraph (B) of subsection (1), the Borrower has delivered to the Trustee and the Issuer a report of an Independent Accountant stating that the payments to be made on any securities, together with the cash, if any,

deposited pursuant to paragraph (B) of subsection (1) of this Section 8.1 will be sufficient to pay when due the principal of, premium, if any, and interest on the Bonds to be defeased;

(4) if discharge is to be effected under paragraph (B) of subsection (1) of this Section 8.1, an opinion of Bond Counsel is delivered to the Trustee and the Issuer stating in effect that such discharge will not impair the excludability of interest on the Bonds from gross income for federal income tax purposes and that all conditions to such discharge contained in this Indenture have been satisfied; and

(5) if discharge is to be effected under paragraph (B) of subsection (1) of this Section 8.1, the Borrower has delivered to the Trustee and the Issuer an opinion of Independent Counsel which opinion may contain, and be subject to, conditions, exceptions or qualifications as are then customarily included in such opinions, to the effect that (i) the Defeasance Collateral has been duly and validly assigned and delivered to the Trustee, (ii) the security interest of the Trustee for the ratable benefit of the Holders, with respect to Defeasance Collateral, is a first priority perfected security interest as security for payment of the Bonds, (iii) making the payment which accompanies such opinion would not constitute an avoidable preference under Section 547 of the Bankruptcy Code or under applicable state law in the event of a filing of a petition for relief under the Bankruptcy Code or such applicable state law by or against the Borrower, and (iv) the Defeasance Collateral would not be part of the bankrupt estate under Section 541 of the Bankruptcy Code or be subject to the automatic stay under Section 362 of the Bankruptcy Code in the event of a filing of a petition for relief under the Bankruptcy Code by or against the Borrower;

then, except as otherwise provided in Section 8.5 hereof, the rights of the Holders shall be limited to the cash or cash and securities deposited as provided in subsection (1)(A) or (1)(B) of this Section 8.1, the rights and interest hereby granted or granted by the Bond Loan Documents to or for the benefit of the Trustee or the Holders shall cease and terminate, and the Issuer and the Trustee shall, at the expense of the Borrower and upon the Borrower's request, execute and deliver such instruments of satisfaction and transfer as may be necessary, and forthwith the estate, right, title and interest of the Trustee and all rights under this Indenture and the Bond Loan Documents (except the moneys or securities or both deposited as required above and rebatable arbitrage and except as may otherwise be provided in Section 8.5 hereof) shall thereupon be discharged and satisfied; except that in any event the obligations of the Borrower under Sections 4.3, 5.2, 7.3, 8.15, and 8.17 of the Financing Agreement shall survive the termination and discharge of this Indenture and the resignation or removal of the Trustee.

Section 8.2. Cancellation of Surrendered Bond. The Issuer or the Borrower may at any time surrender to the Trustee for cancellation by the Trustee any Bond previously authenticated and delivered hereunder which the Issuer or Borrower acquired in any manner whatsoever, and such Bond, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 8.3. Payment of Bond. Any Bond shall be deemed paid if the conditions set forth in Section 8.1 hereof have been satisfied with respect thereto, even though other Bond may remain Outstanding.

Section 8.4. Application of Deposited Money. All money, securities, and income thereon deposited pursuant to Section 8.1 hereof for the purpose of paying the principal, premium, if any, and interest on Bond shall be applied by the Trustee solely for such purpose.

Section 8.5. Survival of Certain Provisions. Notwithstanding satisfaction of the conditions set forth in Section 8.1(1)(B) hereof, the provisions contained in Sections 5.9, 5.10, 6.6 and 10.2 hereof shall survive the termination and discharge of this Indenture and the resignation or removal of the Trustee pursuant to Section 8.1(1)(B) hereof.

ARTICLE 9

DEFAULT PROVISIONS AND REMEDIES

Section 9.1. Events of Default. Subject to the provisions of Section 9.10 hereof, each of the following events is hereby defined as and declared to be and to constitute an Event of Default (whatever the reason for such an Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule, or regulation of any administrative or governmental body):

(1) Failure to make payment of any interest on any Outstanding Bond on the due date thereof; or

(2) Failure to make payment of the principal or redemption price of any Outstanding Bond, on the stated maturity thereof, on the date fixed for redemption thereof or upon acceleration, or failure to timely pay any redemption premium, if any, on the Bonds; or

(3) Failure to pay any other moneys required to be paid to the Trustee under the provisions of this Indenture and such default shall have continued for a period of five (5) days after written notice thereof, specifying such default, shall have been given by the Trustee to the Issuer and the Borrower, or to the Issuer, the Borrower and the Trustee by the Holders of not less than 25% in aggregate principal amount of the Bonds then Outstanding; or

(4) Failure by Issuer to perform or observe any other of the covenants, agreements, or conditions on the part of the Issuer contained in this Indenture or in the Bonds, and such default shall have continued for a period of thirty (30) days after written notice thereof given in the manner provided in clause (3) above; or

(5) The occurrence of any Event of Default under the Financing Agreement or under the Bond Purchase and Funding Agreement.

The Trustee shall provide the Bond Owner, the Holders, the Borrower, the Investor Limited Partner and all other notice parties pursuant to Section 13.6, and the Issuer written notice of any Event of Default actually known to it as provided in Section 10.3 hereof.

Section 9.2. Acceleration. If an Event of Default is then continuing, the Trustee shall upon written direction of the Bond Owner (which direction shall be provided at the option of the Bond Owner), by notice in writing delivered to the Issuer, the Investor Limited Partner and the Borrower (unless notice to Borrower is not required therefor in the Financing Agreement), declare the principal of all of the Bonds Outstanding and the unpaid interest accrued thereon immediately due and payable. The Trustee shall give notice of acceleration to Holders in the same manner as notice of redemption is given under Section 4.2 hereof (except as to the timing thereof) stating the accelerated date upon which the Bonds are due and payable, *provided* that the Trustee shall not be required to delay the effective date of acceleration until such notice is given. The Trustee shall have the right upon an Event of Default to file a proof of claim with the bankruptcy court on behalf of the Holders.

Section 9.3. Remedies. (1) During the continuance of an Event of Default, the Trustee shall only take such actions as the Bond Owner shall direct (subject to receipt of indemnity acceptable to it pursuant to Section 10.1 hereof) to enforce any and all rights available to the Issuer (other than the Unassigned Issuer's Rights) or Holders under this Indenture, the Financing Agreement, the Bond Regulatory Agreement, and the Bond Loan Mortgage or otherwise, and, in this regard, is specifically authorized to transfer funds from any Fund created pursuant to Article 6 hereof (except rebatable arbitrage whether or not deposited in the Rebate Fund), and moneys held in trust for the payment of principal, premium, redemption price, or interest with respect to the Bonds which has matured or otherwise become payable prior to such Event of Default to the Bond Fund for its use in paying principal and interest on the Bonds. The Bond Owner may take any such action for and on behalf of the Trustee.

(2) No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or the Holders) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy (i) given to the Trustee or to the Holders hereunder or (ii) now or hereafter existing at law or in equity or by statute.

(3) No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default, or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

(4) No waiver of any Event of Default hereunder, whether by the Trustee or the Holders, shall extend to or shall affect any subsequent Event of Default or impair any rights or remedies consequent thereon (and in any event no waiver of an Event of Default shall be effective unless joined in or consented to by the Bond Owner).

Section 9.4. Direction of Proceedings by Bond Owner. Anything in this Indenture to the contrary notwithstanding, but subject to the Unassigned Issuer's Rights, the Bond Owner shall

have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee and subject to receipt by the Trustee of indemnity acceptable to it pursuant to Section 10.1 hereof, to direct the method, time, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, the Financing Agreement, the Bond Regulatory Agreement, and the Bond Loan Mortgage or for the appointment of a receiver or any other proceedings hereunder, *provided* that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture, the Financing Agreement, the Bond Regulatory Agreement, and the Bond Loan Mortgage.

Section 9.5. Waiver of Stay or Extension Laws. Upon the occurrence of an Event of Default, to the extent that such rights may then lawfully be waived, neither the Issuer nor anyone claiming through it or under it shall or will set up, claim, or seek to take advantage of any appraisement, valuation, stay, extension, or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement of this Indenture, but the Issuer, for itself and all who may claim through or under it, hereby waives to the extent that it lawfully may do so the benefit of all such laws and all right of appraisement and redemption to which it may be entitled under the laws of the State.

Section 9.6. Priority of Payment and Application of Moneys. All Bonds issued hereunder and secured hereby shall be equally and ratably secured by and payable from the Bond Fund, without priority of one Bond over any other, except as otherwise expressly provided herein. During the continuation of an Event of Default, all moneys collected pursuant to action taken under the Financing Agreement, the Bond Regulatory Agreement, or the Bond Loan Mortgage (other than sums payable directly to the Issuer in connection with Unassigned Issuer's Rights or deposited in the Rebate Fund), after payment of the costs and expenses (including court costs and reasonable attorneys' fees) of the proceedings resulting in the collection of such moneys (including any such costs and expenses incurred by the Issuer) and of the expenses, liabilities, and advances (*provided* that the Trustee shall not be required to make any advances, as set forth in Section 10.1(12) hereof) incurred or made by the Trustee, and any amounts needed to be deposited into the Rebate Fund, and after any other prior application of such moneys has been made as is required by law, or required or permitted by the Bond Loan Documents, shall be deposited in such Fund or Funds described in Article 6 hereof by the Trustee as directed by the Bond Owner; and all moneys in the Bond Fund and, except when otherwise required hereunder, any other Fund described in Article 6 hereof (except rebatable arbitrage, whether or not deposited in the Rebate Fund, Issuer Fees, and moneys held in trust for the payment of principal, premium, redemption price or interest with respect to Bond which have matured or otherwise become payable prior to such Event of Default) shall be applied as follows:

(1) Subject to further direction by the Bond Owner, unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST: To reimburse and/or pay to the Trustee in full for costs, expenses, and fees (including, without limitation, all amounts payable as Additional Charges

pursuant to the Financing Agreement) not described in the first unnumbered paragraph of this Section 9.6; and

SECOND: To the payment to the persons entitled thereto of first all installments of interest and late payment charges, if any, then due on the Bonds other than interest which has become payable prior to such Event of Default and moneys for the payment of which are held in trust pursuant to the provisions of this Indenture, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege, and second unpaid principal on the Bonds which shall have become due (other than Bond which have matured or have otherwise become payable prior to such Event of Default and moneys for the payment of which are held in trust pursuant to the provisions of this Indenture) in the order of their due dates and, if the amount available shall not be sufficient to pay in full the unpaid principal on such Bond due on any particular due date, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto; and

THIRD: To reimburse and/or pay to the Issuer in full for the Issuer Fees and all other costs, expenses or fees (including, without limitation, all amounts payable as Additional Charges pursuant to the Financing Agreement) not described in the first unnumbered paragraph of this Section 9.6.

(2) If the principal of all Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied first, to reimburse and/or pay to the Trustee in full for costs, expenses, or fees (including, without limitation, all amounts payable as Additional Charges pursuant to the Financing Agreement) not described in the first unnumbered paragraph of this Section 9.6; second, to the payment of the principal, interest, and late payment charges, if any, on the Bonds, other than principal and interest which has become payable prior to such Event of Default and moneys for the payment of which are held in trust pursuant to the provisions of this Indenture, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond ratably according to the amounts due respectively for principal and interest to the persons entitled thereto, without any discrimination or privilege; and third to reimburse and/or pay the Issuer for any Issuer Fees and all other costs, expenses, or fees (including, without limitation, all amounts payable as Additional Charges not described in the first unnumbered paragraph of this Section 9.6).

(3) If the principal of any Bond shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled for all Bonds under the provisions of this Article 9, then, subject to the provisions of paragraph (2) of this Section 9.6 in the event that the principal of any Bond shall later become due or be declared

due and payable, the moneys shall be applied in accordance with the provisions of paragraph (1) of this Section 9.6.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section 9.6, such moneys shall be applied by it at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall (i) fix the date (which shall be a Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue and (ii) on or before such date set aside the moneys necessary to effect such application. The Trustee, at the expense of the Borrower, shall give to the Holders mailed notice of the deposit with it of any such moneys and of the fixing of any such date. Neither the Trustee nor any Paying Agent shall be required to make payment of principal or redemption premium to the Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all Bonds and premium and interest and late payment charges, if any, thereon have been paid or provided for under the provisions of this Section 9.6, all expenses and charges of the Trustee and the Issuer have been paid and rebatable arbitrage has been paid or provided for, any balance remaining shall be paid to the person entitled to receive the same pursuant to Section 6.11 hereof.

Section 9.7. Remedies Vested in the Trustee. All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as the Trustee without the necessity of joining as plaintiffs or defendants any Holders, and any recovery or judgment shall be for the equal benefit of the Holders of the Outstanding Bond. Trustee has and does hereby agree, subject to the provisions of Article 10 hereof (including without limitation the requirement that the Trustee be furnished with satisfactory indemnity), to follow the written directions of the Bond Owner in connection with all matters related to a Default or Event of Default. The Trustee may, but is not required to, delegate its rights to take action hereunder on a Default or Event of Default to the Bond Owner (as the Holder of the Outstanding Bonds) and the Trustee shall not be responsible for the acts or omissions of the Bond Owner in connection with any action so delegated.

Section 9.8. Rights and Remedies of Holders. No Holder shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or any Bond Loan Document or for the execution of any trust hereof or any remedy hereunder or thereunder or for the appointment of a receiver, unless: (i) a default thereunder shall have become an Event of Default and the Bond Owner shall have made written request to the Trustee; (ii) the Bond Owner shall have furnished indemnity satisfactory to the Trustee in its sole discretion as provided in Section 10.1 hereof; and (iii) the Trustee shall thereafter, after receipt of such request and offer of indemnity, fail or refuse to exercise within sixty (60) days the remedies hereunder granted, or to

institute such action, suit or proceeding in its own name. Such notification, request, and furnishing of indemnity are hereby declared in every such case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture or any Bond Loan Document, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Holders shall have any right in or in any manner whatsoever to affect, disturb, or prejudice the lien of this Indenture or any Bond Loan Document, by its, his, her, or their action or to enforce any right thereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the equal benefit of the Holders of all Bonds then Outstanding; *provided, however*, that nothing herein shall be construed to preclude any Holder from enforcing, or impair the right of any Holder to enforce, the payment by the Trustee of principal of, and interest and premium, if any, on any Bond of such Holder at or after its date of maturity, if and to the extent that such payment is required to be made to such Holder by the Trustee from available funds in accordance with the terms hereof. In addition to the foregoing, if an Event of Default is then continuing and the time for payment of the Bonds has accelerated pursuant to the terms hereof, upon the written request of Bond Owner, in consideration of the satisfaction of the obligation of Issuer to pay the Bonds to the Bond Owner, the Issuer (and/or Trustee, as applicable) shall assign the Bond Loan (including the Financing Agreement, the Bond Loan Note, and the Bond Loan Mortgage) to Bond Owner (or their designee).

Section 9.9. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture or any Bond Loan Document by the appointment of a receiver, by entry and possession, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights hereunder with respect to the property herein conveyed, and all rights, remedies, and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 9.10. Waiver of an Event of Default. The Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of acceleration of maturity or principal, upon written direction of the Bond Owner.

ARTICLE 10

THE TRUSTEE

Section 10.1. Acceptance of the Trustee. The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture; and no implied covenants or obligations shall be read into this Indenture against the Trustee. The Trustee shall not be answerable for other than its negligence or willful misconduct. In case an Event of Default has occurred, the Trustee agrees to follow the written instructions of the Bond Owner as provided herein, subject to the following express terms and conditions, and shall be accountable only for the negligent failure to follow such instructions. In the absence of such instructions during the continuance of an Event of Default, the Trustee agrees to exercise such of the rights and powers

vested in it by this Indenture, and use the same degree of care in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs, but in any event, subject to the following express terms and conditions:

(1) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, accountants, agents, receivers, depositaries, or employees, and shall not be liable for any misconduct or negligence on the part of any such attorneys, accountants, agents, receivers, or depositaries appointed with due care, and shall be entitled to obtain and rely on the advice of counsel concerning all matters of trusts hereof and duties hereunder, and may in all cases pay such reasonable compensation to any attorney, accountant, agent, or receiver retained or employed by it in connection herewith and shall be entitled to reimbursement from the Borrower for such payment. The Trustee may act upon the opinion or advice of any attorney, surveyor, engineer, or accountant selected by it in the exercise of reasonable care or, if selected or retained by the Issuer, acceptable to the Trustee in the exercise of such care, *provided* that the only legal advice or opinion that the Trustee may rely upon for purposes of securing advice or an opinion relating to the excludability from gross income for federal income tax purposes of interest on the Bonds is advice or an opinion given by Bond Counsel. The Trustee shall not be responsible for any loss or damage resulting from any action in good faith in reliance upon such opinion or advice.

(2) The Trustee shall not be responsible for any recital herein, or in the Bonds or for the investment of moneys as herein provided (except as provided in Section 7.1 or Section 7.3 hereof), or for collecting any property insurance proceeds, or for the validity of the execution by the Issuer of this Indenture, or of any supplemental indentures or instruments of further assurance, or for the sufficiency of any security for the Bonds, or for the value, condition, sufficiency or title of the property herein conveyed, if any, or otherwise as to the maintenance of the security hereof; except that in the event the Trustee enters into possession of a part or all of the property conveyed pursuant to any provisions of this Indenture or the Bond Loan Mortgage, it shall use due diligence in preserving such property. The Trustee makes no representation as to the technical or financial feasibility of the Development, the compliance of the Development with the Act, or the tax-exempt status of the Bonds. The Trustee shall have no duty to analyze or review any financial report received by the Trustee or express any opinion or make any representation concerning the contents of any financial report or official statement and shall have no responsibility for the contents or accuracy of such reports or official statement or for any statements in the recitals contained herein or in any of the Bond Documents. The Trustee may, but shall be under no duty to, require of the Borrower full information and advice as to the performance of the covenants, conditions, and agreements in the Financing Agreement, the Bond Regulatory Agreement, and the Bond Loan Mortgage as to the condition of any Mortgaged Property and the performance of all other obligations thereunder.

(3) The Trustee shall not be accountable for the use or application of any of the Bonds or the proceeds thereof, the sufficiency of said proceeds to accomplish the intended

objective of the financing, or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Indenture or for the use and application of money received by any Paying Agent. The Trustee may become the owner of Bond secured hereby with the same rights it would have if it were not the Trustee.

(4) The Trustee may request (at the expense of the Borrower), conclusively rely on, and shall be protected in acting in good faith, absent negligence or willful misconduct, upon any written notice, order, requisition, request, consent, certificate, opinion (including an opinion of Independent Counsel or Bond Counsel), affidavit, letter, telegram, or other paper or document believed by it in good faith to be genuine and correct and to have been signed or sent by the proper person or persons, not only as to due execution, validity and effectiveness, but also as to the truth and accuracy of information contained therein, and the Trustee shall be under no duty to make an investigation or inquiry into any statement contained therein. In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness or the opinions expressed therein, upon certificates or opinions furnished to the Trustee that conform to the requirements of this Indenture. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Holder of any Bond, shall be conclusive and binding upon all future Holders of the same Bond and upon any Bond issued in exchange therefor, upon transfer thereof, or in place thereof.

(5) As to the existence or non-existence of any fact or as to the sufficiency or authenticity of any instrument, paper, or proceeding, the Trustee shall be entitled to rely upon a certificate of the Issuer signed by its Representative as sufficient evidence of the facts stated therein as the same appear from the books and records under the Secretary's (or other duly authorized officer of the Issuer for the purposes of holding custody and control of the Issuer's books and records) custody or control or are otherwise known to such officer. The Trustee may accept a certificate of the Secretary (or other duly authorized officer of the Issuer for the purposes of holding custody and control of the Issuer's books and records) of the Issuer to the effect that a motion, resolution, or ordinance in the form therein set forth has been adopted by the governing body of the Issuer as conclusive evidence that such motion or resolution has been duly adopted, and is in full force and effect, and may accept such motion, resolution, or ordinance as sufficient evidence of the facts stated therein and the necessity or expediency of any particular dealing, transaction or action authorized or approved thereby, but may secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(6) The Trustee shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or nonfulfillment of contracts during any period in which it may be in possession of or managing the real and tangible personal property as in this Indenture provided.

(7) At any and all reasonable times, the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants, and representatives, shall have the right, but not

the responsibility or duty, fully to inspect any and all of the property comprising the Mortgaged Property, and all books, papers, and records of the Issuer pertaining to the Mortgaged Property and the Bonds, and to photocopy such memoranda from and with regard thereto as may be desired.

(8) The Trustee shall not be required to give any bond or surety with respect to the execution of said trusts and powers or otherwise with respect to the premises.

(9) Notwithstanding anything contained elsewhere in this Indenture, the Trustee shall have the right, but shall not be required, to demand, with respect to the authentication of any Bond, the withdrawal of any cash, other than as required expressly by the terms hereof, the release of any property or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions (including opinions of Independent Counsel), appraisals, environmental reports, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, deemed desirable for the purpose of establishing the right of the Issuer to the authentication of any Bond, the withdrawal of any cash, the release of any property, or the taking of any other action by the Trustee.

(10) The Issuer shall not be liable for the payment of sums due hereunder or for providing for the indemnification of the Trustee.

(11) Notwithstanding any provision of this Indenture to the contrary, before taking any action hereunder, the Trustee may require that it be furnished indemnity satisfactory to it for the reimbursement of all costs and expenses to which it may be put and to protect it against all liability (except liability which is finally adjudicated to have directly resulted from the negligence or willful misconduct of the Trustee) by reason of any action so taken by the Trustee.

(12) No provision of this Indenture or any Bond Loan Document shall require the Trustee to expend or risk its own funds, make advances, or otherwise incur any liability in the performance of any of its duties, or the exercise of its rights and powers hereunder. The Trustee shall not be required to make any disbursement of funds until having collected funds.

(13) Notwithstanding anything to the contrary contained in this Indenture, in the event the Trustee is entitled or required to commence an action or otherwise exercise remedies to acquire control or possession of any or all of the Development under, but not limited to, the provisions of the Bond Loan Mortgage, the Trustee shall not be required to commence any such action or exercise any such remedy if the Trustee has determined in good faith that it may incur liability under an Environmental Law (as defined below) as the result of the presence at, or release on or from the Development of any Hazardous Substances unless the Trustee has received security or indemnity, from a person, in an amount and in a form all satisfactory to the Trustee in its sole discretion, protecting the Trustee from all such liability. To determine if it may incur liability under an

Environmental Law, the Trustee, with the written consent of the Bond Owner (which consent shall not be unreasonably withheld) may obtain an appropriate environmental study with respect to the Development. The term “*Environmental Laws*” shall mean all federal, state, and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances, and codes relating to the protection of the environment or governing the use, storage, treatment, generation, transportation, processing, handling, production, or disposal of Hazardous Substances and the rules, regulations, policies, guidelines, interpretations, decisions, orders, and directives of federal, state, and local governmental agencies and authorities with respect thereto.

(14) The Trustee is under no obligation to monitor the receipt of rents by the Borrower or otherwise monitor the compliance by the Borrower of any of its covenants contained herein, the Financing Agreement, or the Bond Regulatory Agreement, except as may be expressly provided herein and therein.

(15) The Trustee shall not be deemed to have notice of any Event of Default under Section 9.1(4) or 9.1(5) or a downgrade of a Permitted Investment under Section 7.3 hereof unless the Trustee shall be specifically notified in writing of such Event of Default or downgrade by the Issuer, the Bond Owner, the Borrower, or the Holders of at least fifty-one percent (51%) in aggregate principal amount of Bonds Outstanding, delivered to the Trustee at the Principal Office of the Trustee, and, in the absence of such notice so delivered, the Trustee may conclusively assume there is no such Event of Default or downgrade.

(16) The Trustee will not be liable for any error in judgment made in good faith by a Responsible Officer, unless it is proven that the Trustee was negligent in ascertaining the pertinent facts.

(17) Unless expressly provided in this Indenture, the Bond Regulatory Agreement, or in the Bond Loan Mortgage, the Trustee does not have a duty or obligation to ascertain or inquire as to the performance or observance of any covenants, conditions, or agreements on the part of the Issuer or on the part of the Borrower in such agreements.

(18) The permissive rights of the Trustee under this Indenture shall not be construed as obligations or duties of the Trustee.

(19) The Trustee shall have the right, but not the obligation, to act as directed by the Bond Owner, and shall not be liable for any action taken or omitted to be taken in good faith in accordance with the direction of the Bond Owner.

(20) The Trustee shall be paid reasonable fees and expenses and shall have the right to increase its fees as the cost of business dictates, as negotiated with the Borrower. The Trustee’s right to compensation, immunities and protection from liability hereunder will survive its resignation or removal and the final payment or defeasance of the Bonds.

(21) In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of any such loss or damage and regardless of the form of action.

(22) The Trustee shall not be liable or responsible for the failure of the Borrower to maintain insurance on the Development as provided in the Financing Agreement, nor shall it be responsible for any loss due to the insufficiency of such insurance or by reason of the failure of any insurer to pay the full amount of any loss against which it may have insured to the Issuer, the Borrower, the Trustee or any other person.

(23) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused by circumstances beyond its control, including without limitation, any act or provision of any law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances or unrest; sabotage; epidemics; pandemics; riots; interruptions, loss or malfunctions of utilities, or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; cyberattacks on bank systems; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility.

(24) The Trustee will not be liable for any act or omission as long as it acts in good faith when the Trustee reasonably believes the act or omission is authorized and within its powers under this Indenture.

(25) The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent in writing or by Electronic Means, provided, however, that such instructions or directions shall be signed by an Authorized Representative. If the Issuer elects to give the instructions by Electronic Means, the Trustee may deem such instructions controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Issuer agrees to assume all risks arising out of the use of such Electronic Means to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 10.2. The Trustee's Fees, Charges, and Expenses. (1) The Trustee and any Paying Agent shall be entitled to payment and/or reimbursement for Ordinary Fees and Expenses and, following the occurrence of an Event of Default, all advances, counsel fees, and other expenses reasonably made or incurred by the Trustee in and about the execution of the trusts created by this Indenture in connection with any Event of Default or Default and in and about the exercise and performance of the powers and duties of the Trustee hereunder in connection with any Event of Default or Default and for the reasonable and necessary costs and expenses incurred in defending any liability in the premises of any character whatsoever (unless such liability is finally adjudicated

to have directly resulted from the negligence or willful misconduct of the Trustee or Paying Agent) in connection with such Event of Default or Default. In this regard, provisions have been made in Section 4.3 of the Financing Agreement for the payment of said fees, advances, counsel fees, costs, and expenses, and reference is hereby made to the Financing Agreement for the provisions so made; and the Issuer shall not otherwise be liable for the payment of such sums.

(2) Intentionally omitted.

(3) The compensation of the Trustee shall not be limited by any provision of law which limits the compensation of a Trustee of an express trust.

(4) When the Trustee incurs expenses or renders services in connection with any bankruptcy or insolvency proceeding, such expenses (including the fees and expenses of its counsel) and the compensation for such services are intended to constitute expenses of administration under any bankruptcy law or law relating to creditors rights generally.

Section 10.3. Notice to Holders of Default. The Trustee (at the written direction of the Bond Owner) or, in the alternative, the Bond Owner shall give to the Borrower, the Investor Limited Partner, the Holders, and the Issuer and all other notice parties pursuant to Section 13.6 written notice of all Events of Default. If the Trustee receives written notice of an Event of Default as provided in Section 10.1(15) hereof, the Trustee shall promptly give written notice of such Event of Default to the Bond Owner and shall promptly give notice of such Event of Default to the Borrower, the Investor Limited Partner, the Holders and the Issuer if given written direction to do so by the Bond Owner. The failure of the foregoing persons to receive such notice or failure of the Trustee to give such notice shall not affect any of the proceedings under Article 9 hereof.

Section 10.4. Intervention by the Trustee. In any judicial proceeding to which the Issuer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of Holders, the Trustee may intervene on behalf of Holders and shall, subject to being indemnified as provided herein, so do if requested in writing by the Bond Owner. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction in the premises.

Section 10.5. Successor Trustee. Any corporation, association, or agency into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party, ipso facto, shall be and become successor Trustee and paying agent under this Indenture and vested with all of the title to the Trust Estate, and all the trusts, powers, discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 10.6. Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving thirty (30) days written notice to the

Issuer, the Bond Owner, and the Borrower and by first-class mail or overnight delivery to each Holder as shown on the Bond Register, and such resignation shall take effect upon the appointment of a successor Trustee as provided in Section 10.8 hereof. Such notice to the Issuer, the Bond Owner, or the Borrower may be served personally or sent by registered or certified mail, or overnight courier. In the event no successor Trustee is appointed, the Trustee may petition a court of competent jurisdiction to appoint a temporary Trustee until a successor Trustee is found. The Trustee's right to indemnity and reimbursement of fees and expenses shall survive such resignation.

Section 10.7. Removal of the Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee, the Borrower, and/or the Issuer, and signed by (i) the Issuer so long as no Event of Default has occurred and is continuing, and (ii) the Issuer and the Bond Owner during such time as an Event of Default has occurred and is continuing. The Trustee's rights to indemnity and any amounts due and payable shall survive such removal.

Section 10.8. Appointment of Successor Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor Trustee may be appointed by the Issuer with the consent of the Bond Owner, by an instrument or concurrent instruments in writing signed by the Issuer. Nevertheless, in case of such vacancy the Issuer may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be approved by the Bond Owner in the manner above provided; and any such temporary Trustee so appointed by the Issuer shall immediately and without further act be superseded by the successor Trustee so approved by the Bond Owner. Every such Trustee appointed pursuant to the provisions of this Section 10.8 must be a trust company or bank having trust powers and having a reported capital and surplus not less than \$50,000,000. In the event that thirty (30) days following the resignation or removal of the Trustee, no successor Trustee has been appointed and accepted its obligations under this Indenture, the Trustee shall have the right to petition a court of competent jurisdiction for the appointment of a successor (any costs incurred by Trustee shall be reimbursed in the same manner as other expenses of the Trustee are to be paid under this Indenture).

Section 10.9. Acceptance by Successor Trustees. Every successor Trustee appointed hereunder shall execute, acknowledge, and deliver to its predecessor, and to the Issuer, with a copy to the Borrower, an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed, or conveyance shall become fully vested with all the estates, properties, rights, powers, trusts, duties, and obligations of its predecessors as the Trustee and Paying Agent; but such predecessor shall, nevertheless, on the written request of the Issuer, or of its successor Trustee, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers, and trusts of such predecessor hereunder, and every predecessor Trustee shall deliver all securities and moneys held by it as the Trustee hereunder to its successor. Should any instrument in writing from the Issuer be reasonably required by any successor Trustee for more fully and certainly vesting in such successor the estates, rights, powers, and duties hereby vested or intended to be vested in the predecessor Trustee, any and all such

instruments in writing shall, on request, be executed, acknowledged, and delivered by the Issuer. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be forthwith filed or recorded or both by the successor Trustee in each recording office where this Indenture or the Bond Loan Mortgage shall have been filed or recorded or both.

Section 10.10. Right of the Trustee To Pay Taxes and Other Charges. In case any tax, assessment, or governmental or other charge upon any part of the Development is not paid, to the extent, if any, that the same is legally payable, the Trustee may, but shall be under no duty to, pay such tax, assessment, or governmental or other charge, without prejudice, however, to any rights of the Trustee or Holders hereunder arising as a consequence of such failure; and any amount at any time so paid under this Section 10.10, or under the Bond Loan Mortgage, with interest thereon as provided in Section 4.3 of the Financing Agreement at the Default Rate, shall be repaid to the Trustee upon demand out of Additional Charges under the Financing Agreement, and shall become so much additional indebtedness secured by this Indenture, and the same shall be given a preference in payment over any of the Bonds, except with respect to the payment of any principal, interest, or premium on the Bonds which is then due but not paid, but the Trustee shall be under no obligation to make such payment of taxes, assessments, or governmental charges unless it shall have been requested to do so by the Bond Owner and shall have been provided with adequate indemnity or other security satisfactory to it for the purpose of such payment. Any such payment shall be made upon five days' prior written notice to the Borrower unless the delay occasioned by any such written notice could result in the forfeiture or termination of any right.

Section 10.11. The Trustee Protected in Relying Upon Resolutions. The resolutions, orders, requisitions, opinions, certificates, and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection, and authority to the Trustee. Notwithstanding anything contained herein or in any of the Bond Documents, the Trustee is not responsible for receiving or reviewing backup for Requisitions.

Section 10.12. Successor Trustee as Custodian of Funds and Paying Agent. In the event of a change in the office of the Trustee, the predecessor Trustee which has resigned or been removed shall cease to be custodian of the Funds described in Article 6 hereof and shall cease to act as a Paying Agent for principal and interest on the Bonds, and the successor Trustee shall be and become such custodian and a Paying Agent.

Section 10.13. Co-Trustee. (1) At any time or times upon the consent of the Bond Owner, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Trust Estate may at the time be located, the Trustee shall have the power to appoint, and, upon the reasonable request of the Trustee, the Issuer shall for such purpose join with the Trustee in the execution, delivery, and performance of all instruments and agreements necessary or proper to appoint one or more persons either to act as co-Trustee or co-Trustees, jointly with the Trustee, of all or any part of the Trust Estate, or to act as separate Trustee or separate Trustees of all or any part of the Trust Estate, and to vest in such person or persons, in such capacity, such right to the Trust Estate or any part thereof, and such rights, powers, duties, trusts or obligations as the Trustee

may consider necessary or desirable, subject to the remaining provisions of this Section 10.13. Every such co-Trustee or separate Trustee appointed pursuant to the provisions of this Section 10.13 must be a trust company or bank having trust powers and having a reported capital and surplus not less than \$50,000,000, if there be such an institution willing, qualified, and able to accept the trust upon reasonable or customary terms.

(2) The Issuer shall execute, acknowledge, and deliver all such instruments as may be required by any such co-Trustee or separate Trustee for more fully confirming such title, rights, powers, trusts, duties, and obligations to such co-Trustee or separate Trustee.

(3) Every co-Trustee or separate Trustee shall, to the extent permitted by law but to such extent only, be appointed subject to the following terms, namely:

(A) All rights, powers, trusts, duties, and obligations conferred by this Indenture upon the Trustee with respect to the custody, control or management of moneys, papers, securities, and other personal property shall be exercised solely by the Trustee.

(B) All rights, powers, trusts, duties, and obligations conferred or imposed upon the Trustees shall be conferred or imposed upon and exercised or performed by the Trustee, or by the Trustee and such co-Trustee or co-Trustees or separate Trustee or separate Trustees jointly, as shall be provided in the instrument appointing such co-Trustee or co-Trustees or separate Trustee or separate Trustees; *provided, however*, the Trustee shall remain responsible for exercising all rights and powers, maintaining all trusts and performing all duties and obligations conferred or imposed upon the Trustees, except to the extent that, under the law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co-Trustee or co-Trustees or separate Trustee or separate Trustees.

(C) Any request in writing by the Trustee to any co-Trustee or separate Trustee to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking, or the refraining from taking, of such action by such co-Trustee or separate Trustee.

(D) Any co-Trustee or separate Trustee may delegate to the Trustee the exercise of any right, power, trust, duty, or obligation, discretionary or otherwise.

(E) The Trustee at any time, by an instrument in writing, may accept the resignation of or remove any co-Trustee or separate Trustee appointed under this Section 10.13. Upon the request of the Trustee, the Issuer shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-Trustee or separate Trustee so resigned or removed may be appointed in the manner provided in this Section 10.13.

(F) No Trustee hereunder shall be personally liable by reason of any act or omission of any other Trustee hereunder.

(G) Any demand, request, direction, appointment, removal, notice, consent, waiver, or other action in writing delivered to the Trustee shall be deemed to have been delivered to each co-Trustee or separate Trustee.

(H) Any moneys, papers, securities, or other items of personal property received by any such co-Trustee or separate Trustee hereunder shall forthwith, so far as may be permitted by law, be turned over to the Trustee promptly.

(4) Upon the acceptance in writing of such appointment by any such co-Trustee or separate Trustee, such co-Trustee or separate Trustee shall be vested with such interest in and to the Trust Estate or any part thereof, and with such rights, powers, duties or obligations, as shall be specified in the instrument of appointment jointly with the Trustee (except insofar as local law makes it necessary for any such co-Trustee or separate Trustee to act alone) subject to all the terms of this Indenture. Every such acceptance shall be filed with the Trustee and the Issuer. Any co-Trustee or separate Trustee may, at any time by an instrument in writing, constitute the Trustee its attorney-in-fact and agent, with full power and authority to do all acts and things and to exercise all discretion on its behalf and in its name.

(5) In case any co-Trustee or separate Trustee shall become incapable of acting, resign or be removed, the title to the Trust Estate and all rights, powers, trusts, duties, and obligations of said co-Trustee or separate Trustee shall, so far as permitted by law, vest in and be exercised by the Trustee unless and until a successor co-Trustee or separate Trustee shall be appointed in the manner herein provided.

Section 10.14. Obligations as to Reporting. The Trustee shall provide to the Issuer, the Bond Owner, and the Borrower monthly reports of the balances in the Funds and the Accounts held under Article 6 hereof, including summaries of the deposits to and withdrawals from and transfers among such Funds and Accounts. Such reports shall be delivered pursuant to the Trustee's online portfolio system.

Section 10.15. Appointment of Bond Registrar and Paying Agent. The Issuer at the direction of the Borrower hereby appoints the Trustee as Bond Registrar and Paying Agent under this Indenture.

Section 10.16. Successor Paying Agent or Bond Registrar. The provisions of Sections 10.5 through 10.9 hereof with respect to removal, resignation, and appointment of a successor Trustee shall be equally applicable to the removal, resignation, and appointment of a successor to the Paying Agent and the Bond Registrar. If permissible under applicable law, the Trustee shall be eligible for appointment as successor to the Paying Agent and Bond Registrar if the Trustee is not then already serving in such capacity.

Section 10.17. Confirmation of the Trustee. (1) At any time while Bond remain Outstanding under this Indenture, if the Trustee reasonably questions whether it has proper authority to take certain actions hereunder, the Trustee may proceed in accordance with an opinion of counsel, which may be an opinion of Bond Counsel.

(2) In construing and interpreting this Indenture and any other Bond Loan Document, the objective shall always be to ascertain and effectuate the intention of the parties.

(3) The Trustee or successor Trustee shall not be answerable for actions taken in compliance with any final order of any court. The Trustee or successor Trustee shall not be entitled to require an indemnity bond pursuant to Section 10.1 hereof, prior to taking any action directed by final order of such court.

Section 10.18. Certain Representations of the Trustee. The Trustee represents that:

(1) The Trustee will take possession of the Bond Loan Note in accordance with the terms of this Indenture in the ordinary course of its business.

(2) [Reserved].

(3) The Trustee is a bank which in the ordinary course of its business maintains security accounts for its customers and is acting in that capacity pursuant to the terms of this Indenture and it will maintain the accounts hereunder as trust accounts and shall administer such accounts in the same manner it administers similar accounts established for the same purpose.

ARTICLE 11

SUPPLEMENTAL INDENTURES

Section 11.1. Supplemental Indentures Not Requiring Consent of Holders. The Issuer and the Trustee may, from time to time and at any time with the prior written consent of the Borrower, but without the consent of, or notice to, any of the Holders, and when so required by this Indenture shall, enter into an indenture or indentures supplemental to this Indenture (which supplemental indenture or indentures shall thereafter form a part hereof), so as to thereby (1) cure any ambiguity or formal defect or omission in this Indenture or in any supplemental indenture, (2) grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers, authority, or security that may lawfully be granted to or conferred upon the Holders or the Trustee, (3) more precisely identify the Trust Estate, or any other property which may become a part of the Trust Estate, (4) subject to the lien and pledge of this Indenture additional revenues, properties, or collateral, (5) evidence the appointment of a separate Trustee or a co- Trustee or the succession of a new Trustee, Bond Registrar, or Paying Agent or both hereunder, (6) modify, eliminate, and/or add to the provisions of this Indenture to such extent as shall be necessary to prevent any interest on the Bonds from becoming includible in gross income for federal income tax purposes or to effect the qualification of this Indenture under the Trust Indenture Act of 1939, as then amended,

or under any similar federal statute hereafter enacted, and to add to this Indenture such other provisions as may be expressly permitted by said Trust Indenture Act of 1939, as then amended, excluding however the provisions referred to in Section 316(a)(2) of said Trust Indenture Act of 1939, as then amended, (7) make any other change which is required by any provision of this Indenture or to reconcile this Indenture with the Bond Loan Documents, or any amendments thereto, or (8) make any other change necessary or desirable and will not materially prejudice any Holder.

Section 11.2. Supplemental Indentures Requiring Consent of Holders. Exclusive of supplemental indentures covered by Section 11.1 hereof and subject to the terms and provisions contained in this Section 11.2, and not otherwise, the Trustee, upon receipt of an instrument evidencing the consent to the below-mentioned supplemental indenture by the Bond Owner (or the Holders of not less than fifty-one percent (51%) of the principal amount of the Bonds Outstanding) and the Borrower, shall join with the Issuer in the execution of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; *provided, however*, that nothing herein contained shall permit or be construed as permitting without the consent of the Holders of one hundred percent (100%) of the principal amount of all Bonds adversely affected thereby: (1) an extension of the date when the principal or the interest on or any premium on any Bond is due; (2) a reduction in the principal amount of any Bond or the rate of interest thereon, or any premium; (3) a privilege or priority of any Bond or Bond over any other Bond or Bond except as may be otherwise expressly provided herein; (4) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture; or (5) the modification of any of the provisions of this Section 11.2.

If at any time the Issuer shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be mailed by first class mail, postage prepaid, overnight delivery or Electronic Means to the Borrower and the Holders at the addresses shown on the Bond Register. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by the Borrower and all Holders. The Trustee shall not, however, be subject to any liability to any Holder by reason of its failure to mail such notice to any particular Holder if notice was generally mailed to Holders, and any such failure shall not affect the validity of such supplemental indenture when consented to and approved as provided in this Section. If the Borrower and the Bond Owner (or the Holders of not less than the applicable percentage (as referenced above) in aggregate principal amount of the Bonds then Outstanding at the time of the execution of any such supplemental indenture) shall have consented to and approved the execution thereof as herein provided, no Holder shall have any right to object to any of the terms and provisions contained herein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section permitted and provided, this Indenture shall be and is deemed to be modified and amended in accordance herewith, and the

Trustee shall deliver copies of any such supplemental indenture to the Investor Limited Partner at the addresses set forth in Section 13.6 or by Electronic Means.

Section 11.3. Opinion of Bond Counsel. Any supplemental indenture governed by this Article shall be accompanied by an opinion of Bond Counsel delivered to the Issuer and the Trustee, at the expense of the Borrower, that such supplemental indenture is permitted hereunder and does not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes.

Section 11.4. Rights of the Trustee and Issuer. Neither the Issuer nor the Trustee shall be obligated to enter into any supplemental indenture which may adversely affect its own rights, duties, or immunities under this Indenture. Neither the Issuer nor the Trustee shall be required to consent to any supplemental indenture referred to in this Article 11 unless it has first received an opinion of Independent Counsel addressed to the Issuer and Trustee that such amendment is allowed by this Indenture. In executing a supplemental indenture, the Trustee shall be fully protected in relying upon such opinion.

ARTICLE 12

AMENDMENTS TO BOND LOAN DOCUMENTS

Section 12.1. Amendments Not Requiring Holder Consent. The Issuer or the Trustee or both may, without the consent of or notice to the Holders, consent to any amendment, change, or modification of any of the Bond Loan Documents:

- (1) which may be required or permitted with the written consent of the Bond Owner, but without Holder consent, by the provisions of the Bond Loan Documents or this Indenture;
- (2) for the purpose of curing any ambiguity or formal defect or omission;
- (3) in connection with additional land, equipment, or improvements which may be acquired and which constitute a part of the Mortgaged Property, so as to (A) more precisely identify the same, (B) substitute or add additional land or additional equipment, or (C) sell or remove such land or equipment, all as provided in the Bond Loan Mortgage; *provided, however*, that any such amendment, change, or modification of any of the Bond Loan Documents as provided in this Section 12.1(3) shall not be effective until notice of such action is given to the Holders of the Bonds;
- (4) to reconcile any Bond Loan Documents with any amendment or supplement to this Indenture; or
- (5) to effect any other change in a Bond Loan Document which will not materially prejudice any Holder.

Section 12.2. Amendments Requiring Holder Consent. Except for (1) amendments, changes, or modifications as provided in Section 12.1 hereof and (2) amendments, changes, or modifications permitted by any Bond Loan Document, neither the Issuer nor the Trustee shall consent to any other amendment, change, or modification of any Bond Loan Document without the giving of notice and the written approval or consent of the Bond Owner or the Holders of not less than fifty-one percent (51%) of the principal amount of the Bonds then Outstanding given and procured as provided in this Section 12.2; *provided* that in no event shall such amendment, change, or modification relieve the Borrower of the obligation under any Bond Loan Documents to make when and as due any payments required for the payment of principal, interest, and any premium due or to become due on the Bonds unless the consent of the Holders of one hundred percent (100%) of the principal amount of all Bonds adversely affected thereby is first secured. If at any time the Issuer and the Borrower shall request the consent of the Trustee to any such proposed amendment, change, or modification of any Bond Loan Documents to which the Issuer is a party or the Borrower shall request consent of the Trustee to any such proposed amendment, change, or modification of any other Bond Loan Document to which the Issuer is not a party, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change, or modification to be given in the same manner as provided in Section 11.2 hereof with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change, or modification and shall state that copies of the instrument embodying the same are on file at the Principal Office of the Trustee for inspection by all Holders. The Trustee shall not, however, be subject to any liability to any Holder by reason of its failure to mail such notice to any particular Holder if notice was generally mailed to Holders, and any such failure shall not affect the validity of such amendment, change or modification when consented as provided in this Section 12.2. If the Bond Owner acting on behalf of the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding at the time of the execution of any such amendment shall consent to the execution thereof as herein provided, no Holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such amendment, the applicable Bond Loan Document thereby amended shall be deemed to be modified and amended in accordance therewith.

Section 12.3. Opinion of Bond Counsel. Any amendment governed by this Article shall be accompanied by an opinion of Bond Counsel addressed to the Issuer and the Trustee, provided at the expense of the Borrower, that such amendment does not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes.

Section 12.4. Rights of the Trustee and Issuer. Neither the Issuer nor the Trustee shall be required to consent to any amendment referred to in this Article 12 unless it has first received an opinion of Independent Counsel that such amendment is allowed by this Indenture, and the applicable Bond Loan Document. Neither the Issuer nor the Trustee shall be obligated to enter into an amendment to a Bond Loan Document which may affect its own rights, duties or immunities thereunder or, in the case of the Issuer, the Unassigned Issuer Rights.

ARTICLE 13

MISCELLANEOUS PROVISIONS

Section 13.1. Consent of Holders. Any consent, request, direction, approval, objection, or other instrument required by this Indenture to be signed and executed by the Holders may be in any number of concurrent writings of similar tenor and must be signed or executed by such Holders in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection, or other instrument or of the writing appointing any such agent and of the ownership of Bond, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such request or other instrument, namely:

(1) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution; and

(2) The fact of the ownership by any person of Bond and the amounts and numbers of such Bond, and the date of the holding of the same, may be proved only by reference to the Bond Register.

Section 13.2. Rights Under Indenture. Nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give any person or company other than the parties hereto, the Borrower, the Investor Limited Partner and the Holders, any legal or equitable right, remedy, or claim under or with respect to this Indenture or any covenants, conditions, and provisions herein contained; this Indenture and all of the covenants, conditions, and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Borrower, the Investor Limited Partner and the Holders of the Bonds hereby secured as herein provided.

Section 13.3. Severability. If any provision of this Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any provisions of any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

Section 13.4. Execution in Counterparts; Electronic Signatures. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. To the fullest extent permitted by applicable law and except for the certificate of authentication on the Bonds (which must be manually signed by an authorized

representative of the Trustee) and instruments of transfer of the Bonds, Electronic Signatures shall constitute original signatures for all purposes under this Indenture.

Section 13.5. Electronic Transactions. The transactions described in this Indenture, the other Bond Documents and the Bond Loan Documents may be conducted and related documents may be sent, received or stored by Electronic Means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. Unless otherwise specifically instructed in an opinion of Bond Counsel or to the extent otherwise provided in this Indenture, the Trustee shall retain and maintain these records until three years following the final maturity of (i) the Bonds or (ii) any obligation issued to refund the Bonds. Any records maintained electronically must comply with Section 4.01 of Revenue Procedure 97-22.

Section 13.6. Notices. Without limiting Section 13.4 and 13.5 above, all notices, certificates, or other communications hereunder shall be given to all parties identified below, shall be in writing (except as otherwise expressly provided herein) and shall be sufficiently given and shall be deemed given (i) when delivered by hand delivery with confirmed receipt, telegram, or facsimile or (ii) two days after such notice is served by depositing the same with the United States Postal Service, or any official successor thereto, designated as Registered or Certified Mail, Return Receipt Requested, bearing adequate postage, or (iii) upon delivery by reputable private courier such as Federal Express, Airborne, DHL, or similar overnight delivery service, and addressed as hereinafter provided. Notices, except to the Trustee, shall be deemed given when mailed as provided herein. Notices to the Trustee shall be deemed given only when received by a Responsible Officer of the Trustee. All parties identified below may, by written notice given by each to the others, designate any address or addresses to which notices, certificates, or other communications to them shall be sent when required as contemplated by this Indenture. Any notice, certificate, report, financial statement, or other communication properly provided by legal counsel on behalf of any party hereunder shall be deemed properly provided by the party represented by such counsel. Until otherwise provided by the respective parties, all notices, certificates, and communications to each of them shall be addressed as follows:

To the Issuer:	Austin Housing Finance Corporation 1000 E. 11th Street Austin, Texas 78702 Attn: Program Manager Telephone: 512-974-3192

with a copy to:	McCall Parkhurst & Horton LLP 717 North Harwood, Suite 900 Dallas, Texas 75201 Attention: Mark A. Malveaux Telephone: (214) 754-9221 Email: mmalveaux@mphlegal.com

To the Borrower: 5900 Pleasant Valley LP
c/o JCM Ventures, LLC
11705 Wenonga Circle
Leawood, Kansas 66211
Attn: Jacob Mooney
Telephone: (913) 638-2500
Email: jake@jcm.ventures

with a copies to: Austin Housing Finance Corporation
P.O. Box 1088
Austin, Texas 78767-8839
Attention: Shay Kackley, General Counsel
Email: shay.kackley@austintexas.gov

Rosenblum Goldenhersh, P.C.
7733 Forsyth Blvd., Fourth Floor
St. Louis, Missouri 63105
Attention: David Lang
Telephone: (314) 854-0416
Email: dsl@rgsz.com

To the Investor Limited Partner: RSEP Holding, LLC
c/o Red Stone Equity Partners, LLC
90 Park Avenue, 28th Floor
New York, New York 10016
Attention: General Counsel and President

with a copy to: Nixon Peabody LLP
Exchange Plaza
53 State Street
Boston, Massachusetts 02109
Attention: Roger W. Holme

To the Trustee: Zions Bancorporation, National Association
Amegy Bank Division
Attn: Corporate Trust
1801 Main Street, Suite 460
Houston, Texas 77002
Phone: 713-232-6094
Email: alyssa.surface@amegybank.com

To the Bond Owner:

Zions Bancorporation, N.A. dba Amegy Bank
4576 Research Forest Drive
The Woodlands, Texas 77381
Attention: Ray Miller
Telephone: 281-297-7853
Email: ray.miller@amegybank.com

with a copy to:

Greenberg Traurig LLP
1000 Louisiana Street, Suite 6700
Houston, Texas 77002
Attention: Wayne A. Yaffee
Telephone: (713) 374-3655
Email: wayne.yaffee@gtlaw.com

The Trustee is authorized to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured email, facsimile transmission or other similar unsecured electronic methods, *provided, however*, that the Issuer and the Borrower shall provide to the Trustee an incumbency certificate listing designated persons authorized to provide such instructions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Borrower agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation, the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse of third parties.

Section 13.7. Required Approvals. Consents and approvals required by this Indenture to be obtained from the Borrower, the Issuer, the Bond Owner or the Trustee shall be in writing and shall not be unreasonably withheld or delayed.

Section 13.8. Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The exchange of copies of this Indenture and of signature pages thereof by facsimile or PDF transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original instrument for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

Section 13.9. Limitation of Liability of Issuer and Its Officers, Employees, and Agents.
(1) THE BONDS SHALL BE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE. THE BONDS SHALL CONSTITUTE A VALID CLAIM OF THE RESPECTIVE BONDHOLDERS THEREOF AGAINST THE TRUST ESTATE, WHICH IS PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS AND WHICH SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THIS INDENTURE. THE BONDS DO NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION, AN

INDEBTEDNESS, AN OBLIGATION OR A LOAN OF CREDIT OF THE STATE, THE ISSUER, THE SPONSORING POLITICAL SUBDIVISIONS, OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE. THE BONDS DO NOT CREATE A MORAL OBLIGATION ON THE PART OF THE STATE, THE ISSUER, THE SPONSORING POLITICAL SUBDIVISIONS OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE AND EACH OF SUCH ENTITIES IS PROHIBITED BY THE ACT FROM MAKING ANY PAYMENTS WITH RESPECT TO THE BONDS. THE ISSUER HAS NO TAXING POWER.

(2) No covenant, agreement, or obligation contained herein shall be deemed to be a covenant, agreement, or obligation of any present or future member, officer, employee, or agent of the Issuer in his/her individual capacity, and neither the members or directors of the Issuer nor any officer thereof executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No member, officer, employee, or agent of the Issuer shall incur any personal liability with respect to any other action taken by him pursuant to this Indenture or the Act, provided such member, officer, employee, or agent acts in good faith.

(3) No agreements or provisions contained in this Indenture nor any agreement, covenant, or undertaking by the Issuer contained in any document executed by the Issuer in connection with the Development, or the issuance, sale, and delivery of the Bonds shall give rise to any pecuniary liability of the Issuer or a charge against its general credit, or shall obligate the Issuer financially in any way except as may be payable from the payments by the Borrower under the Financing Agreement, the Bond Purchase and Funding Agreement, or Bond Loan Note and the proceeds of the Bonds and the other amounts held as part of the Trust Estate under this Indenture. No failure of the Issuer to comply with any term, condition, covenant, or agreement herein or in any document executed by the Issuer in connection with the issuance and sale of the Bonds shall subject the Issuer to liability for any claim for damages, costs, or other financial or pecuniary charge except to the extent that the same can be paid or recovered from the payments by the Borrower under the Financing Agreement, the Bond Purchase and Funding Agreement, or proceeds of the Bonds or the other amounts held as part of the Trust Estate under this Indenture. Nothing herein shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant, or agreement herein, *provided* that no costs, expenses, or other monetary relief shall be recoverable from the Issuer except as may be payable from the Trust Estate or from the proceeds of the Bonds or from the other amounts held as part of the Trust Estate under this Indenture.

(4) No recourse shall be had for the payment of the principal of or premium or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant, or agreement contained in this Indenture against any past, present or future officer, director, member, employee, or agent of the Issuer, or of any successor public corporation, as such, either directly or through the Issuer or any successor public corporation, under any rule of law or equity, statute, or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, members, employees, or agents, as such, is hereby expressly waived and released as a condition of, and consideration for, the execution of this Indenture and the issuance of such Bond.

(5) Anything in this Indenture to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that (a) the Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice, or other instrument furnished to the Issuer by the Trustee or the Borrower as to the existence of any fact or state of affairs required hereunder to be noticed by the Issuer; (b) the Issuer shall not be under any obligation hereunder to perform any record keeping or to provide any legal services; and (c) none of the provisions of this Indenture shall require the Issuer to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless it shall first have been adequately indemnified to its satisfaction against the cost, expenses, and liability which may be incurred thereby.

(6) Neither the members of the Issuer nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof. The Bonds are issued pursuant to the Act, and the Bonds shall so state on their face, and shall state that the Bonds shall not be a debt of the Issuer, or the State, or any political subdivision thereof; and neither the Issuer, the Sponsoring Political Subdivisions, nor the State nor any political subdivision thereof, shall be liable thereon; nor in any event shall such Bond or obligations be payable out of any funds or properties other than those of the Issuer identified herein.

Section 13.10. Subordination to Extended Use Agreement. The Borrower has informed the Trustee that the Borrower intends that the Development qualify for an allocation of Tax Credits. In order to receive an allocation of Tax Credits, the Borrower will be required to record in the real property records of Travis County, Texas, an “extended low-income housing commitment” (as defined in section 42(h)(6)(B) of the Code) (the “*Extended Use Agreement*”). If requested by the Borrower, the Trustee shall execute, or cause to be executed by the appropriate parties a subordination Loan Agreement, in form and substance satisfactory to the Trustee and the Bond Owner, wherein the lien of the Bond Loan Mortgage is subordinated to the Extended Use Agreement in such manner as is required for Tax Credit purposes.

Section 13.11. Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State of Texas, without regard to conflict of law provisions thereof.

Section 13.12. Complete Agreement. The Issuer and the Trustee understand that oral agreements or commitments to loan money, extend credit, or forbear from enforcing repayment of a debt, including promises to extend or renew such debt, are not enforceable. To protect the Issuer and the Trustee from misunderstanding, any agreements the Issuer and the Trustee reach covering such matters are contained in this Indenture, which is the complete and exclusive statement of the agreement between the Issuer and the Trustee, except as the Issuer and the Trustee may later agree in writing to modify this Indenture as more particularly provided herein.

Section 13.13. USA Patriot Act. The Trustee hereby notifies the Issuer, Bank, and Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “*Patriot Act*”), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow Trustee to identify the Borrower in accordance with the Patriot Act.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Issuer has caused this Indenture to be signed in its name and behalf by its duly authorized officer, and to evidence its acceptance of the trusts hereby created, the Trustee has caused this Indenture to be signed in its name and behalf by its duly authorized officer, all as of the date first above written.

AUSTIN HOUSING FINANCE CORPORATION

By: _____
Name: Deletta Dean
Title: Treasurer

**ZIONS BANCORPORATION,
NATIONAL ASSOCIATION**

By: _____

Name: Ray Miller

Title: Senior Vice President

Amegy Bank Division

(FORM OF REQUISITION CERTIFICATE)

(ii) the amount paid or to be paid, as set forth in this Requisition, represents a part of the funds due and payable for Qualified Development Costs, such funds were not paid in advance of the time, if any, fixed for payment and such funds are due in accordance with the terms of any contracts applicable to the Development and in accordance with usual and customary practice under existing conditions;

(iii) the expenditures for which amounts are requisitioned represent proper charges against the _____ Fund, have not been included in any previous requisition, have been properly recorded on the Borrower's books and are set forth in *Schedule I* attached hereto;

(iv) the moneys requisitioned are not greater than those necessary to meet obligations due and payable or to reimburse the Borrower for its funds actually advanced for Qualified Development Costs and do not represent a reimbursement to the Borrower for working capital;

(v) the amount remaining in the Development Fund, together with expected investment income on the Development Fund, in addition to other funds available to the Borrower for the payment of Development Costs, will, after payment of the amount requested by this Requisition, be sufficient to pay the costs of completing the Development substantially in accordance with the construction contracts, plans, and specifications and building permits therefor, if any, currently in effect;

(vi) all of the funds being requisitioned are being used in compliance with all tax covenants set forth in the Indenture, the Financing Agreement, and the Bond Regulatory Agreement;

(vii) not less than ninety-five percent (95%) of the sum of:

(A) the amounts requisitioned by this Requisition allocable to Bond;
plus

(B) all amounts previously requisitioned and disbursed from the Development Fund allocable to Bond;

have been or will be applied by the Borrower to pay Qualified Development Costs;

(viii) no event of default exists under the Financing Agreement, the Bond Regulatory Agreement, or the Bond Loan Mortgage and nothing has occurred to the knowledge of the Borrower that would prevent the performance of its obligations under the Financing Agreement, the Bond Regulatory Agreement, or the Bond Loan Mortgage;

(ix) no amounts being requisitioned by this Requisition are to pay or reimburse Costs of Issuance;

(x) to the best of the undersigned's knowledge, there has not been filed with or served upon the Issuer or the Borrower notice of any lien, right, or attachment upon, or claim affecting the right of any such persons, firms, or corporations to receive payment of, the respective amounts stated in this Requisition which has not been released or will not be released simultaneously with the payment of such obligation;

(xi) (A) obligations as stated on this requisition have been properly incurred, (B) such work was actually performed or such materials or supplies were actually furnished or installed in or about or delivered to the Development, and (C) either such materials or supplies are not subject to any lien or security interest other than the lien evidenced by the Bond Loan Mortgage or any such lien or security interest will be released or discharged upon payment of this Requisition or is being contested by Borrower in accordance with the Bond Loan Documents; and

(xii) all rights, title, and interest to any and all personal property acquired with the proceeds of this Requisition is vested or upon payment therefor will become vested in the Borrower.

Dated: _____, 20__

5900 PLEASANT VALLEY, LP,
a Texas limited partnership

By: AHFC Pleasant Valley Non-Profit Corporation,
a Texas nonprofit corporation,
its general partner

By: _____
James May
Secretary and Treasurer

(TO BE ADDED)

Approved this ____ day of _____,
20____

The Bond Owner (not making any certification
as to the matters certified to by the Borrower in
this Requisition):

ZIONS BANCORPORATION, N.A. DBA AMEGY
BANK

By:_____

Name:_____

Title:_____

EXHIBIT B

FORM OF BOND

No. [I-1]

[R-__]

**UNITED STATES OF AMERICA
STATE OF TEXAS**

**AUSTIN HOUSING FINANCE CORPORATION
MULTIFAMILY HOUSING REVENUE BONDS
(SYCAMORES AT PLEASANT VALLEY), SERIES 2025**

THIS BOND IS ISSUED UNDER THE TEXAS HOUSING FINANCE CORPORATION ACT, CHAPTER 394, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED. THE BONDS SHALL BE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE. THE BONDS SHALL CONSTITUTE A VALID CLAIM OF THE RESPECTIVE BONDHOLDERS THEREOF AGAINST THE TRUST ESTATE, WHICH IS PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS AND WHICH SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THIS INDENTURE. THE BONDS DO NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION, AN INDEBTEDNESS, AN OBLIGATION OR A LOAN OF CREDIT OF THE STATE, THE ISSUER, THE SPONSORING POLITICAL SUBDIVISIONS, OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE. THE BONDS DO NOT CREATE A MORAL OBLIGATION ON THE PART OF THE STATE, THE ISSUER, THE SPONSORING POLITICAL SUBDIVISIONS OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE AND EACH OF SUCH ENTITIES IS PROHIBITED BY THE ACT FROM MAKING ANY PAYMENTS WITH RESPECT TO THE BONDS. THE ISSUER HAS NO TAXING POWER.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM OR INTEREST ON THIS BOND AGAINST ANY PAST, PRESENT, OR FUTURE OFFICER, DIRECTOR, MEMBER, EMPLOYEE, OR AGENT OF THE ISSUER, OR OF ANY SUCCESSOR TO THE ISSUER, AS SUCH, EITHER DIRECTLY OR THROUGH THE ISSUER OR ANY SUCCESSOR TO THE ISSUER, UNDER ANY RULE OF LAW OR EQUITY, STATUTE, OR CONSTITUTION OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY SUCH OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES, OR AGENTS, AS SUCH, IS HEREBY EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF, AND CONSIDERATION FOR, THE EXECUTION AND ISSUANCE OF THIS BOND.

DATED DATE OR BOND September __, 2025
CLOSING DATE:

MATURITY DATE: [September 1, 2046]

REGISTERED OWNER: Zions Bancorporation, N.A. dba Amegy Bank

INTEREST RATE: The Interest Rate (as defined in and calculated in accordance with the hereafter defined Bond Purchase and Funding Agreement and incorporated herein by reference)

PRINCIPAL AMOUNT: \$[14,800,000.00]

PAYMENT DATE: The first (1st) day of each month commencing [_____] 1, 2025

AUSTIN HOUSING FINANCE CORPORATION (the “*Issuer*”), a Texas public, nonprofit housing finance corporation organized and existing pursuant to the provisions of the Constitution of the State of Texas and Texas Housing Finance Corporations Act, Chapter 394, Local Government Code, as amended (the “*Act*”), and empowered to issue revenue bonds pursuant to the provisions of the Act, for value received, promises to pay to the Registered Owner specified above, or registered assigns, but only from the Bond Fund established under the Indenture described below (the “*Bond Fund*”) the Principal Amount specified above, on the Maturity Date specified above, or, if this Bond is redeemable as stated below, on a prior date on which it shall have been duly called for redemption, and to pay interest as specified above (and hereafter further provided) on said Principal Amount to the Record Date Holder hereof, as defined below, solely from the Bond Fund, until the Principal Amount is paid or discharged.

Notwithstanding the foregoing, (a) during any period of time that the Bond Loan Note bears interest at the Default Rate, this Bond shall also bear interest at the Default Rate; and (b) during any period of time that the Bond Loan Note bears interest at the rate described in Section 5.12 of the Financing Agreement, this Bond shall bear interest at such after-tax equivalent rate (or the Maximum Lawful Rate if less). Interest accrues from the Dated Date. All interest hereunder shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed. Interest shall be payable on the first day of each month commencing [_____] 1, 2025, through and including [September] 1, 20[___] (as such date may be extended per the Bond Purchase and Funding Agreement), and thereafter, principal and interest shall be payable as described in the sinking fund redemption schedule as provided for in the Indenture (each a “*Payment Date*”). The “Record Date Holder” is the person in whose name this Bond is registered (the “*Holder*” hereof) in the Bond Register maintained by the Trustee, as Bond Registrar, or its successor, either (i) on the close of business on the 15th day of the month (whether or not a Business Day) prior to each Payment Date (the “*Record Date*”), irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such Payment Date, or (ii) if there shall be a default in payment of principal and/or interest due on such Payment Date, at the close of business on a date (the “*Special Record Date*”) that is ten (10) days prior (whether or not a Business Day) to the date for the payment of such defaulted principal and/or interest as established by notice mailed by the Trustee. Notice of the Special Record Date shall be mailed not less than 15 days before the special payment date, to the Holder at the close of business on the Special Record Date. Interest shall be payable by check mailed on the Payment Date to the Holder at his, her, or its address as it last appears on the Bond Register on the Record Date or the Special Record Date, as the case may be, except as otherwise provided in the Indenture. Notwithstanding the foregoing, any Holder of at least \$1,000,000 principal amount of any Bond

(or a lesser amount of such Bond if such Bond constitutes all the Bonds at the time Outstanding), upon payment to the Trustee by the Holder of the costs of such wire transfers, may file with the Trustee an instrument satisfactory to the Trustee not less than five days prior to the applicable Payment Date requesting the interest amounts payable by the Trustee to such Holder be paid either by instruction to the custodian or by transferring by wire transfer in immediately available funds, on the day such payment is due, the amount to be distributed to such Holder to a designated account maintained by such Holder at any bank in the United States. Notwithstanding the foregoing, all payments of principal of and interest and/or premium on the Bonds payable on the Maturity Date or a redemption date shall only be payable upon presentation of the Bonds being redeemed, at the Operations Office of the Trustee. The principal of and interest and premium, if any, on this Bond are payable in lawful money of the United States of America.

The Bonds are issued under the provisions of and in full compliance with the Act, and a Resolution duly adopted by the Issuer pursuant to which this Bond is issued and which authorizes the execution and delivery of the Financing Agreement and the Indenture. This Bond and the issue of which it is a part are special limited obligations of the Issuer, and the principal and premium, if any, and interest thereon are payable solely and only from revenues, and other amounts derived by the Issuer from the Financing Agreement pledged and assigned by the Issuer to the Trustee under the Indenture to secure payment of the principal of, premium, if any, and interest on this Bond, and from the Bond Purchase and Funding Agreement.

All capitalized terms used in this Bond and not defined herein shall have the respective meanings ascribed thereto in the Indenture and the Bond Purchase and Funding Agreement (as hereafter defined).

This Bond is one of a duly authorized issue of bonds of the Issuer, issued in the initial aggregate principal amount of \$[_____], known as the Multifamily Housing Revenue Bonds (Sycamores at Pleasant Valley), Series 2025 (the “*Bonds*”), issued in accordance with a Trust Indenture dated as of September 1, 2025 (the “*Indenture*”), between the Issuer and ZIONS BANCORPORATION, NATIONAL ASSOCIATION, a national banking association, as the Trustee (the “*Trustee*”), setting forth the terms upon which such Bonds are issued. The Bonds are issued by the Issuer for the purpose of making a loan of the proceeds thereof (the “*Bond Loan*”) to 5900 Pleasant Valley, LP, a Texas limited partnership (the “*Borrower*”), under the provisions of a Financing Agreement dated as of September 1, 2025 (the “*Financing Agreement*”), by and among the Issuer, the Borrower, and joined in and acknowledged and by Zions Bancorporation, N.A. dba Amegy Bank, as Bond Owner (as defined in the Indenture), to finance a portion of the acquisition, rehabilitation, and equipping of an affordable multifamily residential rental housing development to be located in the City of Austin, Texas (the “*Development*”). The Bond is being purchased and administered under the terms of the Bond Purchase and Funding Agreement dated as of September 1, 2025, among Issuer, Borrower, and Zions Bancorporation, N.A. dba Amegy Bank, as bond owner (the “*Bond Purchase and Funding Agreement*”). The Bond Loan made with the proceeds of the Bonds pursuant to the Financing Agreement and the Bond Purchase and Funding Agreement is evidenced by a promissory note from the Borrower to the Issuer and endorsed without recourse by the Issuer to the Trustee. The Borrower has agreed under the Financing Agreement and the Bond Purchase and Funding Agreement to repay the Bond Loan,

together with interest thereon, in amounts and at times sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same shall become due and payable.

Pursuant to the Indenture, the Issuer has assigned and pledged to the Trustee, for the equal and ratable benefit of the Holders, all revenues and receipts derived by the Borrower from the operation of the Development. Pursuant to a Multifamily Construction and Permanent Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing filed with respect to the Development (the “*Bond Loan Mortgage*”) dated as of September 1, 2025 and executed by the Borrower for the benefit of the Issuer, the Borrower has granted to the trustee identified in the Bond Loan Mortgage, for the equal and ratable benefit of the Holders of the Bonds, a first priority mortgage lien on and a security interest in the Development and the rents and leases thereof. The Bond Loan Mortgage may be released or modified in any respect upon compliance with certain conditions in the Bond Loan Mortgage and the Indenture.

Reference is hereby also made to the Financing Agreement, the Indenture, the Bond Purchase and Funding Agreement, and the Bond Loan Mortgage, including all supplements thereto, for a description of the property encumbered and assigned, the provisions, among others, with respect to the nature and extent of the security, the rights of the Issuer, and the rights, duties, and obligations of the Borrower, the Trustee, and the Holders of the Bonds, and the terms upon which the Bonds are issued and secured, redeemed.

Interest will accrue on the outstanding balance of the Bonds at the Interest Rate as provided for in the Bond Purchase and Funding Agreement.

If any monthly amount payable under this Bond or payment with respect to the Bond Loan is not received by Bond Owner (i) within fifteen (15) days after the scheduled due date, Issuer (solely from a corresponding payment made by Borrower under the Bond Loan Note and Financing Agreement) shall pay to Bond Owner, promptly and without demand by Bond Owner, a late charge equal to five percent (5%) of such amount. Failure to make timely payments will cause Bond Owner to incur additional expenses in holding, servicing, and processing this Bond, and that it is extremely difficult and impractical to determine those additional expenses. The late charge payable pursuant to this paragraph represents a fair and reasonable estimate, taking into account all circumstances existing on the date of this Bond, of the additional expenses Bond Owner will incur by reason of such late payment. The late charge is payable in addition to, and not in lieu of, any interest payable at the Default Rate as provided below.

During the continuance of an Event of Default, at the option of Bond Owner, interest under the Bonds shall accrue on the unpaid principal balance from the earlier of the due date of the first unpaid monthly installment or other payment due, as applicable, at a rate (the “*Default Rate*”) equal to the lesser of 5 percentage points above the applicable Interest Rate or the Maximum Lawful Rate. If the unpaid principal balance and all accrued interest are not paid in full on the Maturity Date, the unpaid principal balance and all accrued interest shall bear interest from the Maturity Date at the Default Rate. An Event of Default will materially increase Bond Owner’s risk and/or cause Bond Owner to incur additional expenses in holding, servicing, and processing this Bond arising from its loss of the use of the money due, and that it is extremely difficult and

impractical to determine those additional risks, costs and expenses. The increase in the rate of interest payable under this Bond to the Default Rate represents a fair and reasonable estimate, taking into account all circumstances existing on the date of this Bond, of the additional costs and expenses Bond Owner will incur by reason of an Event of Default and the additional compensation each Bond Owner is entitled to receive for the increased risks of any nonpayment associated therewith.

This Bond is subject to redemption or purchase prior to maturity as provided for in the Indenture.

MISCELLANEOUS PROVISIONS

1. *Business Day Payments.* If the date for payment of the principal of, premium, if any, or interest on this Bond shall be a day which is not a Business Day, then the date for such payment shall be the next succeeding day which is a Business Day, and payment on such later date shall have the same force and effect as if made on the nominal date of payment.

2. *Enforcement; Modification of Indenture and Loan Documents.* The Holder of this Bond shall have the right to authorize and instruct the Trustee to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture (Trustee will not act without any such authorization or instruction from Bond Owner). Modifications or alterations of the Indenture, of any indenture supplemental thereto or of Bond Loan Documents, may be made only to the extent and in the circumstances permitted by the Indenture. The foregoing is subject to the terms of the Bond Purchase and Funding Agreement whereby the Bond Owner will act for and on behalf of the Holder for purposes of this Section and otherwise with respect this Bond.

3. *Consent to Modifications.* With the consent of the Issuer, Borrower and the Trustee, as appropriate, and to the extent permitted by and as provided in the Indenture, the terms and provisions of the Indenture and the Bond Loan Documents or any instrument supplemental thereto may be modified or altered by the consent of the Holders of the requisite percentage of Bonds Outstanding required by the Indenture and the Bond Purchase and Funding Agreement. Supplemental indentures may also be executed and delivered, without consent of or notice to any Holders, for the purpose of curing any ambiguity or formal defect or omission in the Indenture or in any supplemental indenture, granting for the benefit of the Holders additional rights, remedies, powers, authority, or security, more precisely identifying the Trust Estate, subjecting to the lien and pledge of the Indenture additional rights, preventing the interest on the Bonds from becoming includible in gross income for federal income tax purposes, qualifying the Indenture under the Trust Indenture Act of 1939, evidencing appointment of a co-Trustee or successor Trustee, bond registrar, or successor paying agent, reconciling the Indenture with Bond Loan Documents, or making any other change which in the judgment of the Trustee based upon an opinion of Bond Counsel is necessary or desirable and will not materially prejudice any non-consenting Holders. Every Holder hereof is deemed by the Holder's purchase and retention of this Bond to consent to be bound by every supplemental indenture and every modification and amendment adopted in

accordance with the provisions of the Indenture, whether or not noted or endorsed hereon or incorporated herein.

4. *Waiver or Consent Conclusive.* The Indenture also contains provisions permitting the Trustee, on behalf of all the Holders, to waive any Event of Default as defined under the Indenture and rescind any acceleration of the Bonds.

5. *Denomination; Exchange; Treatment of Registered Holder.* The Bonds are issued as fully registered bonds without coupons in the minimum denominations of \$100,000 or any amount (including cents) in excess thereof of a single maturity or series; except that a Bond may be exchanged after redemption or purchase for a Bond in the denomination of less than \$100,000 to the extent necessary to represent the unredeemed portion of any Bond. The Bonds may be exchanged by the Holder for other Bonds of any Authorized Denominations and of a like aggregate principal amount, series, and stated maturity, upon surrender thereof by the Holder at the Operations Office of the Bond Registrar or, in the case in which the Trustee is the Bond Registrar, at the Operations Office of the Trustee, in the manner and subject to the limitations provided in the Indenture. The Issuer, the Trustee, the Bond Registrar, and the Paying Agent may deem and treat the Holder of this Bond as the absolute owner of this Bond (whether or not this Bond shall be overdue) for the purpose of receiving payment on this Bond (except as otherwise herein above provided with respect to the Record Date and Special Record Date) and for all other purposes, and the Issuer (or any agent thereof), the Trustee, the Bond Registrar, and the Paying Agent shall not be affected by any notice to the contrary.

6. *Registration of Transfer.* The transfer of this Bond is subject to certain restrictions as provided in the Indenture and described below and to registration by the Holder or by the Holder's attorney hereof upon surrender of this Bond at the designated corporate trust office of the Bond Registrar or, in the case in which the Trustee is the Bond Registrar, at the Operations Office of the Trustee, duly endorsed or accompanied by a written instrument or instruments of transfer in the form printed on this Bond or in another form satisfactory to the Bond Registrar and duly executed and with guaranty of signature of the Holder hereof or his, her, or its attorney duly authorized in writing, containing written instructions as to the details of the registration of the transfer of the Bonds. Thereupon the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver in the name of the designated transferee or transferees (but not registered in blank or to "bearer" or a similar designation), one or more new Bonds of any Authorized Denomination(s), of a like series and aggregate principal amounts having the same stated maturity and interest rate.

THE TRUSTEE SHALL NOT REGISTER ANY TRANSFER OR EXCHANGE OF ANY BONDS UNLESS ALL REQUIREMENTS OF SECTION 3.12 OF THE INDENTURE ARE MET AND, IF REQUIRED BY THE INDENTURE, SUCH HOLDER'S PROSPECTIVE TRANSFeree DELIVERS TO THE TRUSTEE AN INVESTOR'S LETTER SUBSTANTIALLY IN THE FORM SET FORTH IN *EXHIBIT C* TO THE INDENTURE.

The Bond Registrar shall not be required (a) to transfer or exchange any Bond during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption or purchase of Bonds under the Indenture and ending at the close of business on the

day of such mailing or (b) to transfer or exchange any Bond so selected for redemption or purchase in whole or in part.

7. *Service Charges, Taxes.* No service charge shall be made to the Holder for any registration, transfer, or exchange herein before referred to, but the Bond Registrar and the Trustee shall require payment of a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, other than exchanges expressly provided in the Indenture to be made without expense or without charge to Holders, and any legal or unusual costs of transfers and lost Bonds.

8. *Acceleration.* In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds then Outstanding under the Indenture may become or may be declared due and payable before the stated maturities thereof, together with the interest accrued thereon.

9. *Governing Law.* This Bond shall be governed by and construed in accordance with the laws of the State of Texas, excluding its conflict and choice of law principles.

10. *Indenture Controlling.* The terms of this Bond are subject in all respects to the terms of the Indenture. If there is a conflict between the provisions of this Bond and the Indenture, the Indenture shall control.

11. *Authentication.* This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture unless the Certificate of Authentication hereon has been executed by the Bond Registrar.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions, and things required to exist, happen, and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened, and have been performed in due time, form, and manner as required by law.

[EXECUTED ON THE FOLLOWING PAGES]

IN WITNESS WHEREOF, the Issuer has caused this Bond to be duly executed in its name by the manual or facsimile signature of its President and attested by the manual or facsimile signature of its Secretary all as of the Bond Closing Date stated above.

AUSTIN HOUSING FINANCE CORPORATION

By: _____
Name: Deletta Dean
Title: Treasurer

ATTEST:

By: _____
Name: Erika Brady
Title: Secretary

**[FORM OF CERTIFICATE OF AUTHENTICATION -
TO BE INCLUDED ON ALL BONDS EXCEPT INITIAL BOND]**

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Indenture.

Date of Authentication: _____

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION,
as Trustee

By: _____
Authorized Signature

**[FORM OF COMPTROLLER'S REGISTRATION -
To BE INCLUDED ON INITIAL BOND ONLY]**

REGISTRATION CERTIFICATE OF COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER §
OF PUBLIC ACCOUNTS §
THE STATE OF TEXAS §

REGISTER NO. _____

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Texas Comptroller of Public Accounts.

Witness my signature and seal of office this _____.

Comptroller of Public Accounts of the
State of Texas

(SEAL)

[FORM OF ASSIGNMENT]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto _____ (Please Print or Typewrite Name and Address) (Please Insert Social Security or Other Identifying Number of Assignee: _____) the within Bond and all rights and title therein, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____
(Registered Owner)

NOTICE: The signature(s) to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company that is a medallion guarantor.

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM

TEN ENT

JT TEN

UNIF GIFT MIN ACT _____

(Minor)

as tenants in common

as tenants by the entirety

as joint tenants with rights of survivorship
and not as tenants in common

Custodian

(Cust)

Under Uniform Gifts to Minors Act

(State)

Additional abbreviations may also be used though not in the above list.

EXHIBIT C

INVESTOR'S LETTER

AUSTIN HOUSING FINANCE CORPORATION
1000 E. 11th Street
Austin, Texas 78702
Attention: Program Manager

ZIONS BANCORPORATION, NATIONAL ASSOCIATION
1801 Main Street, Suite 460
Houston, Texas 77002
Attention: Corporate Trust

Re: AUSTIN HOUSING FINANCE CORPORATION
Multifamily Housing Revenue Bonds
(Sycamores at Pleasant Valley), Series 2025

Ladies and Gentlemen:

The undersigned representative of Zions Bancorporation, N.A. dba Amegy Bank (the “Purchaser”), being the [initial] purchaser of the \$[14,800,000.00] AUSTIN HOUSING FINANCE CORPORATION Multifamily Housing Revenue Bonds (Sycamores at Pleasant Valley), Series 2025 (the “Bond”) does hereby certify, represent and warrant for the benefit of AUSTIN HOUSING FINANCE CORPORATION (the “Issuer”) and ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as the Trustee (the “Trustee”), and 5900 PLEASANT VALLEY, LP (the “Borrower”) that the Purchaser is (i) an “accredited investor” (as defined in Rule 501(a)(1), (2), (3), (7), or (8) of Regulation D promulgated under the Securities Act); or (ii) a Qualified Institutional Buyer (as defined in Rule 144A promulgated under the Securities Act).

The Purchaser hereby acknowledges, represents, and warrants to, and agrees with, the Issuer and the Trustee, as follows:

(1) The Purchaser is purchasing such Bond with its own funds (or with funds from accounts over which it has sole investment authority) and not the funds of any other person, and for its own account (or for accounts over which it has sole investment authority) and not as nominee or agent for the account of any other person and not with a view to any distribution thereof.

(2) The Purchaser (i) has such knowledge and experience in business and financial matters and with respect to the purchase and ownership of multifamily housing revenue bond, tax-exempt securities, and other investment vehicles similar in character to the Bonds so as to enable it to understand and evaluate the risks of such investments and

form an investment decision with respect thereto, (ii) has no need for liquidity in such investment, and (iii) is (or any account for which it is purchasing is) able to bear the risk of such investment for an indefinite period and to afford a complete loss thereof.

(3) The Purchaser understands that no offering document or continuing disclosure agreement has been prepared in connection with the sale of the Bonds and acknowledges that it has been provided with, and has had the opportunity to review, all documents relating to the issuance of the Bonds by the Issuer including, without limitation, the Financing Agreement dated as of September 1, 2025, among the Issuer and the Borrower (the “*Financing Agreement*”), the Bond Purchase and Funding Agreement dated as of September 1, 2025, among the Issuer, the Borrower, and Zions Bancorporation, N.A. dba Amegy Bank, as Bond Owner (the “*Bond Purchase and Funding Agreement*”), the Trust Indenture dated as of September 1, 2025, between the Trustee and the Issuer (the “*Indenture*”), and the Bonds. The Purchaser either has been supplied with or has had access to information, including financial statements and other financial information, and has had the opportunity to ask questions and receive answers from individuals concerning said documents and information, and concerning the Issuer, the Borrower, the Development, the guarantor(s), the credit standing of the Borrower and the guarantor(s), so that, as a sophisticated investor, the Purchaser has been able to make its decision to purchase the Bonds.

(4) The Purchaser has had the opportunity to ask questions and receive answers concerning the terms and conditions of the offering and to obtain any additional information it may request.

(5) The Purchaser is a nationally- or state-chartered bank that regularly extends credit to state and local governments by making loans the repayment obligations under which are evidenced by obligations such as the Bonds; has knowledge and experience in financial and business matters that make it capable of evaluating the Borrower, the Bonds and the risks associated with the extension of credit evidenced by the Bonds; and has the ability to bear the economic risk of extending the credit evidenced by the Bonds. The Purchaser is not acting as a broker, dealer, municipal securities underwriter, municipal advisor or fiduciary in connection with its extension of credit evidenced by the Bonds.

(6) The Purchaser acknowledges that (a) the Bonds (i) have not been registered under the Securities Act of 1933, as amended, (ii) have not been registered or otherwise qualified for sale under the securities laws of any state, and (iii) will not be listed on any securities exchange and (b) there is no established market for the Bonds and that none is likely to develop.

(7) THE PURCHASER UNDERSTANDS THAT:

(i) NEITHER THE STATE OF TEXAS, THE ISSUER, THE SPONSORING POLITICAL SUBDIVISIONS, NOR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE OF TEXAS, SHALL BE LIABLE OR OBLIGATED (GENERALLY, SPECIALLY,

MORALLY, OR OTHERWISE) TO PAY THE PRINCIPAL OF THE BONDS OR THE PREMIUM, IF ANY, OR INTEREST THEREON, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE ISSUER, THE SPONSORING POLITICAL SUBDIVISIONS, OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS; AND

(ii) THE ISSUER HAS NO TAXING POWER AND PRINCIPAL, PREMIUM, IF ANY, AND INTEREST ON THE BONDS IS PAYABLE SOLELY OUT OF THE MONEYS TO BE RECEIVED BY THE TRUSTEE ON BEHALF OF THE ISSUER UNDER THE FINANCING AGREEMENT AND AMOUNTS ON DEPOSIT IN THE FUNDS AND ACCOUNTS ESTABLISHED AND PLEDGED UNDER THE INDENTURE.

(8) The Purchaser understands that in connection with any proposed transfer or exchange of Bond, there must be delivered to the Trustee an Investor Letter from the transferee to substantially the same effect as this letter.

(9) The Purchaser understands that, in connection with any proposed transfer of the Bonds, such transfer must be limited to an Eligible Purchaser. “*Eligible Purchaser*” means a prospective transferee that the Purchaser has clear grounds to believe and does believe can make representations with respect to itself to substantially the same effect as the representations set forth herein.

(10) THE PURCHASER HEREBY INDEMNIFIES THE ISSUER AND THE TRUSTEE FROM AND AGAINST ANY AND ALL LIABILITY, COST, OR EXPENSE (INCLUDING ATTORNEYS’ FEES) THAT MAY RESULT IF THE REPRESENTATIONS CONTAINED IN THIS INVESTOR’S LETTER ARE FALSE IN ANY MATERIAL RESPECT.

(11) The Purchaser is acquiring ____% of the Bonds Outstanding.

(12) The Purchaser has conducted its own investigation to the extent it deemed necessary. The Purchaser has been offered an opportunity to have made available to it any and all such information it might request from the Issuer, the Borrower and the guarantor(s). On this basis, it is agreed by the Purchaser that the Purchaser is not relying on any other party or person to undertake the furnishing or verification of information related to the referenced transaction.

(13) The Purchaser understands that, as a Holder of the Bonds, it may be called upon, in accordance with the terms of the Indenture, to succeed to the role of Bond Owner under the Indenture and the Financing Agreement and hereby agrees to assume and faithfully perform all of the rights, duties and obligations of the Bond Owner in the event it is selected to serve in such capacity.

The Bonds for this Purchaser should be registered with the Trustee as follows and an executed W-9 has been attached:

Name: _____

Address: _____

Tax ID #: _____

Payment instructions: () wire () check

This Investor's Letter and the representations and agreements contained herein are made for your benefit and may be relied upon by you.

IN WITNESS WHEREOF, the Purchaser has caused this Investor's Letter to be executed by its duly authorized representative on and as of the ____ day of _____.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

PURCHASER

ZIONS BANCORPORATION, N.A.
DBA AMEGY BANK

By: _____
Name: _____
Title: _____

MUST BE SIGNED BY ACTUAL PURCHASER. MAY
NOT BE SIGNED BY NOMINEE OR AGENT.

EXHIBIT D

SINKING FUND REDEMPTION AMOUNTS

[FOLLOWS ON NEXT PAGE]

EXHIBIT B

FINANCING AGREEMENT

by and between

AUSTIN HOUSING FINANCE CORPORATION,
as Issuer

and

5900 PLEASANT VALLEY, LP,
as Borrower

Dated as of September 1, 2025

Relating to

[\$14,800,000]
Austin Housing Finance Corporation
Multifamily Housing Revenue Bonds
(Sycamores at Pleasant Valley), Series 2025

The interests of the Issuer in this Agreement, excluding any unassigned rights specifically retained by Issuer, have been assigned to Zions Bancorporation, National Association, as Trustee (the “Trustee”) pursuant to a Trust Indenture dated as of September 1, 2025, between the Issuer and the Trustee.

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SCHEDULE A — Legal Description of Development

EXHIBIT A — Form of Completion Certificate

FINANCING AGREEMENT

THIS FINANCING AGREEMENT (this “*Agreement*” or this “*Financing Agreement*”) is made as of September 1, 2025, to be effective as of the date of delivery of the Financing Agreement, by and between AUSTIN HOUSING FINANCE CORPORATION, a Texas public, nonprofit housing finance corporation (the “*Issuer*”), and 5900 PLEASANT VALLEY, LP, a Texas Limited Partnership (the “*Borrower*”).

WITNESSETH:

WHEREAS, the Issuer was created and organized and is validly existing under the Constitution and laws of the State of Texas (the “*State*”), including the Texas Housing Finance Corporations Act, Chapter 394 of the Local Government Code, as amended (the “*Act*”); and

WHEREAS, pursuant to the Act, the Issuer is authorized to issue revenue bonds and use the proceeds from the sale of such bonds to make loans for the acquisition, construction and equipping of multifamily residential rental developments; and

WHEREAS, pursuant to a Trust Indenture (the “*Indenture*”) executed as of even date herewith, between the Issuer and ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as trustee (“*Trustee*”), the Issuer has, among other things, issued its Multifamily Housing Revenue Bonds (Sycamores at Pleasant Valley), Series 2025, in the original principal amount of \$[14,800,000] (the “*Bonds*”) for the purposes of making a loan to finance a portion of the acquisition, construction and equipping of Sycamores at Pleasant Valley, a 75-unit affordable residential rental apartment complex (hereafter defined as the “*Development*”) to be located at 5901 South Pleasant Valley, Austin, Texas 78744, which is more particularly described in *Schedule A* (the “*Land*”); and

WHEREAS, the Issuer deems it desirable and in keeping with its purpose to issue the Bonds and loan the proceeds thereof (the “*Bond Loan*”) to the Borrower for the purposes described above under the terms and conditions contained in this Agreement; and

WHEREAS, pursuant to the terms and provisions of a Bond Purchase and Funding Agreement dated September 1, 2025 (the “*Bond Purchase and Funding Agreement*”), among the Issuer, the Borrower, Zions Bancorporation, N.A. dba Amegy Bank, a national banking association, as Bond Owner, Bond Owner agreed to purchase the Bonds and agreed to administer the Bond Loan for and on behalf of the Trustee, all as provided herein; and

WHEREAS, to evidence the Bond Loan, the Borrower is making to the order of Issuer a Promissory Note in the principal sum of \$[14,800,000.00] (the “*Bond Loan Note*”) substantially in the form attached to the Bond Purchase and Funding Agreement as *Exhibit A*, which Note provides for the repayment of the Bond Loan in payments sufficient to pay, when due, the principal of, premium, if any, and interest on the Bonds, and to secure, among other things, the payments due under the Bond Loan Note and the other obligations of Borrower under this Agreement, and the Borrower is executing a Multifamily Construction and Permanent Leasehold Deed of Trust,

Assignment of Rents, Security Agreement and Fixture Filing (the “*Bond Mortgage*”) naming the Issuer as beneficiary (the beneficial interest in which is being assigned by the Issuer to the Trustee) with respect to the Development; and

WHEREAS, the Bond Loan consists of a construction loan (the “*Construction Loan*”) in the principal amount not to exceed \$[14,800,000.00] and which, subject to the terms of the Bond Purchase and Funding Agreement, will convert on the Conversion Date to a permanent loan (the “*Permanent Loan*”) in an amount not to exceed an aggregate amount of \$[_____]; and

WHEREAS, AHFC Pleasant Valley Non-Profit Corporation, a Texas nonprofit corporation (the “*General Partner*”), 5900 SPV ALP, LLC, a Texas limited liability company (the “*Administrative Limited Partner*”), Red Stone Equity Manager, LLC, a Delaware limited liability company (together with its successors and assigns, the “*Special Limited Partner*”), and RSEP Holding, LLC, a Delaware limited liability company (together with its successors and assigns, the “*Investor Limited Partner*”) entered into that certain Amended and Restated Agreement of Limited Partnership dated as of September 1, 2025, as may be amended in accordance with the terms of this Agreement (as the same may be amended from time to time, the “*Partnership Agreement*”), pursuant to which the Investor Limited Partner and the Special Limited Partner have been admitted as limited partners and the Investor Limited Partner has agreed to make capital contributions to the Borrower upon the satisfaction of certain conditions set forth therein; and

WHEREAS, the execution and delivery of this Agreement and the issuance of the Bonds have been in all respects duly and validly authorized by the Issuer; and

WHEREAS, the execution and delivery of this Agreement by the Bond Owner confirms that all the conditions for the closing of the Bond Loan set forth in the Bond Purchase and Funding Agreement have been met or waived for purposes of the purchase of the Bonds; and

NOW, THEREFORE, the Bond Owner, the Issuer, and the Borrower, each in consideration of the representations, covenants, and agreements of the other as set forth herein, mutually represent, covenant, and agree as follows:

ARTICLE 1.

DEFINITIONS, EXHIBITS AND RULES OF INTERPRETATION

Section 1.1. Definitions. In this Agreement, all capitalized terms used herein and not defined shall have the meaning ascribed thereto in Section 1.1 of the Indenture or in Section 1.1 of the Bond Purchase and Funding Agreement (whether or not specific reference is made to that term in Section 1.2 below).

Section 1.2. Additional Definitions. In addition to the other terms defined elsewhere in this Agreement, the following terms shall have the meanings assigned to them:

“*Additional Charges*” has the meaning assigned to that term in Section 4.3.

“Amortization Period Commencement Date” has the meaning assigned to that term in the Bond Purchase and Funding Agreement.

“Basic Payments” has the meaning assigned to that term in Section 4.2.

“Bond Closing Date” has the meaning assigned to that term in the Bond Purchase and Funding Agreement.

“Bond Counsel” has the meaning assigned to that term in the Indenture.

“Bond Documents” means the Indenture, the Bonds, this Agreement, the Bond Loan Note, the Bond Regulatory Agreement, Tax Exemption Agreement and the Bond Mortgage.

“Bond Loan” has the meaning provided in the Recitals of this Agreement.

“Bond Loan Documents” has the meaning assigned to that term in the Bond Purchase and Funding Agreement.

“Bond Mortgage” has the meaning assigned to that term in the Recitals.

“Bond Owner” has the meaning assigned to that term in the fifth paragraph on page 1.

“Bond Regulatory Agreement” has the meaning assigned to that term in the Indenture.

“Business Day” shall mean any day other than (i) a Saturday or a Sunday, or (ii) a day on which federally insured depository institutions in New York, New York or the jurisdiction in which the Bond Owner’s designated offices are located, are authorized or obligated by law, regulation, governmental decree or executive order to be closed, or (iii) any other day which is not a Business Day under and for purposes of the Indenture.

“Code” means the Internal Revenue Code of 1986, as amended; all references to a particular section of the Code include (a) rulings of the Internal Revenue Service applicable to such sections and (b) final, proposed and temporary regulations issued under the Code with respect to such sections.

“Condemnation” shall have the meaning assigned to that term in the Indenture.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person whether through the ability to exercise voting power, by contract or otherwise. *“Controlling”* and *“Controlled”* shall have meanings correlative thereto.

“Conversion Date” shall have the meaning assigned to that term in the Bond Purchase and Financing Agreement.

“Costs of Issuance” shall have the meaning assigned to that term in the Indenture.

“Default” means any event which, with the giving of notice or the passage of time, or both, would be an Event of Default.

“Default Rate” has the meaning assigned to that term in the Bond Purchase and Funding Agreement.

“Development” or *“Project”* has the meaning assigned to that term in the Regulatory and Land Use Restriction Agreement (but in any event, including the Improvements and the Borrower’s interest in the Land).

“Development Fund” shall have the meaning assigned to that term in the Indenture.

“Electronic Means” means facsimile transmission, email transmission, or other similar means of communication capable of being evidenced by a paper copy.

“Event of Default” has the meaning given to that term in Section 7.1.

“Event of Taxability” has the meaning given to that term in the Indenture.

“Fifty Percent Test” means the 50% aggregate basis test under Section 42(h)(4)(B) of the Code.

“Funds” shall have the meaning assigned to that term in the Indenture.

“GAAP” means the generally accepted accounting principles established by the Financial Accounting Standards Board or the American Institute of Certified Public Accountants and in effect in the United States from time to time, applied on a basis consistent with that of the preceding fiscal year of Borrower, reflecting only such changes in accounting principles or practice with which the independent public accountants of Borrower concur.

“Governmental Authority” has the meaning given to that term in the Bond Purchase and Funding Agreement.

“Holder” has the meaning assigned to that term in the Indenture (including the Bond Owner and each other owner of the Bonds).

“Improvements” has the meaning given to that term in the Bond Purchase and Funding Agreement.

“Indemnified Parties” has the meaning assigned to that term in Section 5.2.

“Indenture” has the meaning provided in the Recitals of this Agreement.

“Interest” has the meaning assigned to that term in Section 8.25.

“Investor Limited Partner” has the meaning given to that term in the Recitals hereof.

“Issuer Fees” has the meaning assigned to that term in the Indenture.

“Land” has the meaning assigned to that term in the Recitals.

“Lease Stabilization” has the meaning assigned to that term in the Bond Purchase and Funding Agreement.

“Liabilities” has the meaning assigned to that term in Section 5.2.

“Material Adverse Change or Effect” means any act, circumstance, or event (including, without limitation, any announcement of action) which (i) causes an Event of Default, (ii) is material and adverse to the financial condition or operations of Borrower or the Development, or (iii) materially and adversely affect the validity or enforceability of any Bond Loan Document.

“Mortgaged Property” shall have the meaning assigned to that term in the Bond Mortgage.

“Nonpurpose Investment” has the meaning of any investment property (as defined in Section 148(b) of the Code) that is acquired with the gross proceeds of the Bonds and which is not acquired to carry out the governmental purpose of the Bonds.

“Ordinary Fees and Expenses” has the meaning assigned to that term in the Indenture.

“Outstanding Bond” or *“Bond Outstanding”* shall have the meaning assigned to those terms in the Indenture.

“Partnership Agreement” shall have the meaning ascribed to the same in the Recitals of this Agreement.

“Payment Date” has the meaning assigned to that term in Section 4.2(b).

“Permanent Term” has the meaning assigned to that term in the Bond Purchase and Funding Agreement.

“Person” has the meaning assigned to that term in the Bond Purchase and Funding Agreement.

“Qualified Development Period” has the meaning assigned to that term in the Bond Regulatory Agreement.

“Rebate Amount” has the meaning set forth in Section 1.148-1(b) of the Regulations and includes for any given period, the amount determined by the Rebate Analyst as required to be

rebated or paid as a yield reduction payment to the United States of America with respect to the Bonds.

“*Rebate Fund*” has the meaning assigned to that term in the Indenture.

“*Recovery Proceeds*” has the meaning assigned to that term in the Indenture.

“*Regulations*” has the meaning assigned to that term in the Indenture.

“*Regulatory Agreements*” has the meaning assigned to that term in the Bond Purchase and Funding Agreement.

“*Replacement Reserve Account*” shall have the meaning assigned to that term in the Bond Purchase and Funding Agreement.

“*Requirements of Law*” has the meaning assigned to Applicable Laws in the Bond Purchase and Funding Agreement.

“*Requisition*” means a request for the disbursement of funds in the Development Fund in accordance with Section 6.2(3) of the Indenture on the form attached as Exhibit A to the Indenture (and in any event shall be the same as the requisitions used in the Indenture).

“*State*” means the State of Texas.

“*Tax Exemption Agreement*” has the meaning assigned to that term in the Indenture.

“*Title Insurance Policy*” has the meaning assigned to that term in the Bond Purchase and Funding Agreement.

“*Unassigned Issuer’s Rights*” has the meaning assigned to that term in the Indenture.

Section 1.3. Schedules and Exhibits. The following Schedules and Exhibits are attached to and by reference made a part of this Agreement:

- (1) *Schedule A: Legal Description of Development*
- (2) *Exhibit A: Form of Completion Certificate*

Section 1.4. Rules of Interpretation. (1) This Agreement shall be governed by and construed in accordance with the laws and judicial decisions of the State, except as they may be preempted by federal rules, regulations, and laws. The Issuer and the Borrower expressly acknowledge and agree that any judicial action to enforce any rights of the issuer under this Agreement and the other Bond Loan Documents shall be brought and maintained in the District Court for the City of Houston, Texas, or in the United States District Court for the Southern District

of Texas or in any United States Bankruptcy Court in any case involving or having jurisdiction over the Borrower or over the Development.

(2) any particular section or subdivision, refer to this Agreement as a whole rather than to any particular section, or subdivision of this Agreement.

(3) References in this Agreement to any particular article, section, or subdivision hereof are to the designated article, section or subdivision of this Agreement as originally executed.

(4) All accounting terms not specifically defined herein shall be construed in accordance with GAAP consistent with such principles. In the event that changes in GAAP shall be mandated by the Financial Accounting Standards Board and/or the American Institute of Certified Public Accountants or any similar accounting body of comparable standing, or shall be recommended by Borrower's certified public accountants, to the extent that such changes would modify such accounting terms or the interpretation or computation thereof as contemplated by this Agreement at the time of execution hereof, then in such event, such changes shall be followed in defining such accounting terms only after Bond Owner and Borrower amend this Agreement to reflect the original intent of such terms in light of such changes, and such terms shall continue to be applied and interpreted without such change until such agreement.

(5) The Table of Contents and titles of articles and sections herein are for convenience of reference only and are not a part of this Agreement, and shall not define or limit the provisions hereof.

(6) Unless the context hereof clearly requires otherwise, the singular shall include the plural and vice versa and the masculine shall include the feminine gender and the neuter state and vice versa.

(7) Articles, sections, subsections, and clauses mentioned by number only are those so numbered which are contained in this Agreement.

(8) Any opinion of counsel required hereunder shall be a written opinion of such counsel on a form acceptable to Bond Owner.

(9) References to the Bonds as "tax exempt" or to the "tax exempt status of the Bonds" are to the excludability of interest on the Bonds from gross income for federal income tax purposes pursuant to section 103(a) of the Code (other than Bond held by a "substantial user" of the Development or a "related person" within the meaning of section 147(a) of the Code).

(10) Every "request," "order," "demand," "direction," "application," "appointment," "notice," "statement," "certificate," "consent," or similar action under this Agreement by any party shall, unless the form of such instrument is specifically provided, be in writing signed by a duly authorized representative of such party with a duly authorized signature.

(11) The parties hereto acknowledge that each such party and its respective counsel have participated in the drafting and revisions of this Financing Agreement and the Indenture. Accordingly, the parties agree that any rule of construction which disfavors the drafting party shall not apply to the interpretation of this Financing Agreement and the Indenture.

(12) All references to statutes and related regulations shall include any amendments of same and any successor statutes and regulations. Without limiting the foregoing, references in this Agreement and the other Bond Loan Documents to particular sections of the Act, ADA, the Uniform Commercial Code, or any other legislation, rule, or regulation shall be deemed to refer also to any successor sections thereto or other re-designation for codification purposes. All references to any instruments or agreements, including, without limitation, references to any of the Bond Loan Documents, shall include any and all modifications or amendments thereto and any and all extensions or renewals thereof. Knowledge, for purposes of this Agreement (and the other Bond Loan Documents), shall mean actual and constructive knowledge. Current, for purposes of this Agreement and the other Bond Loan Documents, shall mean within thirty (30) days from the applicable date. The term, “or” when used in this Agreement and the other Bond Loan Documents in a sequence shall mean “and/or”.

ARTICLE 2.

REPRESENTATIONS OF ISSUER AND BORROWER

Section 2.1. Representations of the Issuer. The Issuer makes the following representations and warranties as the basis for its covenants herein:

(1) The Issuer is organized and existing as a public nonprofit housing finance corporation and is authorized to issue the Bonds to finance a portion of the acquisition, construction and equipping of the Development pursuant to the Act.

(2) The Issuer has lawful power and authority under the Act to enter into this Agreement, the Bond Regulatory Agreement, the Bond Purchase and Funding Agreement, and the Indenture and to carry out its obligations hereunder and under the Bond Regulatory Agreement and the Indenture. By proper action of its governing body, the Issuer has been duly authorized to execute and deliver this Agreement, acting by and through its duly authorized officers. The Indenture, the Bond Purchase and Funding Agreement, the Bond Regulatory Agreement, and this Agreement have been duly executed by the Issuer and each constitutes a valid, legal, binding and enforceable obligation of the Issuer (subject to bankruptcy, insolvency, or other laws affecting creditors’ rights generally and to the application of principles of equity generally) without offset, defense, or counterclaim. The execution, delivery, and performance of the Indenture, the Bond Regulatory Agreement, the Bond Purchase and Funding Agreement, and this Agreement by the Issuer will not violate any law, regulation, order, or decree of any governmental authority regulating the Issuer and all consents, approvals, authorizations, orders, or filings of or with any court or governmental agency or body, if any, required for the execution, delivery, and performance of such documents by the Issuer have been obtained or made.

(3) The Issuer has no actual knowledge of any pending action, suit, or proceeding, arbitration, or governmental investigation against the Issuer, an adverse outcome of which will materially affect performance under the Indenture and this Agreement by the Issuer.

(4) Financing the Bond Loan to the Borrower with the proceeds received by the Issuer from the sale of the Bonds for the purposes herein specified will further the public purposes of the Issuer under the Act.

(5) To finance the costs of the Development, the Issuer proposes to issue the Bonds in the aggregate principal amount of \$[14,800,000.00]. The Bonds will bear interest and be scheduled to mature and will be subject to redemption prior to maturity in accordance with the provisions of the Indenture. The Bonds are to be issued under and secured by the Indenture, pursuant to which the payments, revenues, and receipts derived by the Issuer pursuant to this Agreement, other than the Unassigned Issuer's Rights, will be pledged and assigned to the Trustee, for the benefit of Bond Owner as security for payment of the principal of, premium, if any, and interest on the Bonds.

(6) Under the provisions of the Indenture, the Issuer's interest in this Agreement and certain payments due hereunder (other than the Unassigned Issuer's Rights) is pledged and assigned to the Trustee, for the benefit of Bond Owner as security for the payment of the principal of, interest on, and premium, if any, on the Bonds and the Issuer will not otherwise or further assign such interest in this Agreement and Issuer acknowledges the Bond Owner will service and administer the Bond Loan.

(7) To the extent within its reasonable control, the Issuer will not knowingly engage in any activity which might adversely affect the federal tax status of the Bonds.

(8) The execution, delivery, and performance of the Indenture and this Agreement by the Issuer will not cause or constitute a default under or conflict with its organizational documents or other agreements to which it is a party or otherwise materially adversely affect performance of the duties of the Issuer under such organizational documents or other agreements.

(9) The Issuer makes no representation as to the financial position or business condition of the Borrower and does not represent or warrant as to any of the statements, materials (financial or otherwise), representations, or certifications furnished or to be made and furnished by the Borrower in connection with the sale of the Bonds, or as to the correctness, completeness, or accuracy of such statements.

(10) THE ISSUER MAKES NO WARRANTY, EXPRESS, OR IMPLIED, WITH RESPECT TO THE DEVELOPMENT OR ANY PORTION THEREOF, INCLUDING WITHOUT LIMITATION, THE HABITABILITY THEREOF, THE MERCHANTABILITY OR FITNESS THEREOF FOR ANY PARTICULAR PURPOSES; THE DESIGN OR CONDITION THEREOF; THE WORKMANSHIP, QUALITY, OR

CAPACITY THEREOF; LATENT DEFECTS THEREIN; THE VALUE THEREOF; FUTURE PERFORMANCE OR THE COMPLIANCE THEREOF WITH ANY REQUIREMENTS OF LAW.

(11) THE ISSUER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, THAT THE PROCEEDS OF THE BONDS WILL BE SUFFICIENT TO FINANCE THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE DEVELOPMENT OR THAT THE DEVELOPMENT WILL BE ADEQUATE OR SUFFICIENT FOR THE BORROWER'S INTENDED PURPOSES.

(12) The Issuer hereby determines that the maximum amount constituting moderate income pursuant to Section 394.004 of the Act shall be an amount equal to [one hundred forty (140%)] of the Median Family Income (the "*Maximum Household Income Limit*"), which limit shall be automatically adjusted to reflect changes in the Median Family Income. For purposes of this Agreement, "*Median Family Income*" means the median gross income for the area in which the Development is located, as published from time to time by the Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937, as amended, or as otherwise determined pursuant to said section.

Section 2.2. Representations and Covenants of the Borrower. The Borrower makes the following representations and warranties as the basis for its covenants herein:

(1) The Borrower is a limited partnership duly formed and existing under the laws of the State, and is duly authorized to conduct its business in the State and all other states where its activities require such authorization, has power to enter into this Agreement and the other Bond Loan Documents to which the Borrower is a party and to use the Development for the purposes set forth in this Agreement, and by proper limited partnership action has authorized the execution and delivery of this Agreement and the other Bond Loan Documents to which the Borrower is a party, and has approved the Indenture.

(2) This Agreement and the other Bond Loan Documents to which the Borrower is a party have been duly executed and delivered by the Borrower; such documents constitute valid, legal, binding, and enforceable obligations of the Borrower (subject to bankruptcy, insolvency, or other laws affecting creditors' rights generally and to application of principles of equity generally), without offset, defense, or counterclaim; the execution, delivery, and performance of such documents by the Borrower will not violate any law, regulation, order, or decree of any Governmental Authority; and all consents, approvals, authorizations, orders, or filings of or with any court or governmental agency or body, if any, required for the execution, delivery, and performance of such documents by the Borrower have been obtained or made, except as indicated in Paragraph (4) below.

(3) The Borrower has no material financial obligation under any indenture, mortgage, deed of trust, financing agreement or other agreement or instrument to which

the Borrower is a party or by which the Borrower or the Development are otherwise bound, other than (a) obligations under this Agreement and the other Bond Loan Documents to which the Borrower is a party; (b) obligations permitted by and specifically described in the Partnership Agreement as it exists as of the date of this Agreement or as it may be amended from time to time, with the consent of the Bond Owner to the extent such consent is required under the Bond Loan Documents; and (c) obligations incurred by Borrower from time to time in the ordinary course of business.

(4) The execution and delivery of this Agreement and the other Bond Loan Documents to which the Borrower is a party, the consummation of the transactions contemplated thereby, and the fulfillment of the terms and conditions thereof do not and will not conflict with or result in a breach of any of the terms or conditions of the Partnership Agreement, or any restriction, any agreement or any instrument to which the Borrower is now a party or by which it is bound or to which any property of the Borrower is subject, and do not and will not constitute a default under any of the foregoing, or, to the best of the Borrower's knowledge, cause the Borrower to be in violation of any order, decree, statute, rule, or regulation of any court or any state or federal regulatory body having jurisdiction over the Borrower or the Development and do not and will not result in the creation or imposition of any lien, charge, or encumbrance of any nature upon any of the property or assets of the Borrower contrary to the terms of any instrument or agreement to which the Borrower is a party or by which it is bound. The Borrower and General Partner have complied with any and all laws and regulations concerning their organization, existence, and the transaction of their business, and each is in good standing in each state in which it conducts its business. The Borrower has the right and power to own the Development and to develop the Development and Development as contemplated in the Bond Loan Documents.

(5) The Borrower is familiar with, and has complied in all material respects with, all of the Requirements of Law (including obtaining Environmental Clearance), as well as all other applicable laws, regulations, and ordinances. The Development and the actual use and intended use thereof by the Borrower comply in all material respects with the Requirements of Law. The Borrower has received no notices of violations of any Requirement, except violations that have been corrected. There are no claims, actions, proceedings, or investigations pending, or to Borrower's knowledge, threatened against the Borrower or affecting the Development except for those previously disclosed by the Borrower to the Bond Owner and the Issuer, in writing. The Borrower has properly obtained or will when necessary for purposes of this Agreement obtain, all permits, licenses and approvals necessary to construct, occupy, operate, market, and lease or sell the Development in accordance with all Requirements of Law, and, upon request, the Borrower will deliver true and correct copies of them to Bond Owner. To Borrower's knowledge no provision or obligation of the Borrower contained in any of the Bond Loan Documents violates any of the Requirements of Law, any other applicable law, regulation, or ordinance or any order or ruling of any court or governmental entity. To Borrower's knowledge no such provision or obligation conflicts with, or constitutes a breach or default under, any agreement binding or regulating the Development.

(6) No obligations have been or are expected to be issued under the Indenture or otherwise for purposes of section 103 of the Code that were or will be (i) for sale at substantially the same time as the Bonds, (ii) for sale pursuant to the same plan of financing as the Bonds and (iii) payable from the same source of funds as the Bonds, or which are otherwise treated as the same “issue” of obligations as the Bonds under Section 1.150-1(c) of the Regulations.

(7) The Borrower is not in the trade or business of selling properties such as the Development and has acquired the Development for investment purposes only or otherwise for use by the Borrower in its trade or business, and therefore the Borrower has no present intention to voluntarily sell, surrender, or otherwise transfer, in whole or part, its interest in the Development.

(8) To the actual knowledge of Borrower, there are no filed actions, suits, proceedings, or inquiries or investigations at law or in equity pending or, to the actual knowledge of the Borrower, threatened against the Borrower or any property of the Borrower in any court or before any federal, state, municipal, or other governmental agency, which, (i) if decided adversely to the Borrower, would have a Material Adverse Change on the Borrower or on the business or properties of the Borrower or upon its power, authority and right to enter into this Agreement and the other Bond Loan Documents to which the Borrower is a party, (ii) affects or seeks to prohibit, restrain, or enjoin the issuance, sale, or delivery of the Bonds or the loaning of the proceeds of the Bonds to the Borrower or the execution and delivery of the Bond Loan Documents, (iii) affects or questions the validity or enforceability of the Bond Loan Documents, (iv) questions the excludability from gross income for federal income tax purposes of interest on the Bonds, or (v) questions the power or authority or would have a Material Adverse Change on the Borrower’s ability to carry out the transactions contemplated by, or to perform its obligations under, the Bond Loan Documents. To the actual knowledge of Borrower, it is not in default with respect to any order of any court or governmental agency.

(9) The Borrower has filed all federal and state income tax returns, if any, which, to the knowledge of the Borrower, are required to be filed and has paid all taxes shown on said returns and all assessments and governmental charges received by it to the extent that they have become due. The Borrower knows of no basis for any additional assessment of federal or state income taxes against it.

(10) The Borrower has reviewed the provisions of the Indenture and by execution of this Agreement hereby approves the same.

(11) To the best of the Borrower’s knowledge, except through positions held by virtue of employment by the Issuer, no member of the governing body of the Issuer or any other officer of the Issuer has any significant or conflicting interest, financial, employment, or otherwise, in the Borrower, the Development, or the transactions contemplated hereby. It is acknowledged that an affiliate of the Issuer is the sole member of the General Partner,

and that an affiliate of the Issuer is the owner of the fee simple interest in the Land being leased to the Borrower.

(12) The covenants, representations, and warranties of the Borrower in the Bond Regulatory Agreement and the Tax Exemption Agreement are true and correct in all material respects and are incorporated herein by reference and made a part of this Agreement.

(13) The Borrower has not entered into the transaction evidenced hereby with the actual intent to hinder, delay, or defraud any creditor and the Borrower has received reasonably equivalent value in exchange for its obligations hereunder and under the Bond Mortgage and the Regulatory Agreements.

(14) [The Borrower has no contingent liabilities.]

(15) The Borrower has no material financial obligation under any indenture, mortgage, deed of trust, financing agreement or other agreement or instrument to which the Borrower is a party or by which the Borrower or the Development are otherwise bound, other than (a) obligations under this Agreement and the other Bond Loan Documents to which the Borrower is a party; (b) obligations permitted by and specifically described in the Partnership Agreement as it exists as of the date of this Agreement or as it may be amended from time to time, with the consent of the Bond Owner to the extent such consent is required under the Bond Loan Documents; (c) the Subordinate Loans (to the extent made subordinate to the Notes or the Bond Mortgage in a manner reasonably acceptable to the Bond Owner); and (d) obligations incurred by Borrower from time to time in the ordinary course of business.

(16) The Borrower is not (a) an “investment company” or a company “controlled by an investment company” within the meaning of the Investment Company Act of 1940, as amended; or (b) 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 Public Utility Holding Company Act of 2005, as amended; or (c) subject to any other federal or state law or regulation which purports to restrict its ability to borrow money.

(17) Except as disclosed in the Title Insurance Policy, there are no pending or, to the knowledge of the Borrower, proposed special or other assessments for public improvements affecting the Development, nor, to the knowledge of the Borrower, are there any contemplated improvements to the Development that may result in such special or other assessments.

(18) No statement of fact made herein or in the Bond Loan Documents to which the Borrower is a party made by the Borrower contains any untrue statement of a material fact or omits to state any material fact necessary to make statements made herein or therein by the Borrower not misleading. There is no fact actually known to the Borrower which

has not been disclosed to the Issuer and the Bond Owner which would have a Material Adverse Change.

(19) All financial information which has been and will be prepared and delivered by or on behalf of the Borrower to the Issuer or the Bond Owner, including all information relating to the financial condition of the Borrower or any of its partners and the Development, does and will fairly and accurately represent (or, in the case of materials prepared by Persons other than the Borrower, the General Partner, the Administrative Limited Partner, or the Special Limited Partner or their respective agents or employees, to the best of the Borrower's knowledge does and will fairly and accurately represent) the financial condition or results of operations being reported on. All such information prepared by or on behalf of the Borrower was and will be prepared in accordance with generally accepted accounting principles, consistently applied, unless otherwise noted. As of the date hereof, there has been no Material Adverse Change or Effect in any financial condition reported at any time to the Issuer or the Bond Owner.

(20) All reports, documents, instruments, information, and forms of evidence delivered by or on behalf of the Borrower to the Bond Owner or the Issuer concerning the Bond Loan or required by the Bond Loan Documents are (or, in the case of materials prepared by Persons other than the Borrower, the General Partner, the Administrative Limited Partner, or the Special Limited Partner or their respective agents or employees, are to the best of the Borrower's knowledge) accurate, correct, and sufficiently complete to give the Issuer and the Bond Owner true and accurate knowledge of their subject matter.

(21) All utility services, including gas (if any), water, sewage, electrical, and telephone, necessary to develop and occupy the Development are available at or within the boundaries of the Development. In the alternative, the Borrower has taken all steps necessary to assure that all utility services will be available upon Substantial Completion of the Development.

(22) The Borrower is not a "foreign person" within the meaning of section 1445(f)(3) of the Code.

(23) The Borrower will hold and dispose of all tenant security deposits relating to the Development in accordance with State law.

(24) The Borrower shall not discriminate on the basis of race, creed, color, sex, age, or national origin in the lease, use, or occupancy of the Development or in connection with the employment or application for employment of Persons for the operation and management of the Development and shall not deny admission to any person exclusively on the basis of rent assistance payments under a local, state, federal, or other housing assistance program.

(25) The Borrower shall comply with all requirements of the Act and any and all lawful rules, policies, and applicable regulations of the Issuer (or its sponsoring entity) adopted pursuant to the Act.

(26) All Borrower's tenant lists, applications, and waiting lists relating to the Development shall at all times be kept separate and identifiable from any other business of the Borrower that is unrelated to the Development and shall be maintained in a reasonable condition for proper audit and be subject to examination during business hours by representatives of the Issuer or the Trustee.

(27) The Borrower agrees to maintain and operate the Development in a manner that provides decent, safe, and sanitary housing.

(28) From time to time the Issuer may direct the Borrower to file such additional reports as the Issuer reasonably determines to be necessary to comply with State or federal laws or regulations in connection with administration of the Bond Loan and operation of the Development hereunder and the Borrower agrees to file such reports promptly.

(29) The Borrower covenants and agrees to execute such additional instruments as may be reasonably requested by the Trustee or the Issuer for purposes of carrying out the provisions of this Agreement and the other Bond Loan Documents and to perfect or give further assurances of any of the rights granted or provided for in the Bond Loan Documents.

(30) As of the Bonds Closing Date, the Borrower is in compliance with all requirements of each Regulatory Agreement and the Tax Exemption Agreement, and the representations set forth in the Tax Exemption Agreement pertaining to the Borrower and the Development are true and accurate and Borrower hereby incorporates the same as if set forth herein.

(31) The Title Insurance Policy delivered at the Bonds Closing Date satisfies the requirements of the Bond Purchase and Funding Agreement.

(32) The Trustee may assume without investigation that the amounts of money transferred to it by the Borrower as "*Basic Payments*" in accordance with Section 4.2(b) of this Agreement are sufficient to satisfy the requirements of Section 4.2(b) of this Agreement.

(33) The Borrower acknowledges that (a) it understands the nature and structure of the transactions relating to the financing of the Development, (b) it is familiar with the provisions of all of the documents and instruments relating to such financing to which it is a party, (c) it understands the risks inherent in such transactions, including without limitation the risk of loss of the Development, and (d) it has not relied on the Issuer, for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by this Agreement and the other Bond Documents or the Bond

Loan Documents or otherwise relied on the Issuer in any manner (except as to the accuracy of the representations made by the Issuer and the performance by the Issuer of its agreements, covenants and undertakings under this Agreement, other Bond Documents and the Bond Loan Documents).

Section 2.3. General Representations, Warranties, and Covenants of the Borrower. The Borrower further represents, warrants, and covenants as follows:

(1) It will comply with the requirements and conditions of the Tax Exemption Agreement and will ensure compliance of the Development with the provisions of each Regulatory Agreement. The Borrower is not now in default under any of the Regulatory Agreements and specifically agrees to continue to meet its requirements thereunder.

(2) The Borrower will comply in all material respects with all terms, agreements, and covenants of the Bond Purchase and Funding Agreement.

(3) If the Borrower becomes aware of any situation, event or condition which would, based upon an opinion of Bond Counsel, result in the interest payable on the Bonds becoming includible in gross income for federal income tax purposes, the Borrower will promptly give written notice of such situation, event or condition to the Issuer, the Trustee, and the Bond Owner.

(4) The Borrower will cause all of the residential units in the Development to be rented or available for rental on a basis that satisfies the requirements, if any, of each Regulatory Agreement which has then been executed, including all applicable requirements of the Code; all leases will comply with all applicable State and federal laws and each Regulatory Agreement.

(5) The Borrower further warrants and covenants that it has not executed and will not execute any other agreement, or any amendment or supplement to any other agreement, with provisions contradictory to, or in opposition to, the provisions of this Section 2.3 or of the Indenture or a Regulatory Agreement, and that in any event, the requirements of this Agreement and the Bond Regulatory Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith and therewith.

Section 2.4. Regulatory Agreements. The Borrower hereby covenants, represents, and agrees as follows:

(1) to file of record such documents and take such other reasonable steps as are necessary in order to ensure that the requirements and restrictions, if any, of each Regulatory Agreement then executed by Borrower, will be binding upon all owners of the Development, including, but not limited to, the execution and recordation, if required, of each Regulatory Agreement, once executed, in the real property records of Travis County, Texas; and

(2) to include the requirements and restrictions, if any, contained in each Regulatory Agreement, once executed, in any deed or other document transferring any of its interest in the Development to another Person to the end that such transferee has notice of, and is bound by, such restrictions, and to obtain the agreement from any transferee to so abide.

Section 2.5. Additional Representations and Agreements of Borrower. The Borrower represents, warrants, covenants and agrees as set forth below to and with the Trustee, and the Borrower agrees that:

(1) The Trustee may rely on such representations, warranties covenants and agreements and the other representation, warranties, covenants and agreements contained in this Agreement as if the Trustee were a party to this Agreement.

(2) All representations and warranties made by Borrower in the Bond Purchase and Funding Agreement are true and correct in all material respects.

(3) The Trustee may assume without investigation that the amounts of money transferred to it by the Borrower as “*Basic Payments*” in accordance with Section 4.2(b) of this Agreement are sufficient to satisfy the requirements of Section 4.2(b) of this Agreement.

Section 2.6. Representations and Warranties of the Bond Owner. The Bond Owner makes the following representations and warranties:

(1) The Bond Owner has all power and authority necessary (i) to execute and deliver this Agreement, (ii) to perform its obligations under this Agreement and (iii) to consummate the transactions contemplated by this Agreement.

(2) The Bond Owner has taken all actions necessary to authorize (i) the execution and delivery of this Agreement, (ii) the performance of its obligations under this Agreement, and (iii) the consummation of the transactions contemplated by this Agreement.

(3) This Agreement has been duly executed and delivered by the Bond Owner and constitutes, assuming due execution and delivery by the other parties hereto, the valid and binding obligation of the Bond Owner, enforceable against the Bond Owner in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and the exercise of judicial discretion in accordance with principles of general equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(4) To the best knowledge of the Bond Owner, neither the execution and delivery by the Bond Owner of this Agreement, nor the performance by the Bond Owner of its obligations under any of the Bond Loan Documents to which it is a party, nor the

consummation of the transactions contemplated by such Loan Documents will violate any law, rule, regulation or ordinance, or any order, judgment or decree of any Federal, state or local court or will conflict with, or constitute a breach of, or a default under, the charter or by-laws of the Bond Owner or under any agreement, instrument or commitment to which the Bond Owner is a party or by which the Bond Owner or any of its property is bound.

(5) To the best knowledge of the Bond Owner, there is no action, suit, proceeding, inquiry or investigation by or before any court, governmental agency or public board or body pending or, to the knowledge of the Bond Owner, threatened against the Bond Owner (nor, to the knowledge of the Bond Owner, is there any basis therefor), which (i) affects or seeks to prohibit, restrain or enjoin the execution and delivery by the Bond Owner of any of the Bond Loan Documents to which it is a party; the performance by the Bond Owner of its obligations under such Loan Documents, or the consummation of the transactions contemplated by such Loan Documents, or (ii) affects or questions the validity or enforceability of such Loan Documents.

(6) No approval, permit, consent, authorization or order of any court, governmental agency or public board or body not already obtained is required to be obtained by the Bond Owner as a prerequisite to the execution and delivery by the Bond Owner of the Bond Loan Documents, the performance by the Bond Owner of its obligations under such Loan Documents or the consummation of the transactions contemplated by such Loan Documents.

(7) To the best knowledge of the Bond Owner, no information, statement or report furnished to the Issuer or Bond Counsel by the Bond Owner in connection with the negotiation of or performance under any of the Bond Loan Documents or the consummation of the transactions contemplated hereby contains any material misstatement of fact or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading. It is specifically understood by the Bond Owner that all such statements, representations and warranties shall be deemed to have been relied upon by the Issuer as an inducement to effectuate the Bond Loan, and that if any such statements, representations and warranties were materially incorrect at the time they were made or as of Bond Closing Date, the Issuer may consider any such misrepresentation or breach a Default.

(8) To the best knowledge of the Bond Owner, it is not in default with respect to any order or decree of any court or any order, regulation or demand of any Federal, state, municipal or governmental agency, which default might have consequences that would affect its performance hereunder.

(9) To the best knowledge of the Bond Owner, it is not a party to or bound by any agreement or instrument or subject to any charter or any other corporate restriction or any judgment, order, writ, injunction, decree, law, or regulation which now or in the future may materially and adversely affect the ability of the Bond Owner to perform its obligations under any Loan Document to which it is a party, or which requires the consent

of any third person to the execution of such Loan Document, or the consummation of the transaction contemplated hereby.

(10) To the best knowledge of the Bond Owner, all fees charged by the Bond Owner and the Bond Owner in connection with the origination of the Bond Loan are no more than those which are reasonable and customary for lenders to charge in connection with similar loans not financed through the issuance of tax-exempt Bond.

(11) The Bond Owner represents that to the best of its knowledge, each Bond Owner is purchasing the Bonds for its own account and not for reoffering to the public. In connection with its purchase of the Bonds, the Bond Owner agrees to use reasonable efforts to cause each Bond Owner to deliver to the Issuer an investor letter substantially in the form of Exhibit C to the Indenture. In the event a Bond Owner transfers the Bonds, such transfer shall be subject to the terms of the Indenture. In the event of a transfer of the Bonds (or any beneficial interest therein), by a Bond Owner, other than in accordance with the provisions of the Indenture and the securities laws of the United States, the Bond Owner agrees to cause that Bond Owner to indemnify the Issuer against any liability, cost and expense (including attorney's fees) that may result therefrom.

ARTICLE 3.

ISSUANCE OF BONDS; PAYMENT OF COSTS

Section 3.1. Issuance of Bond. The Issuer has determined to issue the Bonds pursuant to the Indenture, and the Borrower has reviewed and does hereby approve the terms of the Indenture. Upon execution of this Agreement, the Bond Purchase and Funding Agreement, the other Bond Loan Documents, and the Indenture and the occurrence (or waiver by all required parties) of all conditions precedent to the purchase of the Bonds by the Bond Owner (including the conditions to closing and the obligation of the Bond Owner to purchase the Bonds listed in the Bond Purchase and Funding Agreement), or as soon thereafter as practicable, the Issuer will execute the Bonds and deliver the Bonds to the initial purchaser(s) thereof or to their order upon payment of the purchase price and the delivery to the Trustee of all documents required to be delivered as a condition to such delivery pursuant to the Indenture. The proceeds of the Bonds will be deposited with the Trustee and disbursed in accordance with the Indenture subject to the terms and conditions of the Bond Purchase and Funding Agreement.

Section 3.2. No Warranty by Issuer. The Borrower agrees that, because the components of the Development have been and are to be designated and selected by it, THE ISSUER HAS NOT MADE AN INSPECTION OF THE DEVELOPMENT OR OF ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, AND THE ISSUER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED OR OTHERWISE, WITH RESPECT TO THE SAME OR THE LOCATION, USE, DESCRIPTION, DESIGN, MERCHANTABILITY, FITNESS FOR USE FOR ANY PARTICULAR PURPOSE, CONDITION, OR DURABILITY THEREOF OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, IT BEING AGREED THAT ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY THE BORROWER IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE IN THE DEVELOPMENT OR ANY FIXTURE OR OTHER ITEM

CONSTITUTING A PORTION THEREOF, WHETHER PATENT OR LATENT, THE ISSUER SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO. THE PROVISIONS OF THIS SECTION 3.2 HAVE BEEN NEGOTIATED AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES OR REPRESENTATIONS BY THE ISSUER, EXPRESS OR IMPLIED, WITH RESPECT TO THE DEVELOPMENT OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER ARISING PURSUANT TO THE UNIFORM COMMERCIAL CODE OR ANY OTHER LAW NOW OR HEREAFTER IN EFFECT.

Section 3.3. Disbursements from the Development Fund and the Costs of Issuance Fund.

(1) The Issuer has authorized and directed the Trustee to make payments upon receipt of a Requisition, (which has been consented to by the Bond Owner as hereinafter provided in this Section, to pay the costs of issuing the Bonds in order that such representation is correct in addition to the terms of Section 3.4), and to reimburse the Borrower for any of the foregoing paid or incurred by the Borrower before or after the execution and delivery of this Agreement and the issuance and delivery of the Bonds in accordance with the requirements of the Indenture, *provided* that the Bond Owner has consented based on the terms and requirements of the Bond Purchase and Funding Agreement to Trustee's making of such payments by acknowledging a written Requisition upon the satisfaction of the applicable conditions listed in the Bond Purchase and Funding Agreement and the limitations relating to the 95% rule.

(2) The balance of the proceeds of the Bonds shall be deposited in the Development Fund and then disbursed by the Trustee no more frequently than monthly, only in accordance with the Indenture, including delivery of a written Requisition by the Borrower satisfying the requirements of Section 6.2 of the Indenture and this Agreement and approved in writing by Bond Owner, which approval of the Bond Owner will be granted upon satisfaction of the conditions and performance of the covenants and conditions set forth in the Bond Purchase and Funding Agreement.

(3) The terms of the Bond Purchase and Funding Agreement shall govern the disbursement of the Bond Loan by the Bond Owner notwithstanding anything herein to the contrary.

Section 3.4. Payment of Costs of Issuance by the Borrower. Without limiting any term or requirement of the Bond Purchase and Funding Agreement, the Borrower agrees that it will provide any and all funds required for the prompt and full payment of Costs of Issuance for the Bonds, including, but not limited to, to pay the following items:

(1) all reasonable legal fees (including Bond Counsel and the respective counsel to the Borrower, the Issuer, the Bond Owner, the Guarantor, and the Trustee), abstractors', title insurance, financial, engineering, environmental, construction services, appraisal and accounting fees and expenses, administrative fees, printing and engraving costs, and other expenses incurred and to be incurred by the Borrower, the Issuer, the Bond Owner, and the Trustee in connection with issuance of the Bonds;

(2) all recording fees and other taxes, charges, assessments, license, or registration fees of every nature whatsoever incurred and to be incurred in connection with the issuances of the Bonds;

(3) all initial fees and expenses of the Trustee, the Paying Agent, and the Issuer;

(4) all reasonable fees and expenses for title insurance, survey, and related matters; and

(5) all fees otherwise due under the Bond Purchase and Funding Agreement (and under all fee letters issued pursuant thereto).

ARTICLE 4.

THE BOND LOAN, LOAN REPAYMENT AND ADDITIONAL CHARGES

Section 4.1. The Bond Loan. The Issuer agrees, upon the terms and conditions herein specified and in the Bond Purchase and Funding Agreement, to make the Bond Loan to the Borrower solely from the proceeds received by the Issuer from the Bond Owner from the sale of the Bonds, excluding any interest earned thereon by causing such proceeds to be deposited with the Trustee in the Development Fund for disposition as provided herein and in the Indenture. The obligation of the Issuer to finance the Bond Loan shall be deemed fully discharged upon the deposit of the proceeds of the Bonds to the Development Fund with the Trustee. The Bond Loan shall be evidenced by the Bond Loan Note payable to Issuer, in the form attached as Exhibit A to the Bond Purchase and Funding Agreement and assigned to the Trustee. The obligation of the Bond Owner to approve any Requisition (or to purchase the Bonds) is subject to the conditions listed in the Bond Purchase and Funding Agreement.

Section 4.2. Loan Repayment. (a) The Borrower will repay the Bond Loan in accordance with the provisions of the Bond Loan Note, the Bond Purchase and Funding Agreement, and this Agreement. Notwithstanding anything to the contrary contained herein, the Borrower covenants that it shall make payments, at such times and in such amounts to assure that payment of the principal of and premium, if any, and interest on the Bonds shall be made when due, whether at maturity, by call for redemption, by acceleration or otherwise (including, without limitation, any breakage fees which may be due with respect to the Bonds). Without limiting the foregoing or terms of the Bond Purchase and Funding Agreement, Borrower agrees that the Bond Loan will be funded as and when needed to satisfy the Fifty Percent Test. Further, Borrower agrees that the Bond Loan will be paid down to the amount of the Permanent Loan as soon after Substantial Completion as reasonably practical (and as may be needed prior to the Amortization Period Commencement Date). Notwithstanding the foregoing or anything else in this Agreement or in the Bond Purchase and Funding Agreement to the contrary, if the Bond Owner determines it is necessary that certain Draw Requests be instead funded from the Development Fund to satisfy the Fifty Percent Test or if it is necessary to ensure that 95% of the proceeds of the Bonds are expended on Good Costs, those Draw Requests will be first funded from the Development Fund (in any

event, it is the intent of the parties that all proceeds of the Bonds will be used for the development of the Development).

(b) Subject to the Borrower's right of prepayment granted in Section 6.1 (or in connection with the corresponding redemption under the terms of the Indenture), the Borrower hereby acknowledges its indebtedness to the Issuer and agrees to make monthly payments on each day as and when provided for in the Bond Purchase and Funding Agreement (each a "*Payment Date*") of the following (collectively, "*Basic Payments*"):

(i) Amounts then due under the Bond Loan Note as provided in the Bond Purchase and Funding Agreement;

(ii) Ordinary Fees and Expenses of the Trustee actually incurred;

(iii) To the extent sufficient amounts have not been deposited in the Development Fund, the Issuer Fees, and other expenses of the Issuer actually incurred;

(iv) Reserved;

(v) Amounts required to be deposited in the Replacement Reserve Account pursuant to Exhibit T of the Bond Purchase and Funding Agreement; and

(vi) Amounts required to be deposited in the Operating Reserve Account pursuant to Exhibit T of the Bond Purchase and Funding Agreement.

(c) The Borrower agrees to pay any amount needed to cause Lease Stabilization to occur before the Amortization Period Commencement Date.

(d) During the Permanent Term, principal and interest will be payable based on the sinking fund schedule attached to the Indenture (being the same as the amortization schedule attached to the Bond Purchase and Funding Agreement).

(e) Further, if an Event of a Taxability occurs, after giving effect to change in the interest rate applicable to the Bond Loan Note and the Bonds as provided for in the Indenture, the monthly payment shall be adjusted to that amount which is sufficient to repay the unpaid principal balance of the Permanent Loan in full, together with interest at the then applicable rate of interest of the Bonds, in substantially equal monthly payments based on a 40 year amortization. Such payment schedule, and such payment adjustment, upon the occurrence of an Event of Taxability, shall be provided by the Bond Owner to the Trustee in writing. The foregoing shall not limit any right of redemption provided for in the Indenture upon the occurrence of an Event of Taxability.

Section 4.3. Additional Charges. The Borrower agrees to pay, when due, subject to the payment of amounts due under Section 4.2 all actual costs and expenses incurred in connection with the issuance of the Bonds, but only to the extent the same are not included in Ordinary Fees and Expenses, are not paid from the Cost of Issuance Fund established under the Indenture, and

are not paid pursuant to Section 4.2 (in the aggregate, the “*Additional Charges*”), including without limitation, the expenses listed in Section 3.4 and each and all of the following:

(1) all reasonable fees of the Trustee, the Issuer, the Bond Owner, and any Holder for services rendered pursuant to the terms of the Indenture, any amounts due under Section 3.4 hereof (but only to the extent the same are not included in Ordinary Fees and Expenses and are not paid pursuant to Section 4.2) and all reasonable fees and reasonable charges of any registrars, legal counsel, accountants, engineers, public agencies, and others actually and reasonably incurred in the performance of services reasonably required pursuant to the terms and conditions of the Indenture for which such persons are actually entitled to payment or reimbursement, any reasonable fees or charges of public agencies, and any reasonable fees or expenses actually incurred and resulting directly from the occurrence and continuance of an Event of Default by the Borrower hereunder;

(2) (a) all indemnity payments required to be made to the Issuer, the Bond Owner, and any Holder under Section 5.2; (b) all expenses (including legal fees) incurred by the Issuer or the Trustee to exercise their rights under this Agreement following an Event of Default; and (c) all other actual expenses incurred by the Issuer in relation to the Development which are not otherwise required to be paid by the Borrower under the terms of this Agreement or any separate fee agreement, including costs incurred as a result of a request by the Borrower;

(3) if applicable, amounts advanced by the Trustee pursuant to the Indenture;

(4) interest, at the Default Rate, on all payments not made by the Borrower under Section 4.2 and under this Section 4.3 when due (accruing from the applicable due date), to the parties entitled thereto; and

(5) If any payment required under this Agreement is not paid within fifteen (15) days after such payment is due, then the Borrower shall pay to the Issuer, promptly and without demand, a late charge equal to five percent (5.0%) of the amount of such payment to compensate the unpaid party for administrative expenses and other costs of delinquent payments. This late charge may be assessed without notice, shall be immediately due and payable and shall be in addition to all other rights and remedies available to the Issuer. This late charge shall be in addition to any interest due as a result of interest then accruing on the Bonds Outstanding at the Default Rate, if applicable; *provided* that this shall not be duplicative with any amounts due under the Bond Purchase and Funding Agreement for late payments or default interest.

Section 4.4. The Borrower’s Obligations Unconditional. The obligations of the Borrower to perform and observe the agreements on its part contained herein shall be absolute and unconditional and payment of the Bond Loan, all Basic Payments, and Additional Charges and all other payments required of the Borrower hereunder or under the Bond Loan Note shall be paid without set off, counterclaim, or defense for any reason and without abatement or deduction or defense. The Borrower will not suspend or discontinue any such payments, and will perform and

observe all of its other agreements in this Agreement, and, except as expressly permitted in Section 6.3 will not terminate this Agreement for any cause, including but not limited to any acts or circumstances that may constitute failure of consideration, destruction or damage to the Development or the Borrower's business, the taking of the Development or the Borrower's business by Condemnation or otherwise, the lawful prohibition of the Borrower's use of the Development or the Borrower's business, the interference with such use by any private person or corporation, the invalidity or unenforceability or lack of due authorization or other infirmity of this Agreement, the lack of right, power or authority of the Issuer to enter into this Agreement, eviction by paramount title, commercial frustration of purpose, bankruptcy, or insolvency of the Issuer or the Trustee, change in the tax or other laws or administrative rulings or actions of the United States of America or of the State or any political subdivision thereof, or failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Agreement, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the payment of the Bond Loan and other amounts payable by the Borrower hereunder or under the Bond Loan Note shall be paid in full when due without any delay or diminution whatever.

Section 4.5. Assignment of Issuer's Rights. As security for the payment of the Bonds, except with respect to the Unassigned Issuer's Rights, the Issuer hereby pledges the amounts payable hereunder and assign, without recourse or liability, to the Trustee, the Issuer's rights under this Agreement, including the right to receive any payments hereunder, and hereby directs the Borrower to make said payments directly to the Trustee, or otherwise upon the order of the Trustee. The Borrower herewith assents to such assignment and will make payments under this Agreement directly to the Trustee or otherwise upon the order of the Trustee without defense or set off by reason of any dispute between the Borrower and the Issuer, the Bond Owner, or the Trustee and Trustee shall have the rights and remedies of the Issuer under this Agreement and each Bond Loan Document and shall have the right to exercise such rights and remedies without the joinder or consent of the Issuer, in the same manner and under the limitations and conditions that the Trustee is entitled to exercise rights and remedies under the Indenture. Trustee has designated the Bond Owner to service and administer the Bond Loan for and on behalf of the Trustee.

Section 4.6. Pro Rata Allocation. Notwithstanding anything to the contrary set forth in this Agreement, all of the Bonds proceeds shall, for federal income tax purposes, be (1) allocated on a pro rata basis to each building in the Development and the Land on which it is located (if there is more than one building) and (2) used exclusively to pay costs of the construction of the Development which are includable in aggregate basis of any building and the land on which the building is located ("*Eligible Costs*") in a manner such that each building satisfies the requirements of section 42(h)(4)(B) of the Code. Accordingly, no Bond proceeds will be deemed to have been used to pay any of the Costs of Issuance, except as otherwise provided for in this Agreement, or to fund any reserve account other than the Development Fund to be used to pay Eligible Costs.

Section 4.7. Establishment of Completion Date. The Borrower shall evidence completion of the Development and the actual date of completion by delivery to the Issuer and the Trustee of

a Completion Certificate in the form attached hereto as *Exhibit A* executed by an Authorized Borrower Representative. The Completion Certificate shall be furnished by the Borrower to the Issuer and the Trustee promptly following the completion of the Development.

ARTICLE 5.

COVENANTS OF ISSUER AND BORROWER

Section 5.1. Covenant for the Benefit of the Bond Owner. The Borrower recognizes the authority of the Issuer to assign its interest in and right to receive moneys receivable under this Agreement (other than the Unassigned Issuer's Rights) to the Trustee as security for the payment of the principal of and interest and redemption premium, if any, on the Bonds, and the payment of all Additional Charges. The Borrower hereby agrees to be bound by, and grants a security interest to the Trustee in any right and interest the Borrower may have in sums held in the Funds described in the Indenture, pursuant to the terms and conditions thereof, to secure payment of the Bonds and payments made under the Bond Loan Documents. Each of the terms and provisions of this Agreement is a covenant for the use and benefit of the Bond Owner, so long as the Bonds shall remain outstanding; but upon discharge of the Bonds in accordance with Article 8 of the Indenture and payment of all reasonable fees and charges incurred by the Issuer and the Trustee, all references in this Agreement to the Bond Owner and, the Bonds, shall be ineffective, and the Bond Owner shall thereafter have no rights hereunder, save and except those that shall have theretofore vested or that arise from provisions hereunder or under the Regulatory Agreements, once executed, which survive termination of this Agreement.

Section 5.2. Indemnity. (1) THE BORROWER WILL PAY, DEFEND, AND WILL PROTECT, INDEMNIFY, AND SAVE THE TRUSTEE, THE ISSUER, THE SPONSORING POLITICAL SUBDIVISIONS, THE BOND OWNER, AND EACH HOLDER OF THE BONDS, AND THE MEMBERS OF THE GOVERNING BODY AND STAFF, DIRECTORS, OFFICIALS, OFFICERS, ATTORNEYS, AGENTS, AND EMPLOYEES OF EACH OF THEM AND ANY PERSON WHO CONTROLS ANY OF THEM WITHIN THE MEANING OF THE SECURITIES ACT OF 1933 (FOR PURPOSES OF THIS SECTION 5.2 ONLY, COLLECTIVELY, THE "*INDEMNIFIED PARTIES*") FROM AND AGAINST ALL LIABILITIES, LOSSES, DAMAGES, REASONABLE COSTS AND EXPENSES (INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEYS' FEES, LITIGATION AND COURT COSTS, AMOUNTS PAID IN SETTLEMENT AND AMOUNTS PAID TO DISCHARGE JUDGMENTS) ACTUALLY INCURRED, CAUSES OF ACTION (WHETHER IN CONTRACT, TORT, OR OTHERWISE), SUITS, CLAIMS, DEMANDS, AND JUDGMENTS OF EVERY KIND, CHARACTER, AND NATURE WHATSOEVER ASSERTED AGAINST ANY INDEMNIFIED PARTY BY ANY THIRD PARTY (COLLECTIVELY REFERRED TO HEREIN AS THE "*LIABILITIES*") DIRECTLY OR INDIRECTLY ARISING FROM OR RELATING TO THE BONDS, THE BOND LOAN OF THE PROCEEDS OF THE BONDS, THIS AGREEMENT, THE BOND PURCHASE AND FUNDING AGREEMENT, AND THE OTHER BOND LOAN DOCUMENTS, THE DEVELOPMENT, THE INDENTURE, OR ANY DOCUMENT RELATED TO THE ISSUANCE AND SALE OF THE BONDS (BUT EXCLUDING FROM THE OBLIGATIONS UNDERTAKEN BY THE BORROWER PURSUANT TO THIS

SECTION 5.2 ANY OBLIGATIONS TO PAY PRINCIPAL OR INTEREST ON THE BOND LOAN OR THE BONDS), INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING:

(A) THE INDENTURE, THIS AGREEMENT, AND EACH REGULATORY AGREEMENT, ONCE EXECUTED, OR THE EXECUTION OR AMENDMENT THEREOF OR THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING THE ISSUANCE, SALE, RESALE, OR REMARKETING OF THE BONDS OR ANY OF THEM;

(B) ANY ACT OR OMISSION OF THE BORROWER OR ANY OF ITS AGENTS, CONTRACTORS, SERVANTS, EMPLOYEES, OR LICENSEES IN CONNECTION WITH THE BOND LOAN OR THE DEVELOPMENT, THE OPERATION OF THE DEVELOPMENT, OR THE CONDITION, ENVIRONMENTAL OR OTHERWISE, OCCUPANCY, USE, POSSESSION, CONDUCT, OR MANAGEMENT OF WORK DONE IN, ON, OR ABOUT THE DEVELOPMENT, OR FROM THE PLANNING, DESIGN, ACQUISITION, INSTALLATION, OR CONSTRUCTION OF, THE DEVELOPMENT, OR ANY PART THEREOF;

(C) ANY INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO PROPERTY IN OR UPON THE DEVELOPMENT OR GROWING OUT OF OR CONNECTED WITH THE USE, NON-USE, CONDITION OR OCCUPANCY OF THE DEVELOPMENT OR ANY PART THEREOF;

(D) ANY LIEN OR CHARGE UPON PAYMENTS BY THE BORROWER TO THE ISSUER AND THE TRUSTEE HEREUNDER, OR ANY TAXES (INCLUDING, WITHOUT LIMITATION, ALL AD VALOREM TAXES AND SALES TAXES), ASSESSMENTS, IMPOSITIONS, AND OTHER CHARGES IMPOSED ON THE ISSUER OR THE TRUSTEE IN RESPECT OF ANY PORTION OF THE DEVELOPMENT;

(E) ACTUAL VIOLATION BY THE BORROWER OF ANY AGREEMENT OR CONDITION OF THIS AGREEMENT, THE BOND REGULATORY AGREEMENT, ONCE EXECUTED, OR THE BOND MORTGAGE;

(F) ACTUAL VIOLATION BY THE BORROWER OF ANY CONTRACT, AGREEMENT, OR RESTRICTION RELATING TO THE DEVELOPMENT;

(G) ACTUAL VIOLATION BY THE BORROWER OF ANY LAW, ORDINANCE, OR REGULATION AFFECTING THE DEVELOPMENT, OR ANY PART THEREOF OR THE OWNERSHIP, OCCUPANCY, OR USE THEREOF, INCLUDING WITHOUT LIMITATION ANY VIOLATION OF ANY APPLICABLE ENVIRONMENTAL LAW, RULE, OR REGULATION WITH RESPECT TO, OR THE RELEASE OF ANY HAZARDOUS SUBSTANCE FROM, THE DEVELOPMENT OR ANY PART THEREOF;

(H) THE DEFEASANCE OR REDEMPTION, IN WHOLE OR IN PART, OF THE BONDS;

(I) ANY STATEMENT, INFORMATION, OR CERTIFICATE FURNISHED BY THE BORROWER TO THE ISSUER WHICH IS INTENTIONALLY MISLEADING, UNTRUE, OR INCORRECT IN ANY MATERIAL RESPECT, INCLUDING WITHOUT LIMITATION ANY UNTRUE STATEMENT OR

MISLEADING STATEMENT OF A MATERIAL FACT BY THE BORROWER CONTAINED IN ANY OFFERING STATEMENT OR DOCUMENT FOR THE BONDS OR ANY OF THE DOCUMENTS RELATING TO THE BONDS TO WHICH THE BORROWER IS A PARTY, OR ANY MATERIAL OMISSION FROM ANY OFFERING STATEMENT OR DOCUMENT FOR THE BONDS OF ANY MATERIAL FACT NECESSARY TO BE STATED THEREIN IN ORDER TO MAKE THE STATEMENTS MADE THEREIN BY THE BORROWER, IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH THEY WERE MADE, NOT MISLEADING;

(J) ANY AND ALL LIABILITIES DIRECTLY OR INDIRECTLY ARISING OUT OF OR RESULTING FROM REHABILITATION OF ANY IMPROVEMENTS, INCLUDING ANY DEFECTIVE WORKMANSHIP OR MATERIALS;

(K) ANY FAILURE TO SATISFY ANY REQUIREMENTS OF ANY APPLICABLE LAWS, REGULATIONS, ORDINANCES, GOVERNMENTAL POLICIES OR STANDARDS, REPORTS, SUBDIVISION MAPS, OR DEVELOPMENT AGREEMENTS THAT ACTUALLY APPLY AND PERTAIN TO THE DEVELOPMENT;

(L) BREACH OF ANY REPRESENTATION OR WARRANTY MADE OR GIVEN BY THE BORROWER TO ANY OF THE INDEMNIFIED PARTIES OR TO ANY PROSPECTIVE OR ACTUAL BUYER OF ALL OR ANY PORTION OF THE DEVELOPMENT;

(M) ANY CLAIM OR CAUSE OF ACTION OF ANY KIND BY ANY PARTY THAT ANY INDEMNIFIED PARTY IS LIABLE FOR ANY ACT OR OMISSION OF THE BORROWER OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THE OWNERSHIP, SALE, OPERATION, OR DEVELOPMENT OF THE DEVELOPMENT; AND

(N) ANY DECLARATION OF TAXABILITY OF INTEREST ON THE BONDS, OR ALLEGATIONS OR REGULATORY INQUIRY THAT INTEREST ON THE BONDS IS TAXABLE, FOR FEDERAL TAX PURPOSES, EXCEPT BY REASON OF BEING HELD BY A "SUBSTANTIAL USER" OF THE DEVELOPMENT OR A "RELATED PERSON" WITHIN THE MEANING OF SECTION 147(A) OF THE CODE.

(2) THE BORROWER ALSO AGREES TO INDEMNIFY AND HOLD HARMLESS EACH OF THE INDEMNIFIED PARTIES FROM AND AGAINST THE LIABILITIES DIRECTLY OR INDIRECTLY ARISING FROM OR RELATING TO ANY FRAUD OR MISREPRESENTATIONS OR OMISSIONS BY THE BORROWER OCCURRING DURING ANY PROCEEDINGS OF THE ISSUER RELATING TO THE ISSUANCE OF THE BONDS OR PERTAINING TO THE FINANCIAL CONDITION OF THE BORROWER WHICH, IF KNOWN TO THE BOND OWNER, MIGHT BE CONSIDERED A FACTOR IN ITS DECISION TO PURCHASE THE BONDS.

(3) NOTHING IN SECTION 5.2(1) SHALL BE DEEMED TO REQUIRE THE BORROWER TO PROVIDE INDEMNIFICATION TO AN INDEMNIFIED PARTY WITH RESPECT TO LIABILITIES ARISING FROM THE FRAUD, THE GROSS NEGLIGENCE (EXCEPT IN THE CASE OF ISSUER AND THE BOND OWNER), OR WILLFUL MISCONDUCT OF ANY INDEMNIFIED PARTY. NOTWITHSTANDING ANY PROVISION OF THIS FINANCING AGREEMENT TO THE CONTRARY, THE BOND OWNER AND THE TRUSTEE SHALL BE

INDEMNIFIED BY THE BORROWER WITH RESPECT TO LIABILITIES ARISING FROM THEIR OWN NEGLIGENCE TO THE EXTENT PERMITTED BY LAW AND THE BOND DOCUMENTS.

(4) PROMPTLY AFTER RECEIPT BY AN INDEMNIFIED PARTY OF ACTUAL NOTICE OF THE COMMENCEMENT OF ANY ACTION OR PROCEEDING WITH RESPECT TO WHICH INDEMNIFICATION IS BEING SOUGHT HEREUNDER, SUCH INDEMNIFIED PARTY WILL AS SOON AS REASONABLY PRACTICAL NOTIFY THE BORROWER OF THE COMMENCEMENT OF SUCH PROCEEDING. RECEIPT OF SUCH NOTIFICATION SHALL BE A NECESSARY CONDITION PRECEDENT TO THE BORROWER'S INDEMNIFICATION OBLIGATION HEREUNDER FOR LIABILITIES OF THE INDEMNIFIED PARTIES, BUT FAILURE OF THE BORROWER TO RECEIVE SUCH NOTIFICATION OR DEFECTS IN SUCH NOTIFICATION WILL NOT RELIEVE IT FROM ANY LIABILITY TO AN INDEMNIFIED PARTY WHICH THE BORROWER MAY HAVE OTHERWISE. IF THE BORROWER SO ELECTS, IT MAY ASSUME THE DEFENSE OF SUCH ACTION OR PROCEEDING, INCLUDING THE EMPLOYMENT OF COUNSEL REASONABLY SATISFACTORY TO THE INDEMNIFIED PARTY AND WILL PAY THE FEES AND DISBURSEMENTS OF SUCH COUNSEL. HOWEVER, NOTWITHSTANDING THE FOREGOING, (I) IF COUNSEL FOR SUCH INDEMNIFIED PARTY AND COUNSEL FOR THE BORROWER AGREE THAT (A) HAVING COMMON COUNSEL TO REPRESENT BOTH THE BORROWER AND THE INDEMNIFIED PARTY WOULD PRESENT A CONFLICT OF INTEREST OR (B) DEFENSES ARE AVAILABLE TO SUCH INDEMNIFIED PARTY WHICH ARE NOT AVAILABLE TO THE BORROWER OR (II) IF THE BORROWER FAILS TO ASSUME THE DEFENSE OF THE ACTION OR PROCEEDING IN A TIMELY MANNER, THEN SUCH INDEMNIFIED PARTY MAY EMPLOY SEPARATE COUNSEL TO REPRESENT OR DEFEND IT IN ANY SUCH ACTION OR PROCEEDING AND THE BORROWER WILL PAY THE REASONABLE FEES AND DISBURSEMENTS OF SUCH COUNSEL. IN ANY ACTION OR PROCEEDING THE DEFENSE OF WHICH THE BORROWER ASSUMES, THE INDEMNIFIED PARTY WILL HAVE THE RIGHT TO PARTICIPATE IN SUCH LITIGATION AND TO RETAIN ITS OWN COUNSEL AT SUCH INDEMNIFIED PARTY'S OWN EXPENSE. NOTWITHSTANDING THE FOREGOING, IF THE INDEMNIFIED PARTY IS THE ISSUER, THE ISSUER SHALL EMPLOY ITS OWN COUNSEL AND THE BORROWER SHALL BE LIABLE FOR THE REASONABLE COST OF SUCH COUNSEL. NO INDEMNIFIED PARTY SHALL SETTLE ANY LIABILITY FOR WHICH INDEMNIFICATION IS BEING SOUGHT HEREUNDER, WITHOUT THE PRIOR WRITTEN CONSENT OF THE BORROWER, WHICH CONSENT SHALL BE AT THE SOLE DISCRETION OF BORROWER.

(5) THE INDEMNIFIED PARTIES SHALL BE CONSIDERED TO BE INTENDED THIRD PARTY BENEFICIARIES OF THIS AGREEMENT FOR PURPOSES OF SECTION 5.2(1)-(4).

(6) **TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE BORROWER HEREBY COVENANTS AND AGREES AS FOLLOWS: EXCEPT AS ARISING FROM THE WILLFUL MISCONDUCT OF ANY SUCH PARTY, TO PROTECT, INDEMNIFY AND SAVE THE ISSUER, THE SPONSORING POLITICAL SUBDIVISIONS AND THEIR RESPECTIVE OFFICIALS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND ATTORNEYS (EACH, A "GOVERNMENTAL INDEMNIFIED PARTY") HARMLESS FROM AND AGAINST ALL LIABILITY, LOSSES, DAMAGES, COSTS, EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES), TAXES, CAUSES OF ACTION, SUITS, CLAIMS, DEMANDS AND JUDGMENTS OF ANY NATURE OR FORM, BY OR ON BEHALF OF ANY PERSON ARISING IN ANY MANNER FROM THE TRANSACTION OF WHICH THIS FINANCING AGREEMENT IS A PART OR ARISING IN ANY MANNER IN CONNECTION WITH THE DEVELOPMENT OR THE FINANCING OF THE DEVELOPMENT (COLLECTIVELY, "GOVERNMENTAL INDEMNITY**

LIABILITIES”) INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ARISING FROM (I) THE WORK DONE ON THE DEVELOPMENT OR THE OPERATION OF THE DEVELOPMENT DURING THE TERM OF THIS FINANCING AGREEMENT OR (II) ANY BREACH OR DEFAULT ON THE PART OF THE BORROWER IN THE PERFORMANCE OF ANY OF ITS OBLIGATIONS UNDER THIS FINANCING AGREEMENT, OR (III) ANY CLAIM OR CAUSE OF ACTION AGAINST THE ISSUER THAT SEEKS TO IMPOSE LIABILITY ON THE ISSUER WITH RESPECT TO THE BONDS, THIS FINANCING AGREEMENT, THE TAX EXEMPTION AGREEMENT, THE BOND REGULATORY AGREEMENT OR THE INDENTURE, (IV) THE DEVELOPMENT OR ANY PART THEREOF, OR (V) ANY VIOLATION OF ANY CONTRACT, AGREEMENT OR RESTRICTION RELATING TO THE DEVELOPMENT EXCLUDING THE PAYMENT OF THE PRINCIPAL, PREMIUM, IF ANY, AND INTEREST ON THE BONDS OR THE BOND LOAN, OR (VI) ANY LIABILITY, VIOLATION OF LAW, ORDINANCE OR REGULATION AFFECTING THE DEVELOPMENT OR ANY PART THEREOF OR THE OWNERSHIP OR OCCUPANCY OR USE THEREOF. UPON NOTICE FROM ANY GOVERNMENTAL INDEMNIFIED PARTY, THE BORROWER SHALL DEFEND THE GOVERNMENTAL INDEMNIFIED PARTIES IN ANY ACTION OR PROCEEDING BROUGHT IN CONNECTION WITH ANY OF THE ABOVE, AND PROVIDE COMPETENT COUNSEL REASONABLY SATISFACTORY TO SUCH GOVERNMENTAL INDEMNIFIED PARTY; PROVIDED, HOWEVER, THAT THE GOVERNMENTAL INDEMNIFIED PARTIES SHALL HAVE THE ABSOLUTE RIGHT TO EMPLOY SEPARATE COUNSEL IN ANY ACTION DESCRIBED IN THE PRECEDING SENTENCE AT THE EXPENSE OF THE BORROWER.

(7) IT IS THE INTENTION OF THE PARTIES HERETO THAT THE GOVERNMENTAL INDEMNIFIED PARTIES SHALL NOT INCUR PECUNIARY LIABILITY BY REASON OF THE TERMS OF THIS FINANCING AGREEMENT OR BY REASON OF THE UNDERTAKINGS REQUIRED OF THE GOVERNMENTAL INDEMNIFIED PARTIES IN CONNECTION WITH THE ISSUANCE OF THE BONDS, INCLUDING BUT NOT LIMITED TO THE EXECUTION AND DELIVERY OF THE INDENTURE, THIS FINANCING AGREEMENT, THE TAX EXEMPTION AGREEMENT, THE BOND REGULATORY AGREEMENT, AND ALL OTHER INSTRUMENTS AND DOCUMENTS REQUIRED TO CLOSE THE TRANSACTION; THE PERFORMANCE OF ANY ACT REQUIRED OF THE GOVERNMENTAL INDEMNIFIED PARTIES BY THIS FINANCING AGREEMENT; OR THE PERFORMANCE OF ANY ACT REQUESTED OF A GOVERNMENTAL INDEMNIFIED PARTY BY THE BORROWER OR IN ANY WAY ARISING FROM THE TRANSACTION OF WHICH THIS FINANCING AGREEMENT IS A PART OR ARISING IN ANY MANNER IN CONNECTION WITH THE DEVELOPMENT OR THE FINANCING OF THE DEVELOPMENT, INCLUDING BUT NOT LIMITED TO THE EXECUTION AND DELIVERY OF THE INDENTURE, THIS FINANCING AGREEMENT, THE TAX EXEMPTION AGREEMENT, THE BOND REGULATORY AGREEMENT AND ALL OTHER INSTRUMENTS AND DOCUMENTS REQUIRED TO CLOSE THE TRANSACTION; NEVERTHELESS, IF ANY GOVERNMENTAL INDEMNIFIED PARTY SHOULD INCUR ANY SUCH PECUNIARY LIABILITY WITH RESPECT TO EVENTS OCCURRING AFTER THE DATE HEREOF, THEN IN SUCH EVENT THE BORROWER SHALL INDEMNIFY AND HOLD THE GOVERNMENTAL INDEMNIFIED PARTIES HARMLESS AGAINST ALL CLAIMS BY OR ON BEHALF OF ANY PERSON, ARISING OUT OF THE SAME, AND ALL COSTS AND EXPENSES (INCLUDING WITHOUT LIMITATION REASONABLE FEES AND EXPENSES OF COUNSEL) INCURRED IN CONNECTION WITH ANY SUCH CLAIM OR IN CONNECTION WITH ANY ACTION OR PROCEEDING BROUGHT THEREON, AND UPON TIMELY NOTICE FROM ANY GOVERNMENTAL INDEMNIFIED PARTY THE BORROWER SHALL DEFEND THE GOVERNMENTAL INDEMNIFIED PARTIES IN ANY SUCH ACTION OR PROCEEDING, AND PROVIDE COMPETENT COUNSEL SATISFACTORY TO THE GOVERNMENTAL INDEMNIFIED PARTIES AND THE BORROWER SHALL PAY THE GOVERNMENTAL INDEMNIFIED PARTIES’ EXPENSES INCLUDING

PAYMENT OF THE COUNSEL USED BY A GOVERNMENTAL INDEMNIFIED PARTY; *PROVIDED, HOWEVER,* THAT THE GOVERNMENTAL INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO EMPLOY SEPARATE COUNSEL IN ANY ACTION DESCRIBED IN THE PRECEDING SENTENCE AT THE EXPENSE OF THE BORROWER; AND BORROWER SHALL NOT BE OBLIGATED TO INDEMNIFY ANY SUCH GOVERNMENTAL INDEMNIFIED PARTY FOR ACTIONS ARISING FROM ITS WILLFUL MISCONDUCT.

(8) ALL AMOUNTS PAYABLE TO THE ISSUER UNDER THIS AGREEMENT SHALL BE DEEMED TO BE FEES AND EXPENSES PAYABLE TO THE ISSUER FOR THE PURPOSES OF THE PROVISIONS OF THIS AGREEMENT AND OF THE INDENTURE DEALING WITH ASSIGNMENT OF THE ISSUER'S RIGHTS UNDER THIS AGREEMENT. THE GOVERNMENTAL INDEMNIFIED PARTIES SHALL NOT BE LIABLE TO THE BORROWER FOR ANY REASON EXCEPT AS ARISING FROM THE WILLFUL MISCONDUCT OF SUCH PARTIES. NOTWITHSTANDING ANY PROVISION OF THIS FINANCING AGREEMENT TO THE CONTRARY, EACH GOVERNMENTAL INDEMNIFIED PARTY SHALL BE INDEMNIFIED BY THE BORROWER WITH RESPECT TO LIABILITIES ARISING FROM SUCH PARTY'S OWN GROSS NEGLIGENCE, NEGLIGENCE OR BREACH OF CONTRACTUAL DUTY, BUT NOT FOR ANY LIABILITIES ARISING FROM SUCH PARTY'S OWN FRAUD OR WILLFUL MISCONDUCT.

(9) THIS INDEMNIFICATION SHALL NOT BE AFFECTED BY ANY INVESTIGATION BY OR ON BEHALF OF THE ISSUER OR ANY INFORMATION THE ISSUER MAY HAVE OR OBTAIN WITH RESPECT THEREOF.

NOTWITHSTANDING ANYTHING ELSE IN THIS FINANCING AGREEMENT TO THE CONTRARY, THE BORROWER SHALL BE RESPONSIBLE FOR THE FEES, COSTS AND EXPENSES OF COUNSEL TO THE ISSUER AT ALL TIMES; *PROVIDED* THAT THE ISSUER MAINTAINS CONTROL OF THE SELECTION OF ITS COUNSEL AT ALL TIMES.

THIS INDEMNIFICATION COVENANT SHALL SURVIVE REPAYMENT OF THE BOND LOAN AND THE BONDS.

THIS INDEMNITY SHALL BE IN ADDITION TO ANY INDEMNITY PROVISIONS IN THE BOND PURCHASE AND FUNDING AGREEMENT AND THE OTHER BOND LOAN DOCUMENTS.

NOTWITHSTANDING ANY TRANSFER OF THE DEVELOPMENT TO ANOTHER OWNER IN ACCORDANCE WITH THE PROVISIONS OF THIS AGREEMENT PRIOR TO THE FULL AND FINAL PAYMENT OF THE BOND LOAN NOTE, THE BORROWER SHALL REMAIN OBLIGATED TO INDEMNIFY EACH INDEMNIFIED PARTY PURSUANT TO THIS SECTION BUT ONLY FOR SUCH LIABILITIES ARISING FROM AND WITH RESPECT TO ACTION, INACTION, OR OTHER CIRCUMSTANCES OR EVENTS OCCURRING PRIOR TO SUCH TRANSFER, BUT ONLY IF THE BOND OWNER, THE ISSUER AND THE TRUSTEE HAVE CONSENTED TO SUCH TRANSFER. IN THAT EVENT, SUCH SUBSEQUENT OWNER SHALL INDEMNIFY ANY INDEMNIFIED PARTIES HEREUNDER FOLLOWING SUCH TRANSFER UNDER ALL OF THE TERMS AND CONDITIONS APPLICABLE TO BORROWER.

NOTWITHSTANDING THE FOREGOING OR ANYTHING TO THE CONTRARY CONTAINED HEREIN OR IN ANY OF THE BOND DOCUMENTS, (A) THE WITHDRAWAL, REMOVAL AND/OR REPLACEMENT OF THE GENERAL PARTNER AND/OR ADMINISTRATIVE LIMITED PARTNER IN ACCORDANCE WITH THE

BORROWER'S LIMITED PARTNERSHIP AGREEMENT SHALL NOT REQUIRE THE CONSENT OF THE PURCHASER, THE ISSUER OR ANY OTHER PERSON SO LONG AS THE GENERAL PARTNER OR THE ADMINISTRATIVE LIMITED PARTNER, AS APPLICABLE, IS REPLACED WITH AN AFFILIATE OF RED STONE EQUITY MANAGER LLC ("RED STONE") AND (B) THE CONSENT OF THE PURCHASER, THE ISSUER OR ANY OTHER PERSON SHALL NOT BE REQUIRED FOR (I) A TRANSFER OF THE LIMITED PARTNER INTERESTS OF THE INVESTOR LIMITED PARTNER AND/OR SPECIAL LIMITED PARTNER IN THE BORROWER AND/OR (II) A TRANSFER OF OWNERSHIP INTERESTS IN THE GENERAL PARTNER, ADMINISTRATIVE LIMITED PARTNER OR THE INVESTOR LIMITED PARTNER AND/OR SPECIAL LIMITED PARTNER, IN EITHER CASE, TO AN AFFILIATE OF RED STONE. FURTHER, EXCEPT WITH THE PRIOR WRITTEN APPROVAL OF THE PURCHASER, THE BORROWER AGREES TO CONSTRUCT, DEVELOP AND OPERATE THE DEVELOPMENT IN SUCH A MANNER AS TO ASSURE THAT NO ENTITY OTHER THAN THE BORROWER IS OR WILL BE A "SUBSTANTIAL USER" OR "RELATED PERSON" TO A "SUBSTANTIAL USER" AND, IF IT SHOULD TAKE OR PERMIT ANY SUCH ACTION, THE BORROWER WILL TAKE ALL LAWFUL ACTIONS THAT IT CAN TAKE TO RESCIND SUCH ACTION PROMPTLY UPON HAVING KNOWLEDGE THEREOF.

ANYTHING TO THE CONTRARY IN ANY OTHER BOND LOAN DOCUMENT NOTWITHSTANDING, THE PROVISIONS OF THIS SECTION 5.2 ARE NOT SECURED BY THE BOND MORTGAGE, AND SURVIVE THE TERMINATION OF THIS AGREEMENT, REPAYMENT OF THE BOND LOAN AND FORECLOSURE OF THE BOND MORTGAGE OR SIMILAR PROCEEDINGS, FINAL PAYMENT OR DEFEASANCE OF THE BONDS, AND (IN THE CASE OF THE TRUSTEE) ANY RESIGNATION OR REMOVAL.

THE OBLIGATIONS OF THE BORROWER UNDER THIS SECTION 5.2 ARE INDEPENDENT OF ANY OTHER CONTRACTUAL OBLIGATION OF THE BORROWER TO PROVIDE INDEMNITY TO THE INDEMNIFIED PARTIES NAMED HEREIN, AND THE OBLIGATION OF THE BORROWER TO PROVIDE INDEMNITY HEREUNDER MAY NOT BE INTERPRETED, CONSTRUED, OR LIMITED IN LIGHT OF ANY OTHER SEPARATE INDEMNIFICATION OBLIGATION OF THE BORROWER. ANY INDEMNIFIED PARTY IS ENTITLED SIMULTANEOUSLY TO SEEK INDEMNITY UNDER THIS SECTION 5.2 AND ANY OTHER PROVISION UNDER WHICH IT IS ENTITLED TO INDEMNITY FROM THE BORROWER, *PROVIDED, HOWEVER*, SUCH INDEMNIFIED PARTY SHALL BE ENTITLED TO ONLY ONE RECOVERY OF INDEMNITY FOR THE SAME LIABILITIES.

THE BORROWER'S DUTY AND OBLIGATION TO DEFEND, INDEMNIFY, AND HOLD HARMLESS THE INDEMNIFIED PARTIES SHALL SURVIVE THE TERM OF THE BONDS, THE RELEASE, RECONVEYANCE, OR PARTIAL RECONVEYANCE OF THE BOND MORTGAGE, THE TERMINATION OF THIS AGREEMENT, AND THE RESIGNATION OR REMOVAL OF THE TRUSTEE.

NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH IN THIS AGREEMENT AND/OR ANY OF THE OTHER BOND LOAN DOCUMENTS, IN THE EVENT ANY LIABILITIES FOR WHICH THE BORROWER AND/OR THE GUARANTOR HAVE PROVIDED INDEMNIFICATION UNDER ANY OF THE BOND LOAN DOCUMENTS ARISES SOLELY AND EXCLUSIVELY AS A RESULT OF A NEGLIGENT ACT OR OMISSION OF ANY INDEMNIFIED PARTY (EXCEPT THE ISSUER) THE TOTAL AMOUNT OF SUCH LIABILITIES SHALL BE LIMITED TO THE PROCEEDS OF INSURANCE POLICIES CARRIED OR REQUIRED TO BE CARRIED BY THE BORROWER UNDER THE BOND LOAN DOCUMENTS.

Section 5.3. Keeping the Issuer Informed. The Borrower must keep the Issuer informed, following its receipt of written request from Issuer, concerning the Borrower's financial condition and business operations, the condition and all uses of the Development, including all changes in condition or use, and any and all other circumstances that are a Material Adverse Change or Effect.

Section 5.4. Status of the Borrower. (1) Throughout the term of this Agreement, the Borrower will maintain its existence as a limited partnership organized under the laws of the State in good standing and qualified to transact business in the State and will not wind up or otherwise dispose of all or substantially all of its assets except as provided in the Bond Mortgage and Section 5.2 of this Agreement.

(2) Notwithstanding the provisions of the Bond Mortgage, the Borrower shall not effect a merger, consolidation, or transfer if the result thereof would cause the interest on the Bonds (in the hands of any Person who is a "substantial user" of the Development or a "related person") to become includible in gross income for federal income tax purposes.

Upon any change in the General Partner or the Administrative Limited Partner of the Borrower or the jurisdiction of organization of the Borrower, by way of substitution, sale, or otherwise, or a change in the jurisdiction of the Borrower's organization, the Issuer, the Trustee, and the Bond Owner shall be immediately informed, and if requested, the Borrower as newly constituted shall deliver to the Issuer, the Trustee, and the Bond Owner an instrument in form satisfactory to each of them affirming the liability of the Borrower hereunder, subject to all events to the terms and conditions of Section 5.2 and elsewhere in this Agreement.

Section 5.5. Execution of Financing Statements. Without limiting Section 5.4, the Borrower agrees that it will, at its sole expense, file at the request of the Bond Owner, any financing statements or continuation statements required or requested by the Bond Owner to perfect and preserve the security interest of the Issuer and the Trustee in this Agreement and the payments to be made hereunder, as granted in the Indenture.

Section 5.6. Proceedings Relating to an Event of Taxability. If any action or proceeding is commenced which questions the excludability of interest on the Bonds from gross income under Section 103(a) of the Code or which might result in an Event of Taxability, the Borrower, the Issuer, the Trustee, or the Bond Owner may contest such action or Event of Taxability. All reasonable costs actually incurred by Bond Owner in such contest shall be borne by the Borrower. No such action or proceeding shall be settled by the Borrower or the Trustee without the written consent of the Issuer and the Bond Owner, and, if no Default or Event of Default is then continuing, no such action or proceeding shall be settled by the Issuer, the Trustee or the Bond Owner without the written consent of the Borrower.

Section 5.7. 90% Test. Substantially all (at least 90%) of the Development dwelling units will be rented to Eligible Tenants (as defined in the Bond Regulatory Agreement) and the Borrower will not rent or lease any unit in the Development to a person not an Eligible Tenant if such rental would cause less than 90% of the dwelling units in the Development to be rented to Eligible Tenants.

Section 5.8. Reserved.

Section 5.9. Notice of Change. The Borrower shall give the Bond Owner, the Issuer, and the Trustee prior written notice of any change in:

- (a) the location of its place of business or its chief executive office if it has more than one place of business; and
- (b) the Borrower's name or business structure as a limited partnership.

Unless otherwise approved by the Bond Owner in writing, the Borrower agrees that all Mortgaged Property that consists of personal property (other than the books and records) will be located at the Development and that all books and records will be located at the Borrower's place of business, which place of business will be immediately identified to the Bond Owner upon request.

Section 5.10. Covenants Regarding Tax Exemption.

(a) The Borrower covenants to refrain from any action which would adversely affect, or to take such action to assure, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder (other than the income of a "substantial user" of the Development or a "related person" within the meaning of section 147(a) of the Code) for purposes of federal income taxation. In particular, but not by way of limitation thereof, the Borrower covenants as follows:

- (i) to take such action to assure that the Bonds are "exempt facility bonds", as defined in section 142(a) of the Code, at least ninety-five percent (95%) of the proceeds of which are used to provide "qualified residential rental Developments" (within the meaning of said section 142(a)(7) of the Code) or property functionally related and subordinate to such facilities;

- (ii) to comply with the terms and conditions of that certain Tax Exemption Agreement executed in connection with the Bonds, including, without limiting the generality of any other covenant contained herein, --

- A. assuring that at all times within the Qualified Development Period that 20 percent of the residential units in the Development will be occupied by persons whose income is 50 percent or less of area median gross income or, in lieu thereof, 40 percent of the residential units in the Development will be occupied by persons whose income is 60 percent or less of area median gross income percent,

- B. obtaining annually from each tenant of a residential unit described in subsection (1) above, a certification of income to currently determine income compliance with the foregoing, and

C. assuring that none of the residential units in the Development will be used for a purpose other than residential rental or that none of the units will be used as owner-occupied residences within the meaning of section 143 of the Code;

(iii) to refrain from taking any action that would result in the Bonds being “federally guaranteed” within the meaning of section 149(b) of the Code;

(iv) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with --

A. proceeds of the Bonds invested for a reasonable temporary period equal to the lesser of three (3) years or less until such proceeds are needed for the purpose for which the Bonds are issued,

B. amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

C. amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed ten percent (10%) of the stated principal amount (or, in the case of a discount, the issue price) of the Bonds;

(v) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, to satisfy the requirements of section 148 of the Code (relating to arbitrage);

(vi) to use no more than two percent (2%) of the gross proceeds of the Bonds for the payment of costs of issuance;

(vii) to use no portion of the proceeds of the Bonds to provide any airplane, sky-box or other private luxury box, health club facility, facility primarily used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises;

(viii) to comply with the limitations imposed by section 147(c) of the Code (relating to the limitation on the use of proceeds to acquire land) and section 147(d) of the Code (relating to restrictions on the use of Bond proceeds to acquire existing buildings, structures or other property);

(ix) that the Borrower shall immediately remit to the Trustee for deposit in the Rebate Fund any deficiency with respect to the Rebate Amount as required by Section 6.06 of the Indenture;

(x) the Borrower agrees to provide to the Trustee, at such time as required by the Trustee, all information required by the Trustee with respect to Nonpurpose Investments not held in any fund under the Indenture; and

(xi) to take such action to assure, and to refrain from any action which would cause, the Development financed with the proceeds of the Bonds to not be as described in the “Application of Private Activity Bonds” submitted by the Issuer on behalf of the Borrower to the Texas Bond Review Board in order to receive an allocation of state volume cap as required by section 146 of the Code; and

(xii) the issuer agrees to submit, and the Borrower agrees to cause the issuer to submit, such closing documents for the Bonds, in accordance with the rules of the Texas Bond Review Board, as may be necessary, or to take such other action as reasonably required, to cause the Texas Bond Review Board to provide the certificate of allocation for the Bonds.

(b) The Issuer and Borrower understand that the term “proceeds” includes “disposition proceeds” as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the Issuer and the Borrower that the covenants contained in this Agreement are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the Issuer and the Borrower will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs authorized Issuer representative to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(c) Allocation of, and Limitation on Expenditures for the Development. The Issuer and the Borrower covenant to account for the expenditure of sale proceeds and investment earnings to be used for the Development on its books and records by allocating proceeds to expenditures within eighteen (18) months of the later of the date that (i) the expenditure is made, or (ii) the Development is completed. The foregoing notwithstanding, the Issuer and the Borrower shall not expend sale proceeds or investment earnings thereon more than sixty (60) days after the later of (i) the fifth (5th) anniversary of the delivery of the Bonds, or (ii) the date the Bonds are retired, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the Issuer and the Borrower shall not be obligated to comply with this covenant if it obtains an opinion that such

failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest on the Bonds.

(d) Neither the Borrower nor any “related party” (within the meaning of Section 1.150-1(b) of the Regulations, to the Borrower shall be permitted to purchase any Bonds in an amount related to the Bond Loan.

Section 5.11. Incorporation of Tax Exemption Agreement. The covenants, representations, warranties, and agreements of the Borrower set forth in the Tax Exemption Agreement are incorporated by reference herein as if fully set forth herein. Notwithstanding anything herein or in the Tax Exemption Agreement to the contrary, Bond Owner may rely on and enforce, on their own behalf, the covenants, representations, warranties, and agreements of the Borrower set forth in the Tax Exemption Agreement.

Section 5.12. Loss of Tax Exemption. Notwithstanding anything in the Bond Purchase and Funding Agreement to the contrary, the interest rates will be increased to non tax exempt rates as provided for in the Indenture. The interest rates will be increased both prospectively and retroactively to the date on which such Event of Taxability on the Bonds shall be applicable, and the Borrower shall pay to the Bond Owner promptly upon demand therefor by the Bond Owner to Borrower, any interest due retroactively. The Borrower shall also indemnify, defend, and hold the Bond Owner, the Trustee and the Issuer harmless from any penalties, interest expense or other costs, including reasonable attorneys’ fees (including all allocated time and charges of the Bond Owner’s, Trustee’s and the Issuer’s “in house” and “outside” counsel) and accountants’ costs, resulting from any dispute with the Internal Revenue Service concerning the proper tax treatment of interest on the Bonds and the interest payable to Bond Owner on the Bonds. The obligations of the Borrower under this paragraph shall survive termination of this Agreement and repayment of the Bond Loan and the resignation or removal of the Trustee.

If, following any increase in interest rates pursuant to this Section 5.12 a final determination is made, to the satisfaction of the Bond Owner, that interest paid on the Bonds is excludible from the Bond Owner’s gross income for federal income tax purposes, the Bond Owner shall promptly refund to the Borrower any additional interest paid by the Borrower pursuant to this Section 5.12 and the original tax exempt interest rate on the Bond Loan Note provided for in the Indenture shall be reinstated retroactive to the date on which such rate was increased pursuant to this Section 5.12.

Notwithstanding any provision of this Section to the contrary, in no event shall the interest rate on the Bond Loan Note and the Bonds exceed the Maximum Lawful Rate.

Section 5.13. Payment of Rebate Amounts. The Borrower will, on a timely basis, provide the Issuer with all necessary information and, with respect to the Borrower’s rebate requirement or yield reduction payments (both as may be required under Section 15 of the Tax Exemption Agreement) required to be paid, all necessary funds, in addition to any funds that are then available for such purpose in the Rebate Fund, to enable the Issuer to comply with all arbitrage and rebate requirements of the Code. To that end, the Borrower covenants and agrees to make such payments to the Trustee as are required of it under the Tax Exemption Agreement. The obligation of the

Borrower to make such payments shall remain in effect and be binding upon the Borrower notwithstanding the release and discharge of the Indenture and this Financing Agreement.

Section 5.14. Qualifications Under the Act. So long as the Bonds remain Outstanding, the Borrower will operate the Development in accordance with the Act and agrees to take all reasonable actions necessary to qualify and to continue to qualify the Development as a “residential development” under the Act. In furtherance of, and without limiting, the foregoing, in order to comply with Section 394.004 of the Act, the Borrower hereby agrees that at least ninety percent (90%) of the units in the Development are for use by or are intended to be occupied by persons of low and moderate income whose adjusted gross income, together with the adjusted gross income of all persons who intend to reside with those persons in one dwelling unit, did not for the preceding tax year exceed the Maximum Household Income Limit, and the Borrower agrees to perform all acts necessary to comply with such section of the Act. In addition, in order to comply with Section 394.9025 of the Act, the Borrower hereby agrees that at least fifty percent (50%) of the units in the Development are for use or are intended to be occupied by families and individuals earning less than eighty percent (80%) of the Median Family Income.

Section 5.15. Rental Development. With respect to the residential units in the Development, the Borrower represents, covenants, and warrants that, once available for occupancy, will be rented or available for rental subject to the limitations contained in this Agreement, each Regulatory Agreement, and the requirements of Section 42 of the Code through the Qualified Development Period (unless occupied by or reserved for a resident manager, security personnel, or maintenance personnel reasonably required for the Development), that the Borrower will not give preference in renting residential units to any particular class or group of persons and other than as required or permitted by each Regulatory Agreement and/or as otherwise approved by HUD, and that at no time will any portion of the Development be exclusively reserved for use by a limited number of nonexempt persons in their trades or businesses.

Section 5.16. Certification as to Qualified Development Period. The Borrower shall provide to the Bond Owner, the Issuer, and the Trustee a certificate certifying within ninety (90) days thereof, (i) the date on which ten percent (10%) of the residential units are occupied; and (ii) the date on which fifty percent (50%) of the units are occupied.

Section 5.17. [Reserved].

Section 5.18. Reporting Requirements of the Borrower; TDHCA Reports. The Borrower will furnish to the Issuer and agencies of the State such periodic reports or statements as are required under the Act, or as such agencies may otherwise reasonably require of the Issuer or the Borrower throughout the term of this Agreement. The Borrower shall comply with the requirements of Section 394.027(c) of the Act and the rules of the Texas Department of Housing and Community Affairs promulgated pursuant to Section 394.027 of the Act, as amended (the “TDHCA Rules”) and shall prepare and provide to the Issuer (or at the Issuer’s written request, to the Texas Department of Housing and Community Affairs) no later than September 15 of each year, beginning September 15, 2027, a report in the form prescribed by the TDHCA Rules and which will include, with respect to each person residing in the Development, geographic and

demographic information, including tenant incomes, household size and total household income and all other data required by the TDHCA Rules, as such rules may be amended or modified from time to time.

ARTICLE 6.

BORROWER'S OPTIONS

Section 6.1. Principal Prepayments. The Borrower may prepay all or part of the Bond Loan at any time subject to and as provided for in the Bond Purchase and Funding Agreement and the Indenture.

Section 6.2. Direction of Investments. Subject to prior written consent of the Bond Owner, except during the continuance of an Event of Default, the Borrower shall have the right during the term of this Agreement to provide written direction to the Trustee to invest or reinvest all money held for the credit of Funds established by Article 6 of the Indenture in Permitted Investments subject, however, to the further conditions of Article 7 of the Indenture.

Section 6.3. Termination of Financing Agreement: Required Prepayment. (1) Except during the continuance of an Event of Default, the Borrower shall have the option of terminating this Agreement if (i) the Bonds has been paid in full or if provision is otherwise made for payment of the Bonds in such manner that the Indenture will be discharged under Article 8 thereof on or before the date of termination, (ii) such prepayment and termination is allowed by the Bond Mortgage, and (iii) the Borrower provides the Trustee and the Issuer with an opinion of Bond Counsel to the effect that all such conditions have been satisfied and that such action will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes; *provided* that this Agreement may not be terminated unless and until (a) all of the Borrower's obligations under the Bond Loan Documents have been satisfied and (b) all of the Borrower's obligations with respect to the Issuer's Fee's and Trustee's fees and any rebate obligation have been satisfied and the Borrower has so certified to the Issuer and the Trustee. All obligations of the Borrower under Sections 4.3 and 5.2 and shall survive termination of this Agreement, repayment of the Bond Loan, and the resignation or removal of the Trustee, but only to the extent as provided for in those respective sections.

(2) Notwithstanding the foregoing, the Borrower may not terminate this Agreement unless and until the Trustee has on deposit an amount equal to the sum of the following:

(a) Funds on deposit in any of the Funds established under Article 6 of the Indenture and available for that purpose which are sufficient to discharge the Indenture in accordance with Article 8 thereof and to pay amounts due under and with respect to the Bonds, plus

(b) to the extent not paid under subsection (a) above, an amount equal to the Trustee's fees, Issuer Fees, and expenses due or to become due under the Indenture not otherwise paid or provided for pursuant to Section 4.2 or 4.3 hereof and any other amounts

due and unpaid under Section 5.2 hereof, accrued and to accrue until the Bonds is fully paid and redeemed and all other advances, fees, costs, and expenses reasonably incurred and to be incurred on or before the termination date by the Trustee under the Indenture and by the Issuer and the Trustee under this Agreement and/or the other Bond Loan Documents; *provided* that in any event, in order to effect prepayment or discharge of the Outstanding Bond the Borrower shall, prior to the termination date, satisfy the requirements of Section 8.1 of the Indenture, and of the Bonds and the Bond Loan Note.

(3) On the termination date, a closing shall be held at any office mutually agreed upon among the Issuer, the Borrower, the Bond Owner, and the Trustee (which closing may be conducted by first-class mail or recognized overnight delivery service). At the closing, the Issuer and the Trustee shall, upon acknowledgment of receipt of the sum set forth in subsection (2) above, execute and deliver to the Borrower such release and other instruments as the Borrower reasonably determines is necessary to terminate this Agreement and the other Bond Loan Documents. All further obligations of the Borrower hereunder (except as specifically provided in Sections 4.3 and 5.2) shall thereupon terminate, *provided, however*, that the Borrower shall also remain obligated to pay or reimburse the Issuer, the Bond Owner, and the Trustee for the payment of all other fees, costs, and expenses unaccounted for in the sum paid in accordance with subsection (2) above and reasonably incurred before or subsequent to such closing in connection with the Bonds.

ARTICLE 7.

EVENTS OF DEFAULT AND REMEDIES

Section 7.1. Events of Default. Any one or more of the following events is an Event of Default under this Agreement, and the term “Event of Default”, wherever used herein, means any one of the following events, whatever the reason for such default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, or order of any court or any order, rule or regulation of any administrative or governmental body:

(1) the occurrence of an Event of Default under and as defined in the Bond Purchase and Funding Agreement; or

(2) the Borrower shall fail in any respect to observe and perform or shall breach in any respect any other provision, covenant, condition, or agreement on its part under this Agreement and shall fail to remedy such default or breach within thirty (30) days after written notice to Borrower from the Issuer, the Trustee, or the Bond Owner, specifying such default or breach and requesting that it be remedied; or

(3) the occurrence and continuance of an event of default or a default shall occur under the Indenture or any Regulatory Agreement, once executed, or any Bond Loan Document and any applicable period for remedying or waiving such event of default has expired or, if no cure period is otherwise specified, the Borrower shall fail to remedy such default within thirty (30) days after notice to Borrower from the Issuer, the Trustee, or the

Bond Owner, specifying such event of default or default and requesting that it be remedied;
or

(4) any representation or warranty made by the Borrower herein, or in any document or certificate furnished to the Issuer, and/or the Bond Owner, in connection herewith or pursuant hereto shall prove at any time to be, in any material adverse respect, incorrect or misleading as of the date made; or

(5) the Borrower fails to comply with any provision contained in this Agreement other than those provisions elsewhere referred to in this Section 7.1 and does not cure that failure within 30 days after its receipt of written notice from the Bond Owner.

(6) the General Partner and/or the Administrative Limited Partner ceases for any reason to act in that capacity, and is not replaced with the Investor Limited Partner, Special Limited Partner (or an affiliate thereof) or another substitute General Partner or Administrative Limited Partner, as applicable, reasonably acceptable to the Bond Owner within thirty (30) days; or

The Investor Limited Partner, Special Limited Partner and/or Administrative Limited Partner shall be entitled to cure any Event of Default hereunder within any time frame provided to the Borrower hereunder, and any such timeframe to cure an Event of Default shall run concurrently with the timeframe provided to the Borrower. Issuer and Trustee agree that a cure of any default or Event of Default made or tendered by the Administrative Limited Partner, Investor Limited Partner and/or Special Limited Partner shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

Section 7.2. Remedies. If an Event of Default exists under this Agreement, the Bond Owner, may direct the Trustee, as assignee of the rights of the Issuer to exercise any right or remedy that the Issuer has under any of the Bond Loan Documents or that is otherwise available at law or in equity or by statute, and all of such rights and remedies shall be cumulative. The Trustee shall take such actions hereunder and under the Bond Loan Documents solely as directed in writing by the Bond Owner, subject to the Trustee's rights to indemnification in the Indenture. If any Default or Event of Default occurs and is continuing, the Bond Owner's obligation under the Bond Purchase and Funding Agreement to approve funding under the Bond Loan Documents shall automatically terminate and the Bond Owner may, in its sole discretion, withhold its approval of any one or more Requisitions or any one or more disbursements. No disbursement of Bond Loan funds by the Trustee or approval of any one or more Requisitions by the Bond Owner will cure any Default or Event of Default of the Borrower, unless the Bond Owner agrees otherwise in writing in each instance. The Bond Owner may, upon the occurrence and continuance of an Event of Default but subject to any of the other Bond Loan Documents or the Indenture, instruct the Trustee to redeem the Bonds pursuant to Section 4.2 of the Indenture.

Notwithstanding anything to the contrary contained in the Indenture, this Agreement, or any of the other Bond Loan Documents, the Bond Owner has the right to instruct the Issuer and the Trustee to take any action which the Bond Owner, in its good faith discretion, deems prudent

in order to enforce any right or remedy of the Issuer or the Trustee under the Bond Loan Documents, *provided* that such action shall not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes and, with respect to the Trustee, subject in all respects to the express terms and conditions set forth in the Indenture, including, without limitation, Article 9 thereof.

The foregoing rights and remedies shall supplement and be in addition to the rights and remedies provided to the Bond Owner (by direction to the Trustee, or otherwise) under the Bond Purchase and Funding Agreement.

The Bond Owner has been and is hereby assigned by the Trustee all rights of the Trustee with respect to the Bond Loan (other than the Unassigned Rights) and Bond Owner may act in that regard without any consultation with or consent by the Trustee and/or the Issuer (in its own right or on in the name of the Trustee or the Issuer).

Section 7.3. Attorneys' Fees and Expenses. If an Event of Default shall exist under this Agreement and the Issuer, the Bond Owner, or the Trustee employ attorneys or actually incur other reasonable expenses for the collection of any amounts due hereunder, or for the enforcement of performance of any obligation or agreement on the part of the Borrower, the Borrower shall promptly pay upon written demand therefor, together with a reasonable accounting of such amounts due to the Issuer, the Bond Owner, or the Trustee, as applicable.

Section 7.4. Effect of Waiver. In the event any agreement contained in this Agreement is breached by any party and thereafter such breach is waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 7.5. The Issuer and the Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition, or other judicial proceeding relative to the Borrower or the property of the Borrower, at the direction of the Bond Owner, the Trustee or the Issuer, shall be entitled and empowered, by intervention in such proceeding or otherwise:

- (1) to file and prove a claim and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Issuer and the Trustee (including any claim for the reasonable compensation, expenses, disbursements, and advances of the Issuer and Trustee, their agents, and counsel) allowed in such judicial proceeding; and

- (2) to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute the same.

Section 7.6. Restoration of Positions. If a party has instituted any proceeding to enforce any right or remedy under this Agreement, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to a party, then and in every such case

the parties shall, subject to any determination in the proceeding, be restored to the positions they held prior to commencement of such proceedings, and thereafter all rights and remedies of the parties shall continue as though no such proceeding had been instituted.

Section 7.7. Suits To Protect the Development. If the Borrower shall fail so to do after 30 days' prior written notice from the Bond Owner, the Issuer or the Trustee, at the written direction of the Bond Owner, the Issuer or the Trustee shall have power to institute and to maintain such proceedings as either of them may reasonably deem expedient to prevent any impairment in any material respect of the Development or any portion thereof, by any acts which may be unlawful or in violation of this Agreement, and such suits and proceedings as the Issuer or the Trustee (at the written direction of the Bond Owner) may reasonably deem expedient to protect its interests in the Development or any portion thereof, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule, or order that may be unconstitutional or otherwise invalid, if the enforcement of, or compliance with, such enactment, rule, or order would have a Material Adverse Change or Effect on the Development or prejudicial to the interests of the Trustee in any material respect.

Section 7.8. Performance of Third Parties. The Trustee or the Issuer (in either case, with the prior consent and written direction of the Bond Owner) may permit third parties to perform any and all acts or take such action as may be necessary for and on behalf of the Borrower to cure any Event of Default hereunder. The acceptance by the Bond Owner of any such performance by third parties shall not in any way diminish or absolve the Borrower of primary liability hereunder.

Section 7.9. Exercise of the Issuer Remedies by Bond Owner. Whenever any Event of Default shall have occurred and be continuing the Trustee (but only at the written direction of the Bond Owner) may, but except as otherwise provided in the Indenture shall not be obligated to, exercise any or all of the rights of the Issuer under this Section 7 (or under the Bond Purchase and Funding Agreement, as the case may be) with notice to the Issuer.

ARTICLE 8.

GENERAL PROVISIONS

Section 8.1. Amounts Remaining in Funds. Any amounts remaining in the Funds created under Article 6 of the Indenture upon cancellation of the liens and trusts of the Indenture shall be distributed subject to the terms and conditions of the Bond Purchase and Purchase Agreement and as provided in Section 6.11 of the Indenture.

Section 8.2. Notices. All notices, demands, certificates, or other communications hereunder and under each other Bond Loan Document shall be given to all parties identified below, shall be in writing (except as otherwise expressly provided herein) and shall be sufficiently given and shall be deemed given (i) when delivered by hand delivery, telegram or Electronic Means or (ii) two days after such notice is served by depositing the same with the United States Postal Service, or any official successor thereto, designated as Registered or Certified Mail, Return Receipt Requested, bearing adequate postage, or (iii) upon delivery by reputable private courier

such as Federal Express, Airborne, DHL, or similar overnight delivery service, and addressed as hereinafter provided. Notwithstanding the foregoing, notices to the Trustee shall be deemed given only when received by the Trustee. All parties identified below may, by written notice given by each to the others, designate any address or addresses to which notices, demands, certificates, or other communications to them shall be sent when required as contemplated by this Agreement. Any notice, demand, certificate, report, financial statement, or other communication properly provided by legal counsel on behalf of any party hereunder shall be deemed properly provided by the party represented by such counsel. Until otherwise provided by the respective parties, all notices, demands, certificates, and communications to each of them shall be addressed as follows:

To the Issuer: Austin Housing Finance Corporation
1000 E. 11th Street
Austin, Texas 78702
Attn: Program Manager
Telephone: 512-974-3192

with a copy to: McCall Parkhurst & Horton LLP
717 North Harwood, Suite 900
Dallas, Texas 75201
Attention: Mark A. Malveaux
Telephone: (214) 754-9221
Email: mmalveaux@mphlegal.com

To the Borrower: 5900 Pleasant Valley LP
c/o JCM Ventures, LLC
11705 Wenonga Circle
Leawood, Kansas 66211
Attn: Jacob Mooney
Telephone: (913) 638-2500
Email: jake@jcm.ventures

with copies to: Austin Housing Finance Corporation
P.O. Box 1088
Austin, Texas 78767-8839
Attention: Shannon "Shay" Kackley
General Counsel
Email: shay.kackley@austintexas.gov

Rosenblum Goldenhersh, P.C.
7733 Forsyth Blvd., Fourth Floor
St. Louis, Missouri 63105
Attention: David Lang
Telephone: (314) 854-0416
Email: dsl@rgsz.com

To the Investor Limited Partner: RSEP Holding, LLC
c/o Red Stone Equity Partners, LLC
90 Park Avenue, 28th Floor
New York, New York 10016
Attention: General Counsel and President

with a copy to: Nixon Peabody LLP
Exchange Plaza
53 State Street
Boston, Massachusetts 02109
Attention: Roger W. Holme

To the Trustee: Zions Bancorporation, National Association
Amegy Bank Division
Attn: Corporate Trust
1801 Main Street, Suite 460
Houston, Texas 77002
Phone: 713-232-6094
Email: alyssa.surface@amegybank.com

To the Bond Owner: Zions Bancorporation, N.A. dba Amegy Bank
4576 Research Forest Drive
The Woodlands, Texas 77381
Attention: Ray Miller
Phone: (281) 297-7853
Email: ray.miller@amegybank.com

with a copy to: Greenberg Traurig LLP
1000 Louisiana Street, Suite 6700
Houston, Texas 77002
Attention: Wayne A. Yaffee
Telephone: (713) 374-3655
Email: wayne.yaffee@gtlaw.com

The Trustee agrees to accept and act upon instructions or direction pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, *provided, however*, that the Issuer and the Borrower shall provide to the Trustee an incumbency certificate listing designated persons authorized to provide such instructions, which

incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Issuer and the Borrower elect to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses costs or expenses arising directly or indirectly from the Trustee reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Issuer and the Borrower agree to assume all risks arising out of the use of such electronic methods to submit instructions and direction to the Trustee, including without limitation, the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 8.3. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Bond Owner, the Issuer, and the Borrower and their respective successors and assigns. Insofar as this Agreement provides for rights of the Trustee, this Agreement shall also inure to the benefit of the Trustee.

Section 8.4. NO ORAL AGREEMENT. THIS WRITTEN FINANCING AGREEMENT AND THE OTHER BOND LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. If there is any conflict between the terms, conditions, and provisions of this Agreement and those of any other agreement or instrument, including any other Bond Loan Document, the terms, conditions, and provisions of this Agreement shall prevail.

Section 8.5. Severability. (1) If any provision of this Agreement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any provisions of any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

(2) The invalidity of any one or more phrases, sentences, clauses, or paragraphs contained in this Agreement shall not affect the remaining portions of this Agreement or any part thereof.

Section 8.6. Amendments, Changes and Modifications. This Agreement may not be modified or amended except by a written agreement signed by the parties hereto and consented to by the Bond Owner). Except as otherwise provided in this Agreement or in the Indenture, subsequent to the issuance of the Bonds and before the lien of the Indenture is satisfied and discharged in accordance with its terms, this Agreement may not be effectively amended, changed, modified, altered, or terminated without the written consent of Borrower, the Holders of not less than a majority of the aggregate principal amount of the Bonds then Outstanding as provided in Article 11 of the Indenture, the Bond Owner, and the Issuer. The Bond Owner shall have the right to waive or modify, conditionally or unconditionally, the conditions to its approvals and consents provided hereunder, without the consent of any party other than the Borrower.

Section 8.7. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 8.8. Required Approvals. Consents and approvals required by this Agreement to be obtained from the Bond Owner, the Borrower, the Issuer, or the Trustee shall be in writing and shall not be unreasonably withheld, conditioned or delayed unless otherwise specifically provided herein. All surveys, appraisals, insurance policies, construction contracts and subcontracts, leases, plans and specifications, legal opinions, requests for disbursement, and other Bond Loan Documents and items required for the Loan shall be reasonably satisfactory to the Bond Owner in all respects (the Bond Owner may, at its option, condition any such approval on the approval by the Investor Limited Partner and/or the Issuer).

Section 8.9. Limitation on Issuer's Liability. All covenants, obligations and agreements of the Issuer contained in this Agreement and the Indenture shall be effective to the extent authorized and permitted by applicable law. No such covenant, obligation or agreement shall be deemed to be a covenant, obligation or agreement of any present or future official, director, officer, employee, agent or attorney of the Issuer in other than his official capacity, and no official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof or by reason of the covenants, obligations or agreements of the Issuer contained in this Agreement or in the Indenture. No provision, covenant or agreement contained in this Agreement, the Indenture, the Bond Purchase and Funding Agreement, or the Bonds, or any obligation herein or therein imposed upon the Issuer, or the breach thereof, shall constitute or give rise to or impose upon the Issuer a pecuniary liability or a charge. No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the Issuer contained in this Agreement or in any Bond or for any claim based hereon or otherwise in respect hereof or upon any obligation, covenant, promise, or agreement of the Issuer contained in any agreement, instrument, or certificate executed in connection with the Development or the issuance and sale of the Bonds, against any member of the governing board of the Issuer, its officers, counsel, financial advisor, employees or agents, as such, in his or her individual capacity, past, present, or future, or of any successor thereto, whether by virtue of any Constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that no personal liability whatsoever shall attach to, or be incurred by, any member of the governing board, officers, counsel, financial advisors, employees or agents, as such, in his or her individual capacity, past, present, or future, of the Issuer or of any successor thereto, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into between the Issuer and the Trustee or the Borrower to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such director, officer, counsel, financial advisor, employee or agent, is, by the execution of the Bonds, this Agreement, and the Indenture, and as a condition of, and as part of the consideration for, the execution of the Bonds, this Agreement, and the Indenture, expressly waived and released.

Section 8.10. Limitation on Investor Limited Partner's and Special Limited Partner's Liability. The parties to this Agreement hereby acknowledge and agree that the Investor Limited

Partner and Special Limited Partner shall not have any liability to the other parties or to any third party as a general partner of the Borrower resulting from any action taken by the Investor Limited Partner and/or Special Limited Partner pursuant to the Partnership Agreement, unless and until the Investor Limited Partner and/or Special Limited Partner is admitted to the Borrower entity as a general partner or if arising as a result of the fraud or misrepresentation of the Investor Limited Partner and/or Special Limited Partner. Except as applicable law provides otherwise, each of the Issuer and the Bond Owner agrees that it will not, in connection with any demand, claim or legal action concerning the Bond Loan or Loan Documents, claim that the Investor Limited Partner and/or Special Limited Partner is liable as a general partner as a result of the Investor Limited Partner and/or Special Limited Partner allegedly participating in the control of the Borrower for any reason or any action taken by either of them pursuant to its powers as a Limited Partner under the Partnership Agreement.

Section 8.11. No Waiver; Consents. No alleged waiver by the Trustee, the Bond Owner, the Borrower, or the Issuer will be effective unless in writing, and no waiver will be construed as a continuing waiver. No waiver may be implied from any delay or failure by the Trustee, the Bond Owner, the Borrower, or the Issuer to take action on account of any default or to exercise any right or remedy or any security. Consent by the Trustee, the Bond Owner, the Borrower or the Issuer to any act or omission may not be construed as a consent to any other or subsequent act or omission or as a waiver of the requirement for consent to be obtained in any future or other instance. All rights and remedies are cumulative.

Section 8.12. Purpose and Effect of Bond Owner Approval. The Bond Owner's approval of any matter in connection with the Bond Loan is for the sole purpose of protecting the Issuer's security and rights of the Trustee and the Bond Owner. No such approval will result in a waiver of any Event of Default hereunder.

Section 8.13. Third Parties Benefited. This Agreement is made and entered into for the sole protection and benefit of the Bond Owner, the Issuer, and the Borrower and their permitted successors and assigns and, to the extent expressly set forth herein, the Trustee. The parties hereto expressly recognize that the Trustee is a third party beneficiary to this Agreement and may enforce any right, remedy or claim conferred, given or granted hereunder. No trust fund is created by this Agreement, and no other persons or entities have any right of action under this Agreement or any right to the proceeds of the Bond Loan.

Section 8.14. Authority to File Notices. The Borrower irrevocably appoints the Bond Owner as its attorney-in-fact, with full power of substitution, following the occurrence and during the continuance of an Event of Default to file or record, at the Borrower's cost and expense and in the Borrower's name, any notices of completion, notices of cessation of labor, or any other notices that the Bond Owner in its sole discretion considers necessary or desirable to protect the Development, if the Borrower fails to do so after receipt of five days' prior written notice from the Bond Owner. Nothing in this Section 8.14 shall impose any obligations on the Bond Owner.

Section 8.15. Affirmative Action. The Borrower shall not discriminate in its employment practices against any employee or applicant for employment because of the applicant's race, creed,

religion, national origin or ancestry, sex, age, sexual orientation or preference, marital status, color, physical disability, familial status and disability, mental condition or medical condition, including pregnancy, childbirth, or related condition.

Section 8.16. Actions. Each of the Trustee, the Bond Owner, and the Issuer has the right, but not the obligation, to commence, appear in, and defend any action or proceeding that might affect its security or its rights, duties, or liabilities relating to the Loan, the Development, or any of the Bond Loan Documents pursuant to the terms of Section 5.2 hereof and otherwise in this Agreement and the other Bond Loan Documents. The Borrower must pay promptly on demand all of the Trustee's, the Bond Owner's, and the Issuer's reasonable out-of-pocket costs, expenses, and legal fees and expenses of the Trustee's, the Bond Owner's, and the Issuer's counsel incurred in those actions or proceedings.

Section 8.17. Attorneys' Fees. In any lawsuit, reference, or arbitration arising out of or relating to this Agreement, the Bond Loan Documents, or the Bond Loan, including but not limited to any alleged tort action, regardless of which party commences the action, the prevailing party will be entitled to recover from each other party such sums as the court, referee, or arbitrator adjudges to be reasonable attorneys' fees in the action, reference, or proceeding, in addition to reasonable costs and expenses otherwise allowed by law. Any reasonable attorneys' fees actually incurred by a party in enforcing a judgment in its favor under this Agreement will be recoverable separately from and in addition to any other amount included in such judgment, and the attorneys' fees obligation is intended to be severable from the other provisions of this Agreement and to survive and not be merged into any judgment. In all other situations, including any bankruptcy or other voluntary or involuntary proceeding, in or out of court, for the adjustment of debtor-creditor relationships, the Borrower agrees to pay all of the Trustee's, the Bond Owner's, and the Issuer's costs and expenses, including reasonable attorneys' fees, that may be incurred in any effort to collect or enforce the Bond Loan or any part of it or any term of any Bond Loan Document; from the time(s) incurred until paid in full, all such sums will bear interest at the Default Rate.

Section 8.18. Reserved.

Section 8.19. Applicable Law. This Agreement is governed by the laws of the State of Texas without regard to the choice of law rules of that State.

Section 8.20. Heirs, Successors, and Assigns Participation. The terms of this Agreement will bind and benefit the heirs, legal representatives, successors, and assigns of the parties; *provided, however,* that the Borrower may not assign this Agreement or any Loan proceeds or assign or delegate any of its rights or obligations, without the prior written consent of the Bond Owner and the Issuer in each instance. Also without notice to or the consent of the Borrower, the Bond Owner, and the Issuer may disclose to any actual or prospective purchaser of any securities issued or to be issued by the Bond Owner or the Issuer and to any actual or prospective purchaser or assignee of any participation or other interest in the Bond Loan, the Bonds, or any other loans made by the Bond Owner or the Issuer to the Borrower (whether under this Agreement or otherwise), any financial or other information, data, or material in Bond Owner's possession relating to the Borrower, any partners of the Borrower, the Bond Loan, or the Development.

Nothing in this Agreement shall impose any restrictions on the ability of the Holders of the Bonds to sell or otherwise transfer the Bonds (which shall in any event be subject to the terms of the Bond Purchase and Funding Agreement).

Section 8.21. Relationships With Other Bond Owner Customers. From time to time, the Bond Owner may have business relationships with the Borrower's customers, suppliers, contractors, tenants, partners, shareholders, officers, or directors, or with businesses offering products or services similar to those of the Borrower, or with Persons seeking to invest in, borrow from or lend to the Borrower. The Borrower agrees that the Bond Owner may extend credit to such parties and take any action it deems necessary to collect the credit, regardless of the effect that such extension or collection of credit may have on the Borrower's financial condition or operations. The Borrower further agrees that in no event will the Bond Owner be obligated to disclose to the Borrower any information concerning any other customer of the Bond Owner.

Section 8.22. Improvement District. The Borrower may not vote in favor of, or directly or indirectly advocate or assist in, the incorporation of any part of the Development into any improvement or utility district, special assessment district, or other district without the Bond Owner's prior written consent in each instance.

Section 8.23. Interpretation. The language of this Agreement must be construed as a whole according to its fair meaning, and not strictly for or against any party. Whenever the context requires, all words used in the singular will be construed to have been used in the plural, and vice versa, and each gender and the neuter state will include the other gender and the neuter state. The captions of the sections of this Agreement are for convenience only and do not define or limit any terms or provisions. The word "include(s)" means "include(s), without limitation," and the word "including" means "including, but not limited to." No listing of specific instances, items or matters in any way limits the scope or generality of any language of this Agreement. The schedules to this Agreement are hereby incorporated in this Agreement.

Section 8.24. Miscellaneous. Time is of the essence in the performance by the Borrower of its obligations under this Agreement and the other Bond Loan Documents. Any irreconcilability or inconsistency or conflict between the terms of the Bond Mortgage and the terms of this Agreement or the Indenture shall be governed and controlled by the terms of this Agreement or the Indenture, as applicable. Except with respect to any covenants, agreement, representations or warranties with respect to the Federal Tax Status of the Bonds, any irreconcilability or inconsistency or conflict between the terms of this Agreement and/or the Indenture with the terms of the Bond Purchase and Funding Agreement shall be governed and controlled by the Bond Purchase and Funding Agreement. Further, notwithstanding anything herein or in the Financing Agreement to the contrary, the Trustee (as assignee of Issuer) shall only enforce the rights and remedies of the Issuer hereunder under the Bond Mortgage, the Indenture (as provided therein), or under the Financing Agreement at the written direction of the Bond Owner.

Section 8.25. Compliance with Usury Laws. Notwithstanding any provision of this Agreement, the Bond Loan Note, or any of the Bond Loan Documents to the contrary, it is hereby agreed that in no event (including without limitation the acceleration of the Bond Loan Note) shall

the amount of interest contracted for, charged, received, reserved, or taken in connection with the Bond Loan (including interest on the Bond Loan Note together with any other costs or considerations that constitute interest under applicable law which are contracted for, charged, received, reserved, or taken pursuant to the Bond Loan Documents) (“*Interest*”), cause the rate of interest on the Bond Loan Note to exceed the Maximum Lawful Rate. For purposes of this Section 8.25 to the maximum extent permitted by law, Interest shall be: (i) spread over the term of the Bond Loan; (ii) if appropriate, characterized as a premium for the privilege of making an optional prepayment of the Bond Loan; and (iii) computed after giving effect to the provisions of any other Bond Loan Documents which require the cancellation or refunding of Interest. Default Rate interest, if any (after the application of the foregoing provisions), provided for in this Agreement, the Bond Loan Note, or any of the Bond Loan Documents shall be canceled automatically as of the date of such acceleration or mandatory prepayment or, if theretofore paid, shall be credited on the principal of the Bond Loan Note or if the principal of the Bond Loan Note has been paid in full, refunded to the Borrower. The provisions of this Section 8.25 shall control all agreements, whether now or hereafter existing and whether written or oral, by the Issuer, the Borrower, the Trustee, and the Holders, but such provisions may not cause interest on the Bonds to exceed the Maximum Lawful Rate.

This Agreement is also subject to the condition that amounts paid hereunder representing late payments or penalty charges or the like shall only be payable to the extent permitted by State law or applicable federal law.

Section 8.26. Venue. Notwithstanding anything to the contrary set forth in the Agreement and/or any of the other Bond Loan Documents, the parties hereto hereby agree that the state and federal courts located in Harris County, Texas, shall have exclusive jurisdiction and venue with respect to all actions brought by or against any party under or pursuant to this Agreement.

Section 8.27. WAIVER OF SPECIAL DAMAGES. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE BORROWER SHALL NOT ASSERT, AND HEREBY WAIVES, ANY CLAIM AGAINST THE BOND OWNER, ON ANY THEORY OF LIABILITY, FOR SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES (AS OPPOSED TO DIRECT OR ACTUAL DAMAGES) ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF, THIS AGREEMENT OR ANY AGREEMENT OR INSTRUMENT CONTEMPLATED HEREBY, THE TRANSACTIONS, THE BONDS, THE LOAN OR THE USE OF THE PROCEEDS THEREOF.

Section 8.28. No Offset. All payments due by Borrower to Issuer under the Bond Loan Documents are to be made by the Borrower without offset or other reduction.

Section 8.29. Electronic Transactions. The transactions described in this Agreement and the other Bond Loan Documents may be conducted and related documents may be sent, received or stored by Electronic Means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 8.30. Dispute Resolution. If a dispute arises from or relates to this Agreement or any other Bond Loan Document or the alleged breach of this Agreement or such other Bond Loan Document, and if the dispute cannot be settled based through negotiations within 30 days, the parties agree to resolve the dispute based on the dispute resolution provision in the Bond Purchase and Funding Agreement.

[REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the day and year first above written.

BORROWER:

5900 PLEASANT VALLEY, LP,
a Texas limited partnership

By: AHFC Pleasant Valley Non-Profit
Corporation, a Texas nonprofit
corporation, its General Partner

By: _____
Name: James May
Title: Secretary and Treasurer

[SIGNATURES CONTINUE NEXT PAGE]

ISSUER:

AUSTIN HOUSING FINANCE CORPORATION

By: _____
Name: Deletta Dean
Title: Treasurer

[SIGNATURES CONTINUE NEXT PAGE]

JOINED IN, AND ACKNOWLEDGED BY THE
BOND OWNER:

ZIONS BANCORPORATION, N.A.
DBA AMEGY BANK

By: _____

Name: Ray Miller

Title: Senior Vice President

SCHEDULE A

LEGAL DESCRIPTION OF DEVELOPMENT

As described in the Bond Mortgage

EXHIBIT A

\$[_____]

**Austin Housing Finance Corporation
Multifamily Housing Revenue Bonds
(Sycamores at Pleasant Valley), Series 2025**

COMPLETION CERTIFICATE

Pursuant to Section 4.7 of the Financing Agreement (the “*Financing Agreement*”) between Austin Housing Finance Corporation (the “*Issuer*”) and 5900 Pleasant Valley, LP, a Texas Limited Partnership (the “*Borrower*”), dated as of September 1, 2025, relating to the captioned Bonds, the undersigned Authorized Borrower Representative hereby certifies that (with capitalized words and terms used and not defined in this Certificate having the meanings assigned or referenced in the Financing Agreement or the Tax Exemption Agreement):

(a) The Development was substantially completed and available and suitable for use as multifamily housing on _____ (the “*Completion Date*”).

(b) The acquisition, construction, equipping and improvement of the Development has been accomplished in such a manner as to conform in all material respects with all applicable zoning, planning, building, environmental and other similar governmental regulations.

(c) The costs of the Development financed with the loan from the Issuer were \$_____.

(d) The applicable government having jurisdiction over the Development has issued certificates of occupancy with respect to each building in the Development.

(e) The proceeds of the Bonds were used in accordance with the requirements of the Tax Exemption Agreement, including the requirement that at least 95% of the proceeds of the Bonds be expended for Qualified Development Costs and no more than 2% of the proceeds of the Bonds be expended for Costs of Issuance. The Development will be operated in accordance with the terms of the Tax Exemption Agreement and the Regulatory Agreement.

(f) All obligations and costs in connection with the Development and payable out of the Development Fund have been paid and discharged except for amounts retained by the Trustee for the payment of Development Costs not then due and payable or then in dispute as provided in the Financing Agreement.

(g) This Certificate is given without prejudice to any rights against third parties that now exist or subsequently may come into being.

IN WITNESS WHEREOF, the Authorized Borrower Representative has set his or her hand as
of the ____ day of _____, 20__.

AUTHORIZED BORROWER REPRESENTATIVE

By:_____

.....SPACE ABOVE THIS LINE FOR RECORDER'S USE

After Recording Return To:

McCall, Parkhurst & Horton L.L.P.
717 North Harwood, Suite 900
Dallas, Texas 75201
Attention: Mark A. Malveaux

EXHIBIT C

REGULATORY AND LAND USE RESTRICTION AGREEMENT

AMONG

**AUSTIN HOUSING FINANCE CORPORATION,
as Issuer,**

**ZIONS BANCORPORATION, NATIONAL ASSOCIATION,
as Trustee,**

AND

5900 PLEASANT VALLEY, LP

as Owner

Dated as of September 1, 2025

Relating to

\$_____

**AUSTIN HOUSING FINANCE CORPORATION
MULTIFAMILY HOUSING REVENUE BONDS
(SYCAMORES AT PLEASANT VALLEY)
SERIES 2025**

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REGULATORY AND LAND USE RESTRICTION AGREEMENT

THIS REGULATORY AND LAND USE RESTRICTION AGREEMENT (as the same may be amended, modified or supplemented, this “Agreement” or this “Regulatory Agreement”) dated as of September 1, 2025, among the Austin Housing Finance Corporation, a public non-profit housing finance corporation organized and existing under the laws of the State of Texas (together with its successors and assigns, the “Issuer”), Zions Bancorporation, National Association, a national banking association incorporated under the laws of the United States and authorized to accept and execute trusts having a principal place of business in Houston, Texas and possessing corporate trust powers, herein appearing by and through its undersigned duly authorized trust officer as trustee (together with any successor trustee hereunder and their respective successors and assigns, the “Trustee”) under the hereinafter-defined Indenture, and 5900 PLEASANT VALLEY, LP, a Texas limited partnership organized and existing under the laws of the State of Texas (together with its permitted successors and assigns, the “Owner”),

W I T N E S S E T H:

WHEREAS, pursuant to the Act (as hereinafter defined), the Issuer is authorized to issue one or more series of its revenue bonds and to loan the proceeds thereof to finance the acquisition, construction and equipping of residential rental housing for persons of low and moderate income; and

WHEREAS, the Owner has requested the assistance of the Issuer in financing a multifamily residential affordable housing development located on the real property described in Exhibit A hereto (the “Development Site”) and described in Exhibit B hereto (the “Development Facilities” together with the Development Site, the “Project” or “Development”), and, as a condition to such financial assistance, the Owner has agreed to enter into this Regulatory Agreement, setting forth certain restrictions with respect to the Development; and

WHEREAS, the Issuer has determined to assist in the financing of the Development by issuing its Multifamily Housing Revenue Bonds (Sycamores at Pleasant Valley), Series 2025 in the original aggregate principal amount of \$_____ (the “Bonds”), and making a loan to the Owner of proceeds of the Bonds, upon the terms and conditions set forth in the Financing Agreement (as hereinafter defined);

WHEREAS, in order for interest on the Bonds to be excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “Code”), and the federal income tax regulations (including temporary and final regulations) and rulings with respect to the Code, and in order to comply with the requirements of the Act, relating to the Bonds, the use and operation of the Development must be restricted in certain respects; and

WHEREAS, the Issuer, the Trustee and the Owner have determined to enter into this Regulatory Agreement in order to set forth certain terms and conditions relating to the acquisition, construction, equipping and operation of the Development and in order to ensure that the Development will be acquired, constructed, equipped, used and operated in accordance with the Code and the Act.

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of

which are hereby acknowledged, and intending to be legally bound hereby, the Issuer, the Trustee and the Owner hereby agree as follows:

Section 1. Definitions and Interpretation. In addition to terms defined above, capitalized terms shall have the respective meanings assigned to them in this Section 1 or the Indenture unless the context in which they are used clearly requires otherwise:

“Act” means the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended.

“Affiliated Party” means a member of the Owner, a Person whose relationship with the Owner would result in a disallowance of losses under section 267 or 707(b) of the Code or a Person who, together with the Owner, is a member of the same controlled group of corporations (as defined in section 1563(a) of the Code, except that “more than 50 percent” shall be substituted for “at least 80 percent” each place it appears therein).

“Agreement” or “Regulatory Agreement” means this Regulatory and Land Use Restriction Agreement, as it may be amended, modified or supplemented from time to time.

“Anticipated Annual Income” means the anticipated annual income of a person (together with the anticipated annual income of all persons who intend to reside with such person in one Unit), as determined in accordance with Section 1.167(k)-3(b)(3) of the Regulations (prior to its withdrawal by T.D. 8473, April 27, 1993) or with such other Regulations as may be imposed pursuant to section 142(d) of the Code.

“Closing Date” means the date of delivery of the Bonds.

“Compliance Monitoring Report” means the certified residential affordable housing program compliance report to be filed by the Owner with the Issuer pursuant to Section 4(b)(iv) hereof and the Financing Agreement with respect to the Development, in substantially the form attached hereto as Exhibit D, or in such other form as the Issuer may reasonably prescribe.

“Computation Date” means each Installment Computation Date and the Final Computation Date.

“Development” means the Development Facilities and the Development Site.

“Development Costs” means, to the extent authorized by the Act, any and all costs incurred by the Owner with respect to the acquisition, construction of and equipping, as the case may be, of the Development, whether paid or incurred prior to or after the date of this Regulatory Agreement, including, without limitation, costs for site preparation, the planning of housing and improvements, the removal or demolition of existing structures, and all other work in connection therewith, and all costs of financing, including, without limitation, the cost of consultant, accounting and legal services, other expenses necessary or incident to determining the feasibility of the Development, contractor’s and Owner’s overhead and supervisor’s fees and costs directly allocable to the Development, administrative and other expenses necessary or incident to the Development and the financing thereof.

“Development Facilities” means the multifamily affordable housing complex set forth in Exhibit B hereto.

“Development Site” means the parcel or parcels of real property described in Exhibit A, which is attached hereto and by this reference incorporated herein, and all rights and appurtenances appertaining thereunto.

“Eligible Tenants” means persons of low and moderate income whose adjusted gross income, together with the adjusted gross income of all persons who intend to reside with those persons in one dwelling unit, did not for the preceding tax year exceed the maximum amount constituting moderate income under the Issuer’s rules, resolutions relating to the issuance of debt, or financing documents relating to the issuance of debt, which as of the date hereof, is 100% of median family income.

“Favorable Opinion of Bond Counsel” means an opinion of Bond Counsel, addressed to the Issuer and the Trustee, to the effect that the action to be taken will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes, is not contrary to the provisions of the Act, and is permitted under the Indenture and other documents governing the financing.

“Final Computation Date” means the date the last Bond is discharged.

“Financing Agreement” means the Financing Agreement of even date herewith among the Issuer and Borrower related to the Bonds as may be amended, modified, supplemented or restated from time to time.

“Gross Proceeds” means any Proceeds and any Replacement Proceeds of the Bonds.

“Indenture” means the Trust Indenture of even date herewith by and between the Issuer and the Trustee, relating to the issuance of the Bonds, and any supplements thereto.

“Inducement Date” means September 21, 2023.

“Installment Computation Date” means the last day of each fifth year, commencing December 31, 2029, and the date on which the final payment in full of the Outstanding Bonds is made.

“Investment” has the meaning set forth in section 1.148-1(b) of the Regulations.

“Investment Proceeds” means any amounts actually or constructively received from investing Proceeds.

“Issue Price” means “issue price” as defined in sections 1273 and 1274 of the Code, unless otherwise provided in Sections 1.148-0 through 1.148-11 of the Regulations and, generally, is the aggregate initial offering price to the public (excluding bond houses, brokers and other intermediaries acting in the capacity of wholesalers or underwriters) at which a substantial amount of each maturity of the Bonds is sold.

“Loan” means the loan to be made to the Owner pursuant to the Financing Agreement.

“Low-Income Tenants” means persons whose aggregate Anticipated Annual Income does not exceed 60% of the Median Gross Income for the Area. For purposes of this definition, the occupants of a Unit shall not be deemed to be Low-Income Tenants if all the occupants of such Unit at any time are “students”, as defined in section 151(c)(4) of the Code, no one of whom is entitled to file a joint return under section 6013 of the Code.

“Low-Income Unit” means a Unit which is included as a Unit satisfying the requirements of the Set Aside.

“Median Gross Income for the Area” means, with respect to the Development, the median income for the households in the area which includes the standard metropolitan statistical area in which the Development is located, as determined from time to time by the Secretary of Housing and Urban Development, under Section 8 of the United States Housing Act of 1937, as amended (or if such program is terminated, median income determined under the program in effect immediately before such termination), in each case as adjusted for family size.

“Net Proceeds” means any Net Sale Proceeds, Investment Proceeds and Transferred Proceeds of the Bonds.

“Net Sale Proceeds” means the Sale Proceeds of the Bonds less any such proceeds deposited into a Reasonably Required Reserve or Replacement Fund under section 148(d) of the Code.

“Nonpurpose Investments” means any “investment property,” within the meaning of section 148(b) of the Code, acquired with the Gross Proceeds of the Bonds.

“Owner Representative” means any Person who at the time and from time to time may be designated as such, by written certificate furnished to the Issuer and the Trustee containing the specimen signature of such Person and signed on behalf of the Owner by the General Partner, which certificate may designate an alternate or alternates.

“Person” means any individual, entity, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any Issuer or political subdivision thereof.

“Proceeds” means any Sale Proceeds, Investment Proceeds and Transferred Proceeds of the Bonds.

“Qualified Development Costs” means the Development Costs incurred no earlier than 60 days prior to the Inducement Date (or which are qualifying preliminary expenditures) and no earlier than 3 years prior to the date reimbursed with Proceeds, but in no event shall such costs have been incurred with respect to a portion of the Development that is placed in service, within the meaning of Section 1.150-2 of the Regulations, earlier than 18 months prior to the date the related costs are reimbursed with Proceeds; provided that such costs are chargeable to a capital account with respect to the Development for federal income tax and financial accounting purposes, or would be so chargeable either with a proper election by the Owner or but for the proper election by the Owner to deduct those amounts; provided, however, that, if any portion of the Development is being constructed by the Owner or an Affiliated Party (whether as a

general contractor or a subcontractor), “Qualified Development Costs” shall include only (a) the actual out-of-pocket costs incurred by the Owner or such Affiliated Party in constructing the Development (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Owner or such Affiliated Party (but excluding any profit component), and (c) any overhead expenses incurred by the Owner or such Affiliated Party which are directly attributable to the work performed on the Development and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of section 1504 of the Code) participating in the construction of the Development or payments received by such Affiliated Party due to early completion of the Development (or any portion thereof). Qualified Development Costs do not include Costs of Issuance.

“Qualified Development Period” means, with respect to the Development, the period beginning on first day on which 10 percent of the Units are occupied and ending on the latest of (i) the date which is 15 years after the date on which 50% of the Units in the Development are occupied, (ii) the first date on which no tax-exempt bond issued with respect to the Development is outstanding for federal income tax purposes, or (iii) the first date on which the Development no longer receives assistance under Section 8 of the United States Housing Act of 1937, as amended.

“Reasonably Required Reserve or Replacement Fund” means any fund described in section 148(d) of the Code, provided that the amount thereof allocable to the Bonds invested at a Yield materially higher than the Yield on the Bonds does not exceed 10% of the proceeds of the Bonds, within the meaning of section 148(d) of the Code, and does not exceed the size limitations in Section 1.148-2(f)(2)(ii) of the Regulations.

“Rebate Amount” has the meaning ascribed in Section 1.148-3(b) of the Regulations and generally means the excess as of any date of the future value of all receipts on Nonpurpose Investments over the future value of all payments on Nonpurpose Investments all as determined in accordance with section 1.148-3 of the Regulations. In the case of any Spending Exception Issue, the “Rebate Amount” as of any Computation Date shall be limited to the “Rebate Amount” attributable to any Reasonably Required Reserve or Replacement Fund.

“Regulations” means the applicable proposed, temporary or final Income Tax Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Replacement Proceeds” has the meaning set forth in Section 1.148-1(c) of the Regulations.

“Sale Proceeds” means any amounts actually or constructively received from the sale (or other disposition) of any Bond, including amounts used to pay underwriters' discount or compensation and accrued interest other than pre-issuance accrued interest. Sale Proceeds also include amounts derived from the sale of a right that is associated with any Bond and that is described in Section 1.148-4 of the Regulations.

“Set Aside” has the meaning assigned to such term in Section 2(i) hereof.

“Spending Exception Issue” means any issue of the Bonds that meets either the 6-month exception or the 18-month exception set forth in section 1.148-7 of the Regulations.

“Stated Maturity,” when used with respect to the Bonds or any installment of interest thereon, means any date specified in the Bonds as a fixed date on which the principal of the Bonds or a portion thereof or such installment of interest is due and payable.

“Tenant Income Certification” means a certification as to income and other matters executed by the household members of each tenant in the Development, in substantially the form of Exhibit C attached hereto, or in such other form as reasonably may be required by the Issuer all in satisfaction of the requirements of Regulations Section 1.167(k)-3(b)(3) (prior to its withdrawal by T.D. 8473, April 27, 1993) and other regulations of the Issuer and as described in Section 4(b)(ii), including the Tenant Income Certification Form as set forth in Exhibit C.

“Transferred Proceeds” means, with respect to any portion of the Bonds that is a refunding issue, proceeds that have ceased to be proceeds of a refunded issue and are transferred proceeds of the refunding issue by reason of Section 1.148-9 of the Regulations.

“Unit” means a residential accommodation containing separate and complete facilities for living, sleeping, eating, cooking and sanitation located within the Development.

“Yield” means yield as determined in accordance with section 148(h) of the Code, and generally, is the yield which when used in computing the present worth of all payments of principal and interest to be paid on an obligation produces an amount equal to the Issue Price of such obligation.

Unless the context clearly requires otherwise, as used in this Regulatory Agreement, words of the masculine, feminine or neuter gender shall be construed to include each other gender, and words of the singular number shall be construed to include the plural number, and vice versa. This Regulatory Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The defined terms used in the preamble and recitals of this Regulatory Agreement have been included for convenience of reference only, and the meaning, construction and interpretation of all defined terms shall be determined by reference to this Section 1, notwithstanding any contrary definition in the preamble or recitals hereof. The titles and headings of the sections of this Regulatory Agreement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Regulatory Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

Section 1A. Acquisition, Construction and Equipping of the Development. The Owner hereby represents, as of the date hereof, covenants and agrees as follows;

- (a) The Owner has incurred, or will incur within 6 months after the Bond Closing Date, a substantial binding obligation to commence the construction of Development Facilities, pursuant to which the Owner is or will be obligated to expend at least 5 % of the Sale Proceeds of the Bonds.

- (b) The Owner's reasonable expectations respecting the total cost of the acquisition, construction and equipping of the Development are accurately set forth in the Tax Certificate and any attachments thereto.
- (c) The Owner has commenced or will commence the acquisition, construction and equipping of the Development and will proceed with due diligence to complete the same.
- (d) The Owner reasonably expects to expend not less than 85 % of the Sale Proceeds of the Bonds for Development Costs prior to the date that is 3 years after the Bond Closing Date.
- (e) The statements made in the various certificates delivered by the Owner to the Issuer, Bond Counsel and/or the Trustee are true and correct in all material respects.
- (f) The Owner will submit, or cause to be submitted, to the Trustee, on or before the date of each disbursement of Proceeds of the Bonds from the Development Fund, if any, held by the Trustee under the Indenture, a requisition in substantially the form required by the reimbursement documents, duly executed by an Owner Representative and certifying that the full amount of such disbursement will be applied to pay or to reimburse the Owner for the payment of Development Costs and that, after taking into account the proposed disbursement, the aggregate disbursements from the Development Fund will have been applied to pay or to reimburse the Owner for the payment of Qualified Development Costs in an amount equal to 95% or more of the aggregate disbursements from such fund.
- (g) The Owner (and any Affiliated Party) will not take or omit to take, as is applicable, any action if such action or omission would in any way cause the Proceeds of the Bonds to be applied in a manner contrary to the requirements of the Indenture, the Financing Agreement or this Regulatory Agreement. The Owner acknowledges that such requirements have been designed for the purpose of ensuring compliance with the provisions of the Act or the Code applicable to the Owner and the Development.

Section 2. Tax-Exempt Status of the Bonds. The Owner shall not take any action or omit to take any action which, if taken or omitted, respectively, would adversely affect the excludability of interest on the Bonds from the gross income (as defined in section 61 of the Code) of the holders of the Bonds for federal income tax purposes. With the intent not to limit the generality of the foregoing, the Owner covenants and agrees that prior to the final maturity of the Bonds, unless it has received and filed with the Issuer and the Trustee a Favorable Opinion of Bond Counsel to the effect that failure to comply with any such covenant or agreement, in whole or in part, will not adversely affect the exclusion from gross income for federal income tax purposes of interest paid or payable on the Bonds:

- (a) The Owner's use of the Net Proceeds of the Bonds shall at all times satisfy the following requirements:
 - (i) At least 95% of the Net Proceeds of the Bonds shall be used to pay Qualified Development Costs that are costs of a "qualified residential rental Development" (within the meaning of sections 142(a)(7), 142(d) and 145(d) of the Code and section 1.103-8(b)(4) of the Regulations) and property that is "functionally related and

subordinate” thereto (within the meaning of Sections 1.103-8(a)(3) and 1.103-8(b)(4)(iii) of the Regulations), all of which costs shall be properly chargeable to the Development's capital account or would be so chargeable either with a proper election by the Owner or but for a proper election by the Owner to deduct such amounts.

(ii) Less than 25% of the Net Proceeds of the Bonds actually expended will be used, directly or indirectly, for the acquisition of land or an interest therein. Notwithstanding the immediately preceding sentence no portion of the Net Proceeds of the Bonds will be used, directly or indirectly, for the acquisition of land or an interest therein to be used for farming purposes.

(iii) No portion of the Net Proceeds of the Bonds will be used for the acquisition of any existing property or an interest therein unless (i) the first use of such property is pursuant to such acquisition or (ii) the rehabilitation expenditures with respect to any building and the equipment therefor equal or exceed 15% of the cost of acquiring such building financed with the proceeds of the Bonds (with respect to structures other than buildings, this clause shall be applied by substituting 100% for 15%). For purposes of the preceding sentence, the term “rehabilitation expenditures” shall have the meaning set forth in section 147(d)(3) of the Code.

(iv) The Owner covenants and agrees that the Costs of Issuance financed with the proceeds of the Bonds shall not exceed 2% of the Sale Proceeds.

(v) The Owner shall not use or permit the use of any Net Proceeds of the Bonds or any income from the investment thereof to provide any airplane, skybox, or other private luxury box, any facility primarily used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises.

(b) The Owner shall not take any action or omit to take any action with respect to the Gross Proceeds of the Bonds which, if taken or omitted, respectively, would cause any Bonds to be classified as an “arbitrage bond” within the meaning of section 148 of the Code.

(c) Except as provided in the Indenture and the Financing Agreement, the Owner shall not pledge or otherwise encumber, or permit the pledge or encumbrance of, any money, investment, or investment property as security for payment of any amounts due under the Financing Agreement relating to the Bonds, shall not establish any segregated reserve or similar fund for such purpose and shall not prepay any such amounts in advance of the redemption date of an equal principal amount of the Bonds, unless prior to taking any action described in this subsection (c), the Owner has obtained and delivered to the Trustee a Favorable Opinion of Bond Counsel.

(d) The Owner shall not, at any time prior to the final maturity of the Bonds, direct or permit the Trustee to invest Gross Proceeds of the Bonds in any Investment (or to use Gross Proceeds to replace money so invested), if as a result of such investment the Yield of all Investments acquired with Gross Proceeds (or with money replaced thereby) on or prior to the date of such

investment exceeds the Yield of the Bonds to Stated Maturity, except as permitted by section 148 of the Code or as provided in the Tax Certificate.

(e) Except to the extent permitted by section 149(b) of the Code, neither the Issuer nor the Owner shall take or omit to take any action which would cause the Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code.

(f) (i) Unless the Owner delivers to the Issuer, the Trustee and the Bondholder Representative a Favorable Opinion of Bond Counsel that the Owner does not need to comply with this Section 2(f), the Owner shall cause to be delivered, to the Trustee, within 25 days after each Computation Date:

(A) a statement of the Rebate Amount, if any, as of such Computation Date; and

(B) (1) if such Computation Date is an Installment Computation Date, an amount that, together with any amount then held for the credit of the Rebate Fund, is equal to at least 90% of the Rebate Amount as of such Installment Computation Date, less any “previous rebate payments” made to the United States (as that term is used in the Regulations), or (2) if such Computation Date is the Final Computation Date, an amount that, together with any amount then held for the credit of the Rebate Fund, is equal to the Rebate Amount as of such Final Computation Date, less any “previous rebate payments” made to the United States (as that term is used in the Regulations); and

(C) if a Rebate amount is due, an Internal Revenue Service Form 8038-T properly signed and completed as of such Computation Date.

The foregoing notwithstanding, the Owner shall not be required to deliver the foregoing to the Trustee if the Owner certifies that the Bonds are excepted from the requirements of section 148(f) of the Code.

(ii) If the Owner shall discover or be notified as of any date:

(A) that any amount required to be paid to the United States pursuant to this Section 2(f)(ii) and the Indenture has not been paid as required; or

(B) that any payment paid to the United States pursuant to this Section and the Indenture shall have failed to satisfy any requirement of the Regulations (whether or not such failure shall be due to any default by the Owner or the Trustee), the Owner shall

(X) deliver to the Trustee (for deposit to the Rebate Fund) and cause the Trustee to pay to the United States from the Rebate

Fund (I) the Rebate Amount that the Owner failed to pay, plus any interest, specified in the Regulations, if such correction payment is delivered to and received by the Trustee within 175 days after such discovery or notice, or (II) if such correction payment is not delivered to and received by the Trustee within 175 day after such discovery or notice, the amount determined in accordance with clause (I) of this subparagraph (X) plus the 50% penalty required by the Regulations; and

(Y) deliver to the Trustee an Internal Revenue Service Form 8038-T properly signed and completed as of such date.

(iii) The Owner shall retain all of its accounting records relating to the funds established under the Indenture and all calculations made in preparing the statements described in this Section 2(f) for at least 6 years after the date the last Bond is discharged.

(iv) The Owner agrees to pay all of the reasonable and actual fees and out-of-pocket expenses of the Rebate Analyst, charged at rates substantially similar to the rate by such party for work of this type which may be Bond Counsel, a certified public accountant and any other necessary consultant employed by the Owner in connection with computing the Rebate Amount.

(g) The Owner covenants and agrees that not more than 50% of the Proceeds of the Bonds will be invested in Nonpurpose Investments having a substantially guaranteed Yield for four years or more within the meaning of section 149(g)(3)(A)(ii) of the Code, and the Owner reasonably expects that at least 85% of the spendable Proceeds of the Bonds will be used to carry out the governmental purposes of such issue of Bonds within the 3-year period beginning on the Closing Date.

(h) The Owner hereby covenants and agrees that the Development will be operated as a “qualified residential rental Development” within the meaning of sections 142(a)(7), 142(d), 145(d) of the Code and section 1.103-8(b)(4) of the Regulations, on a continuous basis during the longer of the Qualified Development Period or the period during which any Bonds remains outstanding, to the end that the interest on the Bonds shall be excluded from gross income for federal income tax purposes. In particular, the Owner covenants and agrees, and will cause the General Partner of the Owner to covenant and agree for the longer of the Qualified Development Period or the period during which any Bonds remains outstanding, as follows:

(i) The Development Facilities qualify as residential rental property and will be owned, managed and operated at all times during the term specified above as a qualified residential rental Development comprised of residential dwelling units and facilities functionally related and subordinate thereto, in accordance with section 142(d) of the Code;

(ii) The Development Facilities will consist of one building or structure or several proximate and interrelated buildings or structures, each of which will be a discrete edifice or other man-made construction consisting of an independent foundation, outer walls and a roof, and all of which (A) will be located on a single tract of land or two or

more parcels of land that are contiguous (i.e., their boundaries meet at one or more points) except for the interposition of a road, street, stream or similar property, (B) are owned by the same Person for Federal tax purposes, and (C) were financed pursuant to a common plan;

(iii) Substantially all of the Development will consist of similarly constructed Units together with functionally related and subordinate facilities for use by Development tenants, such as swimming pools, other recreational facilities, parking areas, heating and cooling equipment, trash disposal equipment, units for resident managers, security personnel or maintenance personnel and other facilities that are reasonably required for the Development;

(iv) Each Unit in the Development will contain complete facilities for living, sleeping, eating, cooking and sanitation, e.g., a living area, a sleeping area, bathing and sanitation facilities, and cooking facilities equipped with a cooking range, refrigerator and sink, all of which will be separate and distinct from other Units;

(v) Each Unit in the Development will be rented or available for rental on a continuous basis to members of the general public at all times during the term specified above (unless occupied by or reserved for a resident manager, security personnel or maintenance personnel);

(vi) The Owner will operate and lease the Development in a manner that is consistent with housing policy governing nondiscrimination, as evidenced by rules or regulations of the Department of Housing and Urban Development (HUD), which generally provide that no discrimination can be made on the basis of race, color, religion, sex, national origin, age, familial status, disability and handicap (see HUD handbook 4350.03, or its successor);

(vii) At no time during the term specified above will any Unit in any building or structure in the Development which contains fewer than 5 Units be occupied by the Owner;

(viii) At no time during the term specified above will any of the Units in the Development be utilized on a transient basis by being leased or rented for a period of less than 30 days or by being used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, sanitarium, nursing home, rest home, trailer park or trailer court;

(ix) The land and the facilities will be functionally related and subordinate to the Units comprising the Development and will be of size and character which is commensurate with the size and number of such Units; and

(i) The Owner hereby represents, covenants and agrees, continuously during the Qualified Development Period, as follows:

(i) Forty percent 40% of the Units (except for manager, security personnel and maintenance units that are reasonably required for the Development) (the "Set Aside") within the Development (and any other building which is comprised of similarly constructed Units, will be owned by the Owner for federal income tax purposes, will be located on the same or contiguous tract that is not separated from the Development except by a road, street, stream, or similar property, and is financed by the Bonds) that are available for occupancy, including expiration or lawful termination of an existing lease, shall be occupied or held vacant and available for occupancy at all times by Low-Income Tenants. For the purposes of this subparagraph (i), a vacant Unit which was most recently occupied by a Low-Income Tenant is treated as rented and occupied by a Low-Income Tenant until reoccupied, at which time the character of such Unit shall be redetermined.

(ii) The Owner shall maintain complete and accurate records pertaining to Low-Income Tenants and file all documents as required by section 142(d) of the Code and this Agreement, including Tenant Income Certifications attached as Exhibit C hereto.

(iii) No tenant qualifying as a Low-Income Tenant shall be denied continued occupancy of a Unit in the Development because, after admission, such tenant's Anticipated Annual Income increases to exceed the qualifying limit for Low-Income Tenants; provided, however, that, should a Low-Income Tenant's Anticipated Annual Income, as of the most recent determination thereof, exceed 140% of the then applicable income limit for a Low-Income Tenant of the same family size and such Low-Income Tenant constitutes a portion of the Set Aside, the next available Unit of comparable or smaller size must be rented to (or held vacant and available for immediate occupancy by) a Low-Income Tenant and such new Low-Income Tenant will then constitute a portion of the Set Aside requirement of paragraph (i) of this Section 2(i); and provided, further, that, until such next available Unit is rented to a tenant who is a Low-Income Tenant, the former Low-Income Tenant who has ceased to qualify as such shall be deemed to continue to be a Low-Income Tenant for purposes of the requirement of subparagraph (i) of this Section 2(i).

The parties hereto recognize that the requirements stated in Section 2(h) and this Section 2(i) shall continue in effect until the termination of the Qualified Development Period.

(j) The Owner further covenants and agrees to prepare and submit to the Trustee, no more than 60 days prior to the last day of the Qualified Development Period a certificate setting forth the date on which the Qualified Development Period will end, which certificate shall be in recordable form. The Issuer need not affirmatively consent to the termination of the covenants.

(k) Anything in this Agreement to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that the Issuer and the Trustee may rely conclusively on the truth and accuracy of any certificate, opinion, notice, representation or instrument made or provided by the Owner in order to establish the existence of any fact or statement of affairs solely within the knowledge of the Owner, and which is required to be noticed, represented or certified by the Owner hereunder or in connection with any filings, representations or certifications required to be made by the Owner in connection with the issuance and delivery of the Bonds.

(l) The Owner shall provide to the Trustee, a certificate certifying (i) within 90 days thereof, the date on which 10% of the Units in the Development are occupied; and (ii) within 90 days thereof, the date on which 50% of the Units in each Development are occupied.

Section 3. Modification of Tax Covenants. Subsequent to the issuance of the Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), this Agreement may not be amended, changed, modified, altered or terminated except as permitted in Section 19 and by the Indenture. Anything contained in this Agreement or the Indenture to the contrary notwithstanding, the Issuer, the Trustee and the Owner, hereby agree upon the written request of one of the parties hereto, to amend this Agreement and, if appropriate, the Indenture and the Financing Agreement, to the extent required, in the written opinion of Bond Counsel delivered to the Issuer, the Owner and the Trustee, in order for interest on the Bonds to remain excludable from gross income for federal income tax purposes. The party requesting such amendment shall notify the other parties to this Agreement in writing of the proposed amendment and send a copy of such requested amendment to Bond Counsel. After review of such proposed amendment, Bond Counsel shall render to the Trustee, the Owner and the Issuer, an opinion to the effect that such amendments are permitted, necessary and sufficient in order to enable compliance with the provisions of the Code such that the interest on the Bonds will remain excludable from gross income for purposes of federal income taxation. The Owner shall pay all necessary fees and expenses incurred with respect to such amendment, including necessary reasonable and actual attorney's fees and expenses incurred by Bond Counsel in rendering such opinion. The Owner, the Issuer and, where applicable, the Trustee pursuant to written instructions from the Issuer, shall execute, deliver and, if applicable, the Owner shall file of record, any and all documents and instruments, including without limitation, an amendment to this Regulatory Agreement, necessary to effectuate the intent of this Section 3, and the Owner and the Issuer hereby appoint the Trustee as their true and lawful attorney-in-fact to execute, deliver and, if applicable, file of record on behalf of the Owner or the Issuer, as is applicable, any such document or instrument (in such form as may be approved by and upon instruction of Bond Counsel) if either the Owner or the Issuer defaults in the performance of its obligation under this Section 3; provided, however, that the Trustee shall take no action under this Section 3 without first notifying the Owner or the Issuer, as is applicable, in writing of its intention to take such action and providing the Owner or the Issuer, as is applicable, 10 Business Days after delivery of such notice to comply with the requirements of this Section 3.

Section 4. Residential Development. The Issuer and the Owner hereby recognize and declare their understanding and intent that the Development is to be owned, managed and operated as a "residential development," as such term is defined in Section 394.003(13) of the Act, and in compliance with applicable restrictions and limitations as provided in the Act and the rules of the Issuer, until the expiration of the Qualified Development Period or for as long as any portion of the Bonds remains outstanding and unpaid, whichever is longer.

(a) The Owner hereby represents, as of the date hereof, and covenants and agrees for the term of this Regulatory Agreement that at least 40% of the Units shall be rented to Eligible Tenants and 50% of the Units are reserved for tenants earning less than 80% of Medium Gross Income for the area. The Owner shall not rent or lease any Unit pursuant to the immediately preceding sentence to a person not an Eligible Tenant or tenants if such rental would cause the

percentages referenced in the immediately preceding sentence less than referenced in the immediately preceding sentence.

(b) The Owner hereby represents, covenants and agrees as follows:

(i) To assure that 40% of the occupied Units at the Development are occupied at all times by Low Income Tenants;

(ii) To obtain a Tenant Income Certification from each tenant in the Development not later than the date of such tenant's initial occupancy of a Unit in the Development and to maintain a file of all such Tenant Income Certifications, together with all supporting documentation, for a period of not less than 3 years following the end of the Qualified Development Period;

(iii) To obtain from each tenant in the Development, at the time of execution of the lease pertaining to the Unit occupied by such tenant, a written certification, acknowledgment and acceptance that (A) such lease is subordinate to the Mortgage and this Regulatory Agreement, (B) all statements made in the Tenant Income Certification submitted by such tenant are accurate, (C) the family income and eligibility requirements of this Agreement and the Financing Agreement are substantial and material obligations of tenancy in the Development, (D) such tenant will comply promptly with all requests for information with respect to such requirements from the Owner, the Trustee and the Issuer, and (E) failure to provide accurate information in the Tenant Income Certification or refusal to comply with a request for information with respect thereto will constitute a violation of a substantial obligation of the tenancy of such tenant in the Development;

(iv) To cause to be prepared and submitted to the Issuer for the first calendar quarter that includes the 1st day of the Qualified Development Period, and thereafter for each calendar quarter by the 25th calendar day of each April, July, October, and January, as applicable, or other quarterly schedule as determined by the Issuer, a certified Compliance Monitoring Report and Occupancy Summary in a form attached hereto as Exhibit D or at the reasonable request of the Issuer in such other form provided by the Issuer from time to time;

(v) To the extent legally permissible and subject to the rights of tenants to permit any duly authorized representative of the Issuer or the Trustee (without any obligation to do so) to inspect the books and records of the Owner pertaining to the Development or the incomes of Development tenants, including but not limited to tenant files, during regular business hours and to make copies therefrom if so desired and file such reports as are necessary to meet the Issuer's requirements; and

(vi) The Owner will obtain a Tenant Income Certification from each tenant at least annually after the tenant's initial occupancy or as otherwise directed by the Issuer in writing.

Section 5. [Reserved].

Section 6. Consideration. The Issuer has issued the Bonds to provide funds to make the Loan to finance the Development, all for the purpose, among others, of inducing the Owner to acquire the Development Site, construct, equip and operate the Development. In consideration of the issuance of the Bonds by the Issuer, the Owner has entered into this Regulatory Agreement and has agreed to restrict the uses to which this Development can be put on the terms and conditions set forth herein.

Section 7. Reliance. The Issuer, the Trustee and the Owner hereby recognize and agree that the representations and covenants set forth herein may be relied upon by all persons interested in the legality and validity of the Bonds, and in the excludability from gross income for purposes of federal income taxation of the interest on the Bonds. In performing their duties and obligations hereunder, the Issuer and the Trustee may rely upon statements and certificates of the Low-Income Tenants and the Owner and upon audits of the books and records of the Owner pertaining to the Development. In addition, the Issuer, the Owner and the Trustee may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Issuer, the Owner or the Trustee hereunder in good faith and in conformity with such opinion. In determining whether any default by the Owner exists under this Regulatory Agreement, the Trustee shall not be required to conduct any investigation into or review of the operations or records of the Owner and may rely on any written report, notice or certificate delivered to the Trustee by any Person retained to review the Owner's compliance with this Regulatory Agreement or by the Owner or the Issuer with respect to the occurrence or absence of a default unless it has actual knowledge that the report, notice or certificate is erroneous or misleading.

Section 8. Development in Austin, Texas. The Owner hereby represents that the Development is located entirely within the City of Austin, Texas.

Section 9. Sale or Transfer of the Development. The Owner covenants and agrees not to sell, transfer or otherwise dispose of the Development prior to the expiration of the Qualified Development Period or the date on which the Bonds have been paid in full, whichever is later, without (i) complying with any applicable provisions of the Financing Agreement and this Regulatory Agreement, and (ii) obtaining the prior written consent of the Issuer. Such consent of the Issuer shall not be unreasonably withheld or delayed and shall be given if all conditions to the sale set forth in the Financing Agreement and this Regulatory Agreement are met or are waived in writing by the Issuer, including (1) there is delivered to the Trustee and the Issuer a written Opinion of Counsel reasonably satisfactory to the Trustee and the Issuer, addressed to the Trustee and the Issuer concluding that the transferee has duly assumed all of the rights and obligations of the Owner under the Financing Agreement (to the extent still in effect) and this Regulatory Agreement and that each of the documents executed by the transferee in connection therewith has been duly authorized, executed and delivered by the transferee and is a valid and enforceable obligation of the transferee, subject to customary qualifications, (2) the Trustee and the Issuer receives a Favorable Opinion of Bond Counsel, which opinion shall be furnished at the expense of the Owner or the transferee, regarding such sale, transfer or disposition, (3) the proposed purchaser or assignee executes any document reasonably requested by the Issuer with respect to assuming the obligations of the Owner under the Financing Agreement (to the extent still in effect) and this Regulatory Agreement, and (4) the Issuer shall not have any reason to believe that the purchaser or assignee is incapable, financially or otherwise, of complying with, or may be unwilling to comply with, the terms of all agreements and instruments binding on such proposed purchaser or assignee relating to the Development, including but not limited to the Financing

Agreement (to the extent still in effect) and this Regulatory Agreement. The Owner hereby expressly stipulates and agrees that any sale, transfer or other disposition of the Development in violation of this subsection shall be ineffective to relieve the Owner of its obligations under this Agreement. Upon any sale, transfer or other disposition of the Development in compliance with this Agreement, the Owner so selling, transferring or otherwise disposing of the Development shall have no further liability for obligations under the Financing Agreement or this Regulatory Agreement arising after the date of such disposition. The foregoing notwithstanding, the duties and obligations of the Owner as set forth in the Financing Agreement and this Regulatory Agreement with respect to matters arising prior to the date of such sale, transfer or other disposition shall not terminate upon the sale, transfer or other disposition of the Development. The foregoing restrictions on transfer shall not apply to foreclosures, deeds in lieu of foreclosure, transfer by exercise of the power of sale or other similar transfer. The foregoing restriction on transfers shall not apply to transfers permitted in Article 3 of the Indenture, except that the Issuer shall receive a favorable Opinion of Bond Counsel. Any such sale or transfer shall be subject to the Issuer's multifamily rules.

The Owner shall not change or cause to be changed the General Partner of the Owner (or cause the Owner to have more than one General Partner) without the prior written consent of the President, Vice President or Treasurer of the Issuer, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, the General Partner of the Owner may be removed and replaced by any partner or member of the Owner or any of its affiliates, in accordance with the Owner's Partnership Agreement (as defined in the Indenture), as it may be amended from time to time, and subject to the satisfaction of the requirements of the Financing Agreement.

Section 10. Term. This Regulatory Agreement and all and each of the provisions hereof shall become effective upon its execution and delivery, shall remain in full force and effect for the periods provided herein and, except as otherwise provided in this Section 10, shall terminate in its entirety at the end of the Qualified Development Period, it being expressly agreed and understood that the provisions hereof are intended to survive the retirement of the Bonds, discharge of the Loan, termination of the Financing Agreement and defeasance or termination of the Indenture.

The terms of this Regulatory Agreement to the contrary and notwithstanding, this Regulatory Agreement, the Financing Agreement and the Indenture shall terminate, without the requirement of any consent by the Issuer and the Trustee, and be of no further force and effect in the event of involuntary noncompliance with the provisions of this Regulatory Agreement caused by fire, seizure, requisition, change in a federal law or an action of a federal agency after the Bond Closing Date which prevents the Issuer or the Trustee from enforcing the provisions hereof, or foreclosure or transfer of title by deed in lieu of foreclosure or exercise of the power of sale, condemnation or a similar event, but only if, within a reasonable period thereafter, either the Bonds is retired in full or amounts received as a consequence of such event are used to provide a qualified residential rental Development which meets the requirements of the Code set forth in Sections 1A through 4 of this Regulatory Agreement and the Act. The provisions of the preceding sentence shall cease to apply and the requirements referred to therein shall be reinstated if, at any time during the Qualified Development Period after the termination of such requirements as a result of involuntary noncompliance due to foreclosure, transfer of title by deed in lieu of foreclosure or exercise of power of sale or similar event, the Owner or any related Person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Development for federal income tax purposes. The Issuer shall not be required to consent to termination of this Regulatory Agreement for any reason other than those specified above.

Upon the termination of the terms of this Regulatory Agreement, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof; provided, however, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Agreement in accordance with its terms. All costs, including reasonable and actual fees and expenses of the Issuer and the Trustee, incurred in connection with the termination of this Regulatory Agreement shall be paid by the Owner and its successors in interest.

Section 11. Covenants To Run With the Land. The Owner hereby subjects the Development to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The Issuer, the Trustee and the Owner hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Owner's successors in title to the Development; provided, however, that upon the termination of this Agreement said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Development or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

No breach of any of the provisions of this Regulatory Agreement shall impair, defeat or render invalid the lien of any mortgage, deed of trust or like encumbrance made in good faith and for value encumbering the Development or any portion thereof.

Section 12. Burden and Benefit. The Issuer, the Trustee and the Owner hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the land in that the Owner's legal interest in the Development is rendered less valuable thereby. The Issuer, the Trustee and the Owner hereby further declare their understanding and intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Development by Low-Income Tenants, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Bonds was issued.

Section 13. Uniformity; Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Development in order to establish and carry out a common plan for the use, development and improvement of the Development Site.

Section 14. Default; Enforcement. If the Owner defaults in the performance or observance of any covenant, agreement or obligation of the Owner set forth in this Regulatory Agreement, and if such default remains uncured for a period of 60 days after written notice thereof shall have been given by the Issuer or the Trustee to the Owner in accordance with the Indenture, then the Trustee, acting on its own behalf or on behalf of the Issuer, provided a responsible officer of the Trustee actually knows of such default pursuant to written notification, shall declare an "Event of Default" to have occurred hereunder; provided, further, however, that, if the default stated in the notice is of such a nature that it cannot be corrected within 60 days, such default shall not constitute an Event of Default hereunder so long as (i) the Owner institutes corrective action within said 60 days and diligently pursues such action until the default is corrected, and (ii) in the written opinion of Bond Counsel delivered to the Trustee, the failure to cure said default within 60 days will not adversely affect the exclusion from gross income of interest on the Bonds for federal

income tax purposes. The Issuer and the Trustee agree that a cure of any Event of Default made or tendered by any partner or member of Owner, or a guarantor of any of Owner's obligations, shall be deemed to be a cure by the Owner and shall be accepted or rejected on the same basis as if tendered by Owner.

Following the declaration of an Event of Default hereunder, the Trustee, subject to being indemnified to its satisfaction with respect to the costs and expenses of any proceeding, or the Issuer may, at its option, take any one or more of the following steps:

- (i) by mandamus or other suit, action or proceeding for specific performance, including injunctive relief, require the Owner to perform its obligations and covenants hereunder or enjoin any acts or things which may be unlawful or in violation of the rights of the Issuer or the Trustee hereunder;

- (ii) have access to and inspect, examine and make copies of all of the books and records of the Owner pertaining to the Development; and

- (iii) take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Owner hereunder.

The Owner hereby agrees that specific enforcement of the Owner's agreements contained herein is the only means by which the Issuer and the Trustee may obtain the benefits of such agreements made by the Owner herein, and the Owner therefore agrees to the imposition of the remedy of specific performance against it in the case of any Event of Default by the Owner hereunder.

All rights and remedies herein given or granted to the Issuer and the Trustee are cumulative, nonexclusive and in addition to any and all rights and remedies that the Issuer and the Trustee may have or may be given by reason of any law, statute, ordinance, document or otherwise. Notwithstanding the availability of the remedy of specific performance provided for in this Section 14, promptly upon determining that a violation of this Regulatory Agreement has occurred, the Issuer shall to the extent that it has actual knowledge thereof, give written notice to the Trustee and the Owner that a violation of this Regulatory Agreement has occurred.

Section 15. The Trustee. The Trustee shall act as specifically provided herein and in the Indenture. No implied covenants shall be read into this Agreement against the Trustee. Subject to the right of the Trustee to be indemnified as provided in the Indenture and Financing Agreement, the Trustee shall act as the agent of and on behalf of the Issuer when requested in writing by the Issuer to do so, and any act required to be performed by the Issuer as herein provided shall be deemed taken if such act is performed by the Trustee. The Trustee is entering into this Regulatory Agreement solely in its capacity as Trustee under the Indenture, and the duties, powers, rights and obligations of the Trustee in acting hereunder shall be subject to the provisions of the Indenture, including, without limitation, the provisions of Article 9 thereof, which are incorporated by reference herein. The incorporated provisions of the Indenture are intended to survive the retirement of the Bonds, discharge of the Mortgage, termination of the Financing Agreement and defeasance or termination of the Indenture.

Neither the Trustee nor any of its officers, directors or employees shall be liable for any action taken or omitted to be taken by it or them hereunder or in connection herewith except for its or their own

gross negligence, bad faith, fraud or willful misconduct. No provision of this Regulatory Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder, in the exercise of any of its rights or powers.

The Trustee shall review all documents prepared by the Owner and furnished to the Trustee to determine whether such documents materially conform on their face to the requirements of this Regulatory Agreement (which shall not require the Trustee to determine compliance with the covenants herein), provided that the Trustee shall bear no liability for the determination so made. The Trustee shall notify the Issuer and the Owner in writing if the Trustee does not receive any document from the Owner at the time required under this Regulatory Agreement or if such document does not conform on its face to the requirements of this Regulatory Agreement. The Trustee may conclusively rely on and shall be protected in acting or omitting to act in good faith upon the certificates and other writings, which materially conform on their face to the requirements of this Regulatory Agreement, as the Trustee may receive in connection with the administration of its obligation hereunder and has no duty or obligation to make an independent investigation with respect thereto.

Section 16. Recording and Filing. The Owner shall cause this Regulatory Agreement, and all amendments and supplements hereto and thereto, to be recorded and filed in the real property records of Travis County, Texas and in such other places as the Issuer or the Trustee may reasonably request. The Owner shall pay all fees and charges incurred in connection with any such recording. This Agreement is subject to and subordinate to all matters of record as of the date hereof.

Section 17. Reimbursement of Expenses. Notwithstanding any prepayment of the Loan or redemption of the Bonds and notwithstanding a discharge of the Indenture, throughout the term of this Regulatory Agreement, the Owner shall continue to pay to the Issuer and the Trustee reimbursement for all fees and expenses actually incurred thereby required to be paid to the Issuer and the Trustee by the Owner pursuant to the Financing Agreement.

Section 18. Governing Law. This Regulatory Agreement shall be governed by the laws of the State (other than in respect of conflicts of laws). The Trustee's rights, duties, powers and obligations hereunder are governed in their entirety by the terms and provisions of this Agreement and the Indenture.

Section 19. Amendments. Subject to the provisions of Section 3 hereof, this Regulatory Agreement shall be amended only by a written instrument executed by the parties hereto, or their successors in title and duly recorded in the real property records of Travis County, Texas and only upon receipt by the Issuer, the Owner and the Trustee of a Favorable Opinion of Bond Counsel regarding such amendment.

Section 20. Notices. Any notice required to be given hereunder to the Issuer and the Trustee, or the Owner shall be given in the manner and to the address as set forth in the Indenture.

Section 21. Severability. If any provision of this Regulatory Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

Section 22. Multiple Counterparts. This Regulatory Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 23. Lease Addendum. All tenant leases shall have attached to them a lease addendum as set forth in Exhibit E.

Section 24. Authorization to Act for Issuer. To the extent allowed by law, the Issuer may authorize the Owner to take on behalf of the Issuer actions required or permitted to be taken by it hereunder, or under the Indenture and the Financing Agreement and to make on behalf of the Issuer all elections and determinations required or permitted to be made by the Issuer hereunder or under the Indenture and the Financing Agreement. In addition, to the extent allowed by law, the Issuer may authorize the Owner to exercise, on behalf of the Issuer, any election with respect to the Bonds pursuant to the Code or the Regulations, and in such case, the Issuer will cooperate with the Owner and execute any form of statement required by the Code or the Regulations required to effectuate any such election. Any authorization by the Issuer under this Section 24 shall be in writing.

[EXECUTION PAGES FOLLOW]

IN WITNESS WHEREOF, the Issuer, the Trustee and the Owner have executed this Regulatory Agreement by duly authorized representatives, all as of the date first above written.

AUSTIN HOUSING FINANCE CORPORATION

By:_____

Name: Deletta Dean

Title: Treasurer

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Trustee**

By: _____

Name: Ray Miller

Title: Senior Vice President
Amegy Bank Division

BORROWER:

5900 PLEASANT VALLEY, LP,
a Texas limited partnership

By: AHFC PLEASANT VALLEY NON-PROFIT
CORPORATION,
a Texas nonprofit corporation,
its General Partner

By: _____
James May, Secretary and Treasurer

ACKNOWLEDGMENT

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This Regulatory Agreement was acknowledged before me on _____, 2025, by Deletta Dean,
Treasurer of Austin Housing Finance Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public Signature

My Commission expires: _____

(Personalized Seal)

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on _____, 2025, by Ray Miller,
Senior Vice President of Zions Bancorporation, National Association, Amegy Bank Division.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public Signature

My Commission expires: _____

(Personalized Seal)

ACKNOWLEDGMENT

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 2025, by James May, Secretary and Treasurer of AHFC Pleasant Valley Non-Profit Corporation, a Texas nonprofit corporation, General Partner of 5900 Pleasant Valley, LP, a Texas limited partnership.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public Signature

My Commission expires: _____

(Personalized Seal)

EXHIBIT A

LEGAL DESCRIPTION FOR TITLE COMMITMENT

EXHIBIT B
DEVELOPMENT AND OWNER

Owner:	5900 PLEASANT VALLEY, LP
Development Site:	5901 S. Pleasant Valley Road, Austin, Texas 78744
Development Facilities:	Approximately 75-units

EXHIBIT C

TENANT INCOME CERTIFICATION

Austin Housing Finance Corporation
Multifamily Housing Revenue Bonds
(Sycamores at Pleasant Valley)
Series 2025

INCOME CERTIFICATION

☐ Initial Certification ☐ Recertification ☐ Other* _____

Effective Date: _____
 Move-in Date: _____
 (MM/DD/YYYY)
 *Transfer from Unit: _____

PART I – DEVELOPMENT DATA

Property _____	County: _____	BIN #: _____
Name: AHFC# _____	Unit Number: _____	# Bedrooms: _____

PART II. HOUSEHOLD COMPOSITION

HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	Student Status <i>(circle one)</i>	Last 4 digits of Social Security Number
1			HEAD		FT / PT / NA	
2					FT / PT / NA	
3					FT / PT / NA	
4					FT / PT / NA	
5					FT / PT / NA	
6					FT / PT / NA	
7					FT / PT / NA	

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
TOTALS	\$ _____	\$ _____	\$ _____	\$ _____
Add totals from (A) through (D) above			TOTAL INCOME (E):	\$ _____

PART IV. INCOME FROM ASSETS

HH Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
TOTALS:			\$ _____	\$ _____

Enter Column (H) Total _____ Passbook Rate _____
 If over \$5000 \$ _____ X .06% (effective 2/1/2015) = (J) Imputed Income \$ _____

Enter the greater of the total of column I, or J: imputed income **TOTAL INCOME FROM ASSETS (K)** \$ _____

(L) Total Annual Household Income from all Sources [Add (E) + (K)]	\$ _____

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

_____ Signature	_____ (Date)	_____ Signature	_____ (Date)

PART V. DETERMINATION OF INCOME ELIGIBILITY

TOTAL ANNUAL HOUSEHOLD INCOME
FROM ALL SOURCES:
From item (L) on page 1 \$ _____

Mark the program(s) listed below for which this household's income will be counted toward the property's occupancy requirements.

☐ HTC or Exchange	☐ 30%	☐ 40%	☐ 50%	☐ 60%	☐ OI***	
☐ TCAP	☐ 30%	☐ 40%	☐ 50%	☐ 60%	☐ OI***	
☐ HOME	☐ 30%	☐ 40%	☐ 50%	☐ 60%	☐ 80%	☐ OI***
☐ BOND	☐ 30%	☐ 50%	☐ 60%	☐ 80%	☐ OI***	☐ ET
☐ HTF	☐ ELI	☐ VLI	☐ LI	☐ OI***		
☐ NSP	☐ 30%	☐ 40%	☐ 50%	☐ 60%	☐ 80%	☐ 120%
☐ CDBG	☐ 30%	☐ 40%	☐ 50%	☐ 60%	☐ 80%	☐ 120%
☐ Other _____	☐					

*** Upon Recertification household was determined to be over income (OI) according to eligibility requirements of the programs marked above.

PART VI. RENT

A. Tenant Paid Rent: \$ _____

B. Utility Allowance: \$ _____

C. Rent Assistance: \$ _____

D. Other non-optional charges and mandatory fees: \$ _____

E. Gross Rent For Unit (See Instructions): \$ _____ / _____

Mark the program(s) listed below for which this household's rent will be counted toward the property's occupancy requirements.

☐ HTC or Exchange	☐ 30%	☐ 40%	☐ 50%	☐ 60%
☐ TCAP	☐ 30%	☐ 40%	☐ 50%	☐ 60%
☐ HOME	☐ Low HOME	☐ High HOME	☐	☐
☐ BOND	☐ 30%	☐ 50%	☐ 60%	☐ 80%
☐ HTF	☐ 30%	☐ 50%	☐ 60%	☐ 80%
☐ NSP	☐ 30%	☐ 40%	☐ Low HOME	☐ High HOME
☐ CDBG	☐ 30%	☐ 40%	☐ Low HOME	☐ High HOME
☐ Other _____	☐			

PART VII. STUDENT STATUS (HTC, TCAP, Exchange, and BOND only)

ARE ALL OCCUPANTS FULL TIME STUDENTS?

If yes, Enter student explanation*
(also attach documentation)

☐ Yes ☐ No

Enter 1-5

*Student Explanation:

1. TANF assistance
2. Job Training Program
3. Single parent/dependent child
4. Married/joint return
5. Previous Foster Care

SIGNATURE OF OWNER/REPRESENTATIVE

Based on the representations herein and upon the proofs and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of program's rules, regulations and the Land Use Restriction Agreement (if applicable), to live in a unit in this Project.

SIGNATURE OF OWNER/REPRESENTATIVE

DATE

Supplement to the Income Certification

Unit #: _____ Date: _____

See below for Ethnicity, Race, and Other codes that characterize household composition. **Enter both Ethnicity and Race** codes for each household member, if applicable. Also indicate if an individual in the household is elderly and/or disabled.

HH Mbr #	Sex – enter M or F	Age	Ethnicity	Race	Elderly Enter Y or N	Disabled Enter Y or N
1						
2						
3						
4						
5						
6						
7						

The AHFC requests this information in order to comply with HUD's required reporting requirements. Although AHFC would appreciate receiving this information, you may choose not to furnish it. You may not be discriminated against on the basis of this information, or on whether or not you choose to furnish it. If you do not wish to furnish this information, please initial below.

RESIDENT/APPLICANT: I do not wish to furnish information regarding ethnicity, race, sex, age and other household composition.
(Initials) _____

The following Ethnicity codes should be used:	The following Race codes should be used:
A Hispanic	A White
B Not Hispanic	B Black/African American
	C Asian
	D American Indian/Alaska Native
	E Native Hawaiian/Other Pacific Islander
	F American Indian/Alaska Native & White
	G Asian & White
	H Black/African American & White
	I American Indian/Alaska Native & Black/African American
	J Other Multi Racial

DEFINITIONS

Ethnic categories:

- A. Hispanic – A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. Terms such as "Latino" or "Spanish Origin" apply to this category.
- B. Not Hispanic – A person not of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.

Racial categories:

- A. White – A person having origins in any of the original peoples of Europe, the Middle East, or North Africa.
- B. Black/African American – A person having origins in any of the black racial groups of Africa. Terms such as "Haitian" or "Negro" apply to this category.
- C. Asian – A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.
- D. American Indian/Alaskan Native – A person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.
- E. Native Hawaiian/Other Pacific Islander – A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

Note: The remaining racial categories (F-I) are multi racial categories made up of combinations of the single race categories defined above (A-E). If the appropriate multi-racial category is not listed, use the "Other Multi Racial" (J) category.

Disabled:

- A physical or mental impairment which substantially limits one or more major life activities; a record of such an impairment; or being regarded as having such an impairment. For a definition of "physical or mental impairment" and other terms used in this definition, please see 24 CFR 100.201.

"Handicap" does not include current, illegal use of or addiction to a controlled substance.

EXHIBIT D

COMPLIANCE MONITORING REPORT

TO: Austin Housing Finance Corporation
1000 E. 11th Street
Austin, Texas 78702
Attention: Program Manager

Zions Bancorporation, National Association, as Trustee
1801 Main Street, Suite 460
Houston, Texas 77002
Attention: Corporate Trust Department

Austin Housing Finance Corporation
Multifamily Housing Revenue Bonds
(Sycamores at Pleasant Valley)
Series 2025

5900 PLEASANT VALLEY, LP (the “Owner”) and 5900 SPV ALP, LLC (the “Administrative Limited Partner”), hereby represent and warrant that:

1. A review of the activities of the Owner during the period of _____ through _____ and of the Owner's performance under the Financing Agreement and the Regulatory Agreement (as each is defined below), has been made by the Administrative Partner and reviewed by AHFC Pleasant Valley Non-Profit Corporation (the “General Partner”) on behalf of the Owner.
2. The Owner owns Sycamores at Pleasant Valley (the “Development”).
3. The Development was financed, in substantial part, as a result of the loan of the proceeds of the above-captioned Bonds (the “Bonds”) from the Austin Housing Finance Corporation (the “Issuer” or “Governmental Lender”) to the Owner.
4. The Administrative Partner and the General Partner have read and are thoroughly familiar with the provisions of (1) the Regulatory Agreement and Land Use Restriction Agreement (the “Regulatory Agreement”), dated as of September 1, 2025, among the Owner, the Issuer and Zions Bancorporation, National Association, as Trustee (the “Trustee”); and (2) the Financing Agreement, dated as of September 1, 2025, among the Owner, the Trustee and the Issuer (the “Financing Agreement”). The Regulatory Agreement was executed, delivered, and recorded against the Development in connection with the issuance of the Bonds. Hereinafter, unless otherwise expressly provided herein or unless the context requires otherwise, the capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Regulatory Agreement.

5. The Development's Qualified Development Period with respect to the Development is the period beginning on the first day on which 10 percent of the residential units in the Development are occupied and ending on the later of (i) the date which is 15 years after the date on which 50 percent of the residential units in the Development are occupied, (ii) the first date on which no tax-exempt private activity bond issued with respect to the Development are outstanding, or (iii) the first date on which the Development no longer receives assistance under Section 8 of the United States Housing Act of 1937, as amended. The Qualified Development Period began on _____, 20__.
6. For the entire Qualified Development Period, at least 40% of the Units at each Development Facility shall at all times be rented to and occupied by Low Income Tenants.
7. As of the end date of the period covered by this Compliance Monitoring Report, the following percentages of completed Units in the Development (i) were occupied by Low Income Tenants or (ii) were vacant and held available for such occupancy by Low Income Tenants:

Occupied by Low Income Tenants: _____ percent

Held vacant for occupancy
continuously since last
occupied by Low Income
Tenant: _____ percent

8. At no time since the date of filing of the last Compliance Monitoring Report has less than all of the units in the Development been occupied by or, if vacant, been last occupied by Low Income Tenants, provided that any vacant units must have been last occupied by Low-Income Tenants.
9. To the best knowledge of the Administrative Partner, after due inquiry, and to the best knowledge of the General Partner based solely on information received by it from the Administrative Partner, (i) as of the end of the period covered by this Compliance Monitoring Report, all completed Units were rented or available for rental on a continuous basis to members of the general public, and (ii) the Owner is not now and has not been in default under the terms of the above-referenced Regulatory Agreement and, to the best knowledge of the undersigned, no Determination of Taxability has occurred with respect to the Bonds.
10. (If the Owner is in default under the terms of the Regulatory Agreement or the Owner has actual knowledge of a Determination of Taxability with respect to the Bonds, such knowledge should be detailed here:)
11. The Owner has not transferred any interest in the Development since the date of submission of the Compliance Monitoring Report last submitted to the Trustee and the Issuer with respect to the Development. (If the Owner has transferred any interest in the Development, such transfer should be detailed here:)

Attached is a separate sheet (the "Occupancy Summary") listing, among other items, the percentage of units which are occupied by Low Income Tenants and which became Low Income Units since the filing of the last Compliance Monitoring Report. The information contained thereon is, to the best knowledge of the Owner and the Administrative Partner (based upon information supplied by tenants of the Development), true and accurate.

5900 PLEASANT VALLEY, LP,
a Texas limited partnership

By: AHFC PLEASANT VALLEY NON-
PROFIT CORPORATION,
a Texas nonprofit corporation,
its General Partner

By: _____
Mandy DeMayo, _____

Lease Addendum for PAB Funded properties
EXHIBIT E

TENANT PROTECTION LEASE ADDENDUM
FOR CITY OF AUSTIN-ASSISTED PROPERTIES

1. This Lease Agreement Addendum (“Addendum”) is an addendum to the Lease Agreement (herein referred to as the “Lease Agreement”), entered into on **[Date]** between **[Landlord Name]** (herein referred to as “Owner”) and **[Tenant Name]** (herein referred to as “Tenant”) for the leasing of the premises at **[Address]**, Austin, Texas **[Zip Code]** (herein referred to as “the Property”). The term “Owner” includes Owner’s agent(s).
2. Except when conflicting with a HUD model lease, the provisions of this Addendum replace any conflicting provisions contained in the Lease Agreement. To the extent any conflict exists between the Lease Agreement and this Addendum, the provisions of this Addendum shall govern.
3. The provisions of this Addendum shall apply during the entirety of a tenancy, including month-to-month tenancies and any holdover tenancy,
4. **Prohibited Lease Terms.** The Owner and Tenant agree that the following provisions, if included in the Lease Agreement, shall be null and void and unenforceable:
 - 4.1. Any and all provisions in the Lease Agreement that require the Tenant to agree to waive any judicial or administrative proceeding, to admit guilt, or to a judgment in favor of the Owner in a lawsuit brought in connection with the lease or the Property.
 - 4.2. Any and all provisions in the Lease Agreement that allow the Owner to take, hold, or sell personal property of the Tenant or household members without written notice to the Tenant and a court decision on the rights of the parties except when the property remains in the unit after the Tenant has moved out of the unit and the property is disposed of in accordance with State law.
 - 4.3. Any and all provisions in the Lease Agreement that excuse the Owner from legal responsibility or liability for any action or failure to act, whether intentional or negligent.
 - 4.4. Any and all provisions in the Lease Agreement that allow the Owner to institute an eviction lawsuit against the Tenant without notice to the Tenant.
 - 4.5. Any and all provisions in the Lease Agreement that allow the Owner to evict the Tenant or household members without instituting a civil court proceeding in which the Tenant is provided the opportunity to present a defense or before a court decision on the rights of the parties.
 - 4.6. Any and all provisions in the Lease Agreement that require the Tenant to waive a trial by jury.
 - 4.7. Any and all provisions in the Lease Agreement that require the Tenant to waive any right to appeal or to otherwise challenge, in court, a court decision connected to the Lease Agreement, this Addendum, or the Property.
 - 4.8. Any and all provisions in the lease agreement that require the Tenant to pay the costs of legal actions, regardless of outcome. This includes any agreement by the Tenant to pay attorney’s fees or other legal costs even if the Tenant wins in a court proceeding instituted by the Owner against Tenant. This does not include a provision of the Lease Agreement that obligates the Tenant to pay such costs if the Tenant loses In court.

Lease Addendum for PAB Funded properties

- 4.9. Any and all provisions in the Lease Agreement that require the Tenant to waive the right to participate in a class action or collective action against the Owner.
- 4.10. Any and all provisions in the Lease Agreement that require the Tenant (other than a tenant in transitional housing) to accept supportive services.
- 4.11. Any and all provisions in the Lease Agreement that require the Tenant to allow the Owner to enter the Tenant's unit with less than twenty-four (24) hours' notice, except as provided in Sections 6.3 and 6.4.
- 4.12. Any and all provisions in the Lease Agreement that require the Tenant to pay initial charges and/or fees for late payments that total more than five (5) percent of the amount of rent paid by the Tenant for the rental period or cumulative charges and/or fees for late payments that total more than ten (10) percent of the amount paid by the Tenant for the rental period.
- 4.13. Any and all provisions in the Lease Agreement that allow the Owner to terminate a tenancy for failure to pay fees and fines other than rent. This section also prohibits provisions that allow the Owner to allege that the Tenant owes rent because the Tenant allegedly owes other fees or fines to the Owner.
- 4.14. Any and all provisions in the Lease Agreement that presume the Tenant is responsible for causing any conditions that necessitate repairs or pest treatments. This prohibition does not preclude property managers from investigating conditions that necessitate repairs or pest treatments and, based upon factual evidence of gross negligence, assigning responsibility.
- 4.15. Any and all provisions in the Lease Agreement that prohibit overnight guests who stay on the Property for seven or fewer consecutive nights. This limitation does not apply to a guest who is legally prohibited from entering the Property.
- 4.16. Any and all provisions in the Lease Agreement that prohibit rental payments by money order, cashier's check, or check; and any and all provisions in the Lease Agreement that require the Tenant to pay an additional fee (or fees) because the Tenant uses a money order, cashier's check, or check to pay rent. An Owner may refuse to accept a rental payment by check only after one or more of the Tenant's checks are returned because of insufficient funds.

5. Termination of Tenancy:

- 5.1. Grounds for termination or nonrenewal. Owner may terminate the tenancy or refuse to renew the lease of a Tenant only in the event of:
 - 5.1.1. serious or repeated violations of the terms and conditions of the Lease Agreement (e.g., failure to pay rent; criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents; willful and repeated destruction of rental property or property of other residents); or
 - 5.1.2. violations of applicable Federal, State, or local laws; or
 - 5.1.3. completion of tenancy period for transitional housing; or
 - 5.1.4. the temporary or permanent uninhabitability of the Property justifying relocation of all or some of the Property's tenants (except where such uninhabitability is caused by the actions or inactions of the Owner). Relocation on this ground shall trigger the Relocation provisions in Section 11, except in cases where the property becomes uninhabitable due solely to the Tenant's gross negligence.

Lease Addendum for PAB Funded properties

5.2. Notices.

5.2.1. 30-day Notice.

5.2.1.1. **Notice of Termination.** To terminate or nonrenew the lease, Owner shall serve written notice upon the Tenant specifying the grounds for the termination or nonrenewal at least 30 days before the effective date of the termination or nonrenewal, unless the termination is based on serious violent criminal activity that poses an Immediate threat to the safety of staff or other residents. The notice to terminate or nonrenewal shall be served on the Tenant by either: (I) both first class mail and either certified or registered mail; and (2) by personal delivery to the Tenant or a household member eighteen years or older.

5.2.1.2. **Opportunity to Discuss.** The written notice required by 5.2.1.1. shall also inform Tenant of the right to discuss with the Owner the proposed termination or non-renewal of tenancy. The notice must give Tenant at least ten days from the date of the notice to request a meeting with the Owner. If the Tenant makes a timely request, the Owner agrees to meet with the Tenant and to discuss the proposed termination or nonrenewal.

5.2.1.3. **Opportunity to Cure Lease Violations.** For termination or nonrenewal of tenancy due exclusively to serious or repeated lease violations (5.1.1), excluding drug activity or other serious criminal activity, the written notice required by 5.2.1.1. shall also inform Tenant of the opportunity to cure any alleged violation of the Lease Agreement. Tenant shall be provided no less than ten days from the date of the requested meeting with the Owner to cure any alleged violation of the Lease Agreement. Should the Tenant fail to make a timely request for a meeting, the opportunity to cure period begins on the date the notice to terminate or nonrenewal was received by the Tenant.

5.2.2. **Three-day Notice.** If the dispute is not resolved and the Tenant does not vacate the premises by the effective date of the termination as set forth in the notice of lease termination required by 5.2.1.1., Owner shall give the Tenant at least three days written notice to vacate the premises . If the Tenant does not vacate the premises by the end of the third day, Owner may then proceed to obtain possession by a forcible entry and detainer lawsuit in the appropriate Justice of the Peace court.

5.2.3. Failure to Follow Notice Procedure.

5.2.3.1. Except for a termination based on serious violent criminal activity that poses an immediate threat to the safety of staff or other residents, for which neither a 30-day notice nor a three-day notice is required, the Owner agrees that providing the 30-day and three-day notices are conditions precedent to filing a forcible entry and detainer lawsuit.

5.2.3.2. The Owner agrees that it is the burden of the Owner to show, as an element of its eviction case, that all applicable notice procedures were followed, and that termination of tenancy is not effective unless notice procedure is followed correctly.

5.2.3.3. The Owner waives the right to challenge a Tenant's request to dismiss the forcible entry and detainer lawsuit for failure to comply with the notice procedures,

5.2.3.4. The Owner waives the right to appeal to a dismissal of the forcible entry and detainer lawsuit for a failure to comply with the notice procedures.

Lease Addendum for PAB Funded properties

6. **Entry into Unit.** Owner, Owner's representative, or maintenance staff may enter the unit during reasonable times for any reasonable business purposes after providing to the Tenant at least twenty-four- (24) hours' notice and a reasonable window of time for entry, except in case of emergency as provided in 6.3 and 6.4.
 - 6.1. Whenever the Tenant or a member of the Tenant's household who is 18 years of age or older is not present in the unit at the time of entry, the Owner must provide written documentation in the unit that states the purpose of entry, the time of entry, and who entered.
 - 6.2. The Owner agrees to avoid entering the unit so frequently as to seriously disturb the Tenant's peaceful enjoyment of the unit.
 - 6.3. In this provision, the term "emergency" does not include every repair the Tenant requests from the Owner. The Tenant agrees that the Owner may enter the unit without 24-hours' notice if:
 - 6.3.1. the Tenant affirmatively waives the notice requirement; or
 - 6.3.2. the Owner believes, in good faith, that an emergency exists that creates either an imminent danger to the Tenant or other resident of the community, or an immediate threat of irreparable damage to the unit or other unit on the property.
 - 6.4. This section does not require the Owner to provide specific notice before entering the Tenant's unit to post a Notice to Vacate, as authorized by the Texas Property Code or to deliver a lease violation / an opportunity' to cure or a notice of termination as required by this addendum.
7. **Remediation of Hazardous Health Conditions.** The Owner shall address and remediate hazardous health conditions, including but not limited to mold in indoor areas, in a timely manner, which is presumed to be seven (7) days from the receipt of notice about the condition. The Owner may rebut this presumption by establishing that the condition was remediated in a timely manner, is in the process of being remediated in a timely manner, or that the Owner has implemented a timely plan for remediation, based on the specific facts of the condition and the remediation.
8. **Cost of Repairs.**
 - 8.1. The Owner may charge Tenant for repairs made to the unit if the damage is caused by the gross negligence of the Tenant or guests of the Tenant and the damage does not constitute normal wear and tear. If the Owner intends to charge the Tenant for the repair, prior to making the repair, the Owner must give the Tenant written notice that includes the estimated costs.
 - 8.2. Upon the Tenant's request, the Owner must provide Tenant with an invoice for the cost of the repairs that are made to the Tenant's unit or otherwise charged to the Tenant.
 - 8.3. The Owner agrees that the Tenant may dispute the necessity and extent of the repairs. If the Tenant disputes the repair, the Owner agrees to provide reasonable evidence of the need.
 - 8.4. Tenant and Owner may agree to a payment plan for any necessary repairs to be charged to the Tenant. Payment of repairs shall not be connected to nor supersede rent payment. Failure to comply with any agreed upon payment plan shall not constitute grounds for termination or nonrenewal under Section 5.1.
 - 8.5. Remedy for Damages for Repair Costs ("Repair Damages"). In the event Tenant fails to pay the cost of repairs as agreed, the Owner may either withhold a portion or all of the Tenant's security deposit upon move-out or file suit for damages in a court of competent jurisdiction.

Lease Addendum for PAB Funded properties

8.5.1. The Owner agrees that its repair damages are limited to actual damages.

8.5.2. If the Owner files a lawsuit to recover repair damage, the parties agree that the:

8.5.2.1. Owner may seek reasonable attorney's fees and courts costs; and

8.5.2.2. Tenant may take up to 30 days from the date the judgment is entered to pay the damages awarded by the court.

8.5.3. Except as provided in Subsection 5.1., the Owner agrees not to seek to evict solely because the Tenant failed to pay for alleged repair damages.

9. Relocation.

9.1. Relocation Assistance.

9.1.1 Owner agrees to provide relocation assistance to Tenant if Tenant is required to vacate the unit, permanently or temporarily, due to repair, transfer, sale, or renovation of the unit or Property. If uninhabitability is caused solely by the willful or negligent act of the Tenant, Owner is not required to provide relocation assistance or a Right of Return as provided in Section 9.2.

9.1.2. Relocation assistance includes moving expenses (actual and anticipated expenses related to moving Tenant, Tenant's household members, and their personal property), utility connection fees, nonrefundable deposits, and rent increases at a temporary unit during the relocation period. Relocation assistance shall be scaled to the applicable timeframe for the relocation. Where the relocation extends less than 30 days, assistance may only be required for temporary accommodations.

9.1.3. The Owner agrees that the payment for a permanently displaced Tenant is the amount necessary to enable the Tenant to lease or rent a comparable dwelling for up to 42 months, as set forth in the Uniform Relocation Assistance and Real Property Acquisition Policies of 1970 ("URA").

9.2. Right to Return. If the Tenant is relocated because of renovations or repairs at the Property, Owner agrees to provide the Tenant the opportunity to return to their original unit or a comparable unit at the same property. A comparable unit has the same number of bedrooms or equivalent square footage. The Tenant's right to return lasts for one year from the date of completion of the renovations or repairs to the Tenant's unit or the completion of the Tenant's lease at another property, whichever is earlier.

10. Tenant's Right to Conduct Activities related to a Tenant Organization.

10.1. The Owner agrees each tenant may conduct activities on the Property related to establishing or operating a tenant organization, including hosting a tenant organizer at the property.

10.2. If requested, the Owner agrees to meet with Tenant and a member of a tenant organization during regular business hours to discuss matters related to the Tenant's unit or the Property as a whole.

10.3. The Owner may not retaliate against a Tenant or Tenant's guests because the Tenant or the Tenant's guest established, attempted to establish, or participated in a tenant organization.

Lease Addendum for PAB Funded properties

- 10.4. The Owner agrees that the Tenant may have access to all common areas, including any community room, for tenant organization activities, the Owner may not impose fees or rules that are not applicable to a tenant who accesses a common area for activities that do not Include tenant organization activities.

11. Tenant's Right to Access Tenant File.

- 11.1. The Owner agrees the Tenant is entitled to review and copy any documents that the Tenant signed, including a rental application, the Lease Agreement, or this Addendum; and to review and copy any documents that relate to the Owner's reason for terminating or non-renewal of tenancy, including the payment ledger.
- 11.2. The Owner may redact documents if the Owner reasonably believes that redaction is necessary to protect the health and safety of staff or other residents and may redact if redactions are required by law. The Owner may not redact any document signed by the Tenant.

12. **Tenant Agreement to Provide Requested Information.** The Tenant understands that the unit leased under the Lease Agreement has received governmental subsidies and that, as a condition of the governmental subsidy, the Tenant is required and hereby agrees to provide Owner with any information and sign such releases which are necessary to allow Owner to verify the Tenant's income and otherwise comply with government rules and regulations. The Tenant agrees to provide Owner accurate and complete information regarding the Tenant's income and to do so by the date specified in Owner's request. The Tenant understands that the intentional failure to supply accurate and complete information regarding Tenant's income shall constitute a serious lease violation. All Tenant files will be available for inspection by all applicable federal, state, and local agencies. The Tenant hereby consents to release of all such information by Owner to governmental agencies.

13. **Copies of Lease Agreement.** Owner agrees to provide Tenant a copy of the Lease Agreement and this Addendum in the language in which the lease was negotiated. Owner also agrees to provide Tenant a copy of any other rules or policies issued by Owner that govern the Tenant's conduct at the Property. Owner agrees to attach a copy of this Addendum to any petition filed in an eviction proceeding against the Tenant. Owner agrees that Owner's failure to provide a copy of this Addendum to the Tenant or to the Court shall be cause for dismissal without prejudice of any eviction lawsuit filed by the Owner.

14. This Addendum is deemed to have been made in compliance with all applicable State and local laws, and if any section or part is not lawful, only that section or part shall be void, and the balance of the Addendum shall remain in full force and effect.

BY: _____
Owner's Representative Date

Tenant Date

Lease Addendum for PAB Funded properties

LANDLORD: THIS DOCUMENT MUST BE ATTACHED TO EACH AND EVERY LEASE SIGNED DURING THE AFFORDABILITY PERIOD, INCLUDING LEASE RENEWALS.

EXHIBIT D

BOND PURCHASE AND FUNDING AGREEMENT

Among

5900 PLEASANT VALLEY, LP

as Borrower,

ZIONS BANCORPORATION, N.A. dba Amegy Bank

as Bond Owner

and

AUSTIN HOUSING FINANCE CORPORATION

as Issuer

Dated as of September 1, 2025

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BOND PURCHASE AND FUNDING AGREEMENT

This Bond Purchase and Funding Agreement (this “**Agreement**”) is entered into as of September 1, 2025, by and among 5900 PLEASANT VALLEY, LP, a Texas limited partnership (“**Borrower**”), AUSTIN HOUSING FINANCE CORPORATION, a Texas public nonprofit housing finance corporation (“**Issuer**”), and ZIONS BANCORPORATION, N.A., dba Amegy Bank (in this capacity, “**Bond Owner**”).

RECITALS

- A. Borrower owns a ground leasehold interest in a certain 2.495-acre (more or less) tract of real property located at 5901 South Pleasant Valley in Austin, Travis County, Texas 78744, and more particularly legally described in **Exhibit A** attached to the Bond Loan Mortgage (“**Real Property**”).
- B. Borrower will begin constructing a new seventy-five (75) unit multifamily rental housing project on the Real Property (together with all appurtenances, fixtures, and tenant improvements now or hereafter located on or with respect to the Property and which is described in more detail below as the “**Improvements**”).
- C. Borrower has requested Bond Owner purchase Issuer’s \$14,800,000 Multifamily Housing Revenue Bonds (Sycamores at Pleasant Valley), Series 2025 (collectively, the “**Bonds**”), which are being issued pursuant to the terms of the Trust Indenture dated September 1, 2025 (the “**Indenture**”), between Issuer and Zions Bancorporation, National Association, as trustee (in that capacity, “**Trustee**”).
- D. Bond Owner is willing to purchase the Bonds upon the terms and conditions hereinafter set forth.
- E. The proceeds of the Bonds will be loaned by Issuer to Borrower (the “**Bond Loan**”) as provided for in a Financing Agreement (the “**Financing Agreement**”) dated September 1, 2025, between Issuer and Borrower, and in this Agreement, for the purpose of the construction of the Improvements in accordance with plans and specifications which Borrower has heretofore, or will hereafter deliver to Bond Owner, as amended in order to comply with the terms and conditions of this Agreement (hereafter defined as the “**Plans**”).
- F. The Bond Loan consists of a Construction Bond Loan (the “**Construction Bond Loan**”) in the principal amount not to exceed \$14,800,000.00 and which, subject to the terms hereof, will convert on the Conversion Date to a Permanent Bond Loan in an amount not to exceed \$5,300,000.00 (the “**Permanent Bond Loan**”); and
- G. Under the terms of the Indenture, Issuer has assigned the Bond Loan to the Trustee, and the Bond Owner has been and is hereby authorized to service and administer the Bond Loan for and on behalf of the Trustee and the Issuer as provided for herein.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants and conditions herein contained, and for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Definitions. As used in this Agreement, the following terms shall have the meanings set forth below:

“Acceptable Counterparty” means (a) Bond Owner or (b) any other counterparty to a Hedging Transaction reasonably acceptable to Bond Owner and otherwise regularly provides Hedging Transactions in the ordinary course of its business and maintains a long-term unsecured debt rating or counterparty rating which is equal to or greater than that of Bond Owner.

“Accounts” has the meaning given to such term in **Section 7.6.4.**

“Act” means the Texas Housing Finance Corporation Act, Chapter 494, Texas Local Government Code, as amended from time to time, and any successor legislation.

“Adjusted Daily Simple SOFR Rate” means the following: the rate per annum equal to (1) Daily Simple SOFR plus (2) the SOFR Adjustment, plus (3) the Spread, provided, that if the Adjusted Daily Simple SOFR Rate as so determined shall ever be less than the Floor Rate, then the Adjusted Daily Simple SOFR Rate shall be deemed to be the Floor Rate. At all times the rate per annum will be equal to the product of (1) 0.87 (or, in the alternative after the occurrence of an Event of Taxability, 1.00) multiplied by (2) the Daily Simple SOFR plus (3) the Spread.

“Affiliate” means, as to any Person, any other Person which directly or indirectly Controls, is Controlled by, or is under common Control with such Person.

“Agreement” has the meaning given such term in the Preamble of this Agreement.

“Agreement Effective Date” means September 1, 2025.

“AHFC” means the Austin Housing Finance Corporation, a housing finance corporation, organized and operated under Chapter 394 of the Texas Local Government Code.

“AHFC Loans” means, collectively, the (a) \$8,950,000.00 loan (the **“AHFC RHDA Loan”**) funded with proceeds of 20__ general obligation bonds, accruing interest at the rate of [5.00%] per annum for the period commencing after a [24] month construction period (no interest shall accrue during the such [24] month construction term), and a 42-year maturity (2 years of construction followed by a 40 year permanent period), and payable from cash flow pursuant to a Rental Housing Development Assistance (RHDA)

Program Loan Agreement (the “**RHDA Loan Agreement**”), and which will be funded in connection with and after closing of the Bond Loan in draws based on the Approved Flow of Funds, and (b) \$750,000.00 loan (the “**AHFC St. David’s Grant Loan**”) funded with the proceeds made available to the AHFC under the terms of the Grant Agreement dated February 24, 2025, between the St. David’s Foundation and AHFC (the “**St. David’s Grant Agreement**”), accruing interest at the rate of 0.00% per annum, and maturing upon the expiration of the tax credit compliance period, at which time the obligation to pay the AHFC St. David’s Grant Loan will be forgiven as provided for in the Collateral Loan Agreement dated as of April 15, 2025 (the “**St. David’s Grant Loan Agreement**”), and which AHFC St. David’s Loan was in part funded prior to the the closing of the Bond Loan for predevelopment costs and with the remaining to be funded after the Bond Closing Date in accordance with the Approved Flow of Funds.

“**AHFC Loan Documents**” means collectively with respect to each AHFC Loan, the loan agreement, the promissory note, the deed of trust, and all other documents, agreements, and instruments evidencing, governing, and securing that AHFC Loan.

“**AHFC Restrictions**” means, collectively, (a) the Restrictive Covenant Running With The Land, executed by the Borrower to AHFC with respect to the restrictions required in connection with the AHFC RHDA Loan as provided for in the RHDA Loan Agreement and the Amended and Restated Affordability Unlocked Land Use and Restrictions Agreement by and between the City, acting by and through the Housing and Planning Department, AHFC, and the Borrower, and (b) the occupancy restrictions provided for in the promissory note issued as evidence of the AHFC St. David’s Grant Loan, in the St. David’s Grant Loan Agreement, and in the other AHFC Loan Documents relating to the AHFC St. David’s Grant Loan.

“**Amortization Period Commencement Date**” means [September] 1, 2028.

“**Applicable Laws**” means any and all applicable (a) federal, state and local laws, ordinances, rules, regulations, codes, ordinances, requirements, orders, judgments, awards, writs, decrees and similar governing provisions of all Governmental Authorities having jurisdiction over the Collateral, Borrower, Guarantor, Bond Owner, or otherwise relate to or affect any of the foregoing, including all Environmental Regulations (as defined in the Environmental Indemnity Agreement), Governmental Regulations, the Americans with Disability Act, ERISA, the Act, and the Housing Act, (b) requirements of Section 42 of the Internal Revenue Code, (c) requirements and terms of the QAP, (d) requirements of the Act, (e) requirements of the Housing Act, (f) requirements of TAC, (g) requirements of each Regulatory Agreement, (h) any and all other building, zoning and use laws, ordinances, permits, licenses, requirements, rules and regulations, together with any amendments, restatements, revisions or modifications thereof and any successor statutes thereto, and (i) determination or award of any arbitrator or other private adjudicator to which Borrower, Guarantors or the Project is subject.

“**Appraisal**” means a written statement setting forth an opinion of the market value of the Project that (a) has been independently and impartially prepared by a qualified appraiser directly engaged by Bond Owner, (b) complies with all Applicable Laws dealing

with appraisals or valuations of real property, including the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 as amended or revised and any successor law thereto and (c) has been reviewed and approved by Bond Owner.

“Appraised Value” means the value of the Project, as determined by Bond Owner based upon its review of the Appraisal most recently obtained and accepted by Bond Owner; provided that such value may be an “as-is” value, an “as-completed” value, an “as-stabilized” value or such other appraised value for the Project depending on the purpose for which such value is used by Bond Owner in accordance with this Agreement.

“Approved Flow of Funds” means a flow of funds approved by the Bond Owner prior to the Bond Closing Date, outlining the timing of funding of each Funding Source in a manner satisfactory to the Bond Owner.

“Approved Fund” means any Fund that is administered or managed by (a) Bond Owner, (b) an Affiliate of Bond Owner or (c) an entity or an Affiliate of an entity that administers or manages Bond Owner.

“Approved Lease” means any Lease that is (a) substantially in the form of the Form Lease and (b) qualifies as an Approved Lease pursuant to **Section 7.2.7**. A Lease shall be deemed to be substantially in the form of the Form Lease if the variations from the Form Lease (taken as a whole) do not materially detract from the rights and protections of the lessor or the mortgagee set forth in the Form Lease.

“Architect” means _____.

“Architect’s Agreement” means that certain Architectural Design Fee Proposal dated on _____, 2025, between Architect and Borrower, together with any and all extensions, renewals, modifications, amendments, supplements or replacements thereto or thereof to the extent permitted or approved of in accordance with this Agreement.

“Assignment of Management Agreement” means the Assignment of Management Agreement and Consent and Subordination of Manager dated as of the Agreement Effective Date from Borrower to Issuer and joined in by the Qualified Property Manager.

“Assignment of Permits and Contracts” means the Assignment of Permits and Contracts dated as of the Agreement Effective Date from Borrower to Issuer.

“Authorized Representative” means, for any Person, the natural person or natural persons designated in the Signature Authorization Form (or otherwise in writing by that Person in a manner acceptable to the Bond Owner) to take any and all actions on the part of that Person under any of the Bond Loan Documents or in connection with the Bond Loan; provided that, with respect to the execution of any Compliance Certificates required pursuant to **Section 7.3**, such natural person shall be the designated financial officer or representative of the reporting party, who is responsible for or otherwise oversees the books and records of such reporting party, including such reporting party’s

operating reports and Financial Statements, as applicable. The individuals who have signed on behalf of Borrower below, together with any individual identified in the incumbency certificate of Borrower delivered to Bond Owner on or in connection with the Bond Closing, constitute, individually and collectively, Authorized Representatives for Borrower for all purposes, and Bond Owner shall be entitled to rely on such authorization without inquiry unless and until notified in writing by Borrower that such individual is no longer an Authorized Representative. Notwithstanding any provision contained in any certificate or other document executed by an Authorized Representative, no Authorized Representative shall be deemed to be a party to the Bond Loan Documents or have any contractual liability under or in connection with any of the Bond Loan Documents.

“Bad Costs” means the Project Costs that are not Good Costs.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“Bail-In Legislation” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time that is described in the EU Bail-In Legislation Schedule.

“Balancing Deposit” has the meaning given such term in **Section 5.2.3(ii)**.

“Bankruptcy Event” means, with respect to any Person, any event whereby such person or entity becomes the subject of a bankruptcy proceeding or insolvency proceeding (a **“Bankruptcy Proceeding”**), whether under the Bankruptcy Code of the United States or any other Applicable Law, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its assets or business, appointed for it, or, in the good faith determination of Bond Owner, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that, with respect to Bond Owner only, a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in Bond Owner by a Governmental Authority or instrumentality thereof, unless such ownership interest results in or provides Bond Owner with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permits such Person (or such Governmental Authority or instrumentality), to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation in the form of **Exhibit “S”** thereof.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230, and any successor statutes and regulations thereof, all as may be revised, renewed or otherwise modified from time to time.

“Bonded” or **“bonded”** means a Lien bonded by a surety acceptable to Bond Owner in a manner which precludes the holder of that lien from having any recourse against the Project or Borrower for payment of any debt or other obligation.

“Bond Closing” means the closing of the Bond Owner’s purchase of the Bonds upon satisfaction of the closing conditions set forth in **Article 3**.

“Bond Closing Date” means the date of issuance and delivery of the Bonds.

“Bond Counsel” has the meaning assigned to that term in the Indenture.

“Bond Documents” means the Indenture, the Bonds, the Financing Agreement, the Bond Loan Note, the Bond Regulatory Agreement, the Bond Resolution, and the Tax Exemption Agreement.

“Bond Loan” has the meaning provided in **Recital E** of this Agreement.

“Bond Loan Documents” means this Agreement, the Bond Documents, the Bond Loan Note, the Bond Loan Mortgage, the Guaranty, the Non-Recourse Carve-Out Guaranty, the Assignment of Management Agreement, the Collateral Assignment of Developer Fee, the Collateral Assignment and Pledge of General Partnership Interest, the Assignment of Permits and Contracts, the Governing Agreement, the Environmental Indemnity Agreement, the Signature Authorization Form (once executed by Borrower on or after the date hereof), the Intercreditor Agreements, the Hedging Transaction Documents, the Hedging Transaction Guaranty, and all other agreements, assignments, documents or instruments now or hereafter evidencing, guarantying, securing, perfecting, supporting or otherwise related to the Bond Loan and, in each case, which is either (a) executed and delivered by Borrower or a Guarantor or (b) is executed by any third party in favor of Bond Owner in connection with the Bond Loan, including the Intercreditor Agreement, and any Estoppel Certificate, SNDA or third party consent executed in connection with any assignment of the General Contractor Agreement, the Architect Agreement, any Management Agreement or any other Material Project Related Document with respect to which Bond Owner has required an assignment thereof to it as additional collateral for the Obligations, in each case, as any of them may be amended, modified, extended, renewed or supplemented from time to time pursuant to this Agreement.

“Bond Loan Note” means the Promissory Note dated as of the Bond Closing Date, executed by Borrower in favor of Issuer, substantially in the form attached hereto as **Exhibit A**, as amended from time to time.

“Bond Loan Mortgage” means that certain Multifamily Construction and Permanent Leasehold Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing executed by Borrower, as trustor, to Jennah Peoples, as trustee, for the benefit of Issuer, as beneficiary, creating a first lien on the Borrower’s leasehold interest the Project and all other buildings, fixtures and improvements now or hereafter owned or acquired by Borrower and situated thereon, including the Improvements, and all rights, interests, privileges and easements appurtenant thereto. Under the terms of the

Indenture, the Issuer will assign the Bond Loan Mortgage to the Trustee and the Bond Owner shall administer and service the Bond Loan including directing and instructing the Trustee in writing as to how to act as the beneficiary under the Bond Loan Mortgage.

“Bond Owner” has the meaning assigned to that term in the introductory paragraph of this Agreement.

“Bond Owner’s Consultants” means any attorneys, third party consultants, inspectors, advisors and experts retained by Bond Owner to assist it in connection with the Bond Loan, including in connection with the Bond Closing, approvals of Requisitions and requests made in a Draw Request Package, inspection and assessment of the Project or any other Collateral, administration of the Bond Loan or the protection, defense, enforcement of Bond Owner’s rights and remedies with respect to the Bond Loan.

“Bond Owner Fee Letter” means any separate fee letter agreement which has been executed by or on behalf of Borrower for the benefit of Bond Owner with respect to, among other things, any fees which are required to be paid by Borrower to Bond Owner in connection with the Bond Loan, any syndication with respect thereto and the administration thereof.

“Bond Proceeds Disbursement” means each disbursement of Bond proceeds from the Project Fund made by Trustee at the written direction of the Bond Owner in accordance with the terms and conditions of the Bond Loan Documents, including in accordance with **Article 5** hereof.

“Bond Regulatory Agreement” has the meaning assigned to that term in the Indenture.

“Bond Resolution” means the resolution adopted by the Bond Issuer duly authorizing and directing the issuance, sale and delivery of the Bond.

“Borrower” has the meaning given such term in the Preamble of this Agreement.

“Borrower’s Funds” has the meaning given such term in **Section 5.2.3(iii)**.

“Borrower’s Funds Account” has the meaning given such term in **Section 7.6.2**.

“Borrower Records” has the meaning given such term in **Section 7.12.2**.

“Borrower Related Person” means Borrower, Guarantor or any Affiliate of Borrower or a Guarantor, their respective officers, directors or other authorized representatives, and any Person acting, or refusing to act, in concert with or at the direction of any the foregoing.

“Budget” means Borrower’s construction budget setting forth the estimated Project Costs for completing construction of the Improvements, broken down between Hard Costs and Soft Costs, with separate line items for each category of cost thereunder, together with the sources for funding such Project Costs identified on a corresponding

line item basis, all in substance and detail as reasonably required by Bond Owner and as revised from time to time in accordance with **Sections 5.2.3**, and **7.1.2(iv)**. The initial Budget which has been approved by the Bond Owner as of the Bond Closing Date is attached hereto as **Exhibit C** (and shall in any event provide for an interest reserve of \$_____.00, a hard cost contingency of [10.0%] and a soft cost contingency of [5.0%]).

“Business Day” means any day on which Bond Owner and other financial institutions located in Texas are open and conducting business but expressly excluding Saturday, Sunday and any holiday officially recognized by the State of Texas or the United States of America; provided that, (a) with respect to any determination of the SOFR Index Rate, the term **“Business Day”** shall also exclude any day on which the SOFR Index Rate is not published by the applicable administrator of such index rate (as such index rate and administrator is identified and described in clause (a) of the definition of SOFR Index Rate) and (b) with respect to any determination of any Substitute Index Rate, the term **“Business Day”** shall also exclude any day on which such Substitute Index Rate is not published by the administrator of such benchmark.

“Capital Contribution Account” means the interest-bearing deposit account (ending with the last four digits XXXXXX____) owned and maintained by Borrower and located at the Bond Owner to be used for deposit of the proceeds of certain Capital Contributions which will in turn be disbursed by the Bond Owner for deposit into the Construction Operating Account to pay for budgeted items.

“Capital Contributions” means each equity payment to be made to Borrower by the Investor Limited Partner to Borrower described in **Exhibit “L”**, and as more particularly provided in the Partnership Agreement (subject to the terms and conditions contained therein), as may be adjusted for “tax credit adjusters”. References to specific Capital Contributions shall be to the associated installment of the Capital Contributions listed in **Exhibit “L”**.

“Certificate of Occupancy” means a final certificate of occupancy or similar certificate (including a temporary certificate of occupancy to the extent available and commonly used) which is issued by the Governmental Authority in the jurisdiction where the Project is located evidencing that the Project is completed such that it is certified by such Governmental Authority for occupancy and use by the intended occupants thereof.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, both (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bond Owner for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in

each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“**City**” means City of Austin, Texas, a Texas municipal corporation.

“**Claim Proceeding**” has the meaning given such term in **Section 7.11.2**.

“**Claim Proceeds**” has the meaning given such term in **Section 7.11.2**.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Collateral**” means, with respect to the Bond Loan, the Project, the FF&E and all other real and personal property, rights, title and interests of Borrower which, from time to time, secure the Obligations, all as more particularly described in the Bond Loan Mortgage and any other Bond Loan Documents.

“**Collateral Assignment and Pledge of General Partnership Interest**” means the Collateral Assignment and Pledge of General Partnership Interest dated as of the Agreement Effective Date executed by the General Partner and acknowledged and agreed to by the Borrower in favor of the Issuer.

“**Collateral Assignment of Developer Fee**” means the Collateral Assignment of Developer Fee dated as of the Agreement Effective Date executed by Developer in favor of the Issuer.

“**Communications**” means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of Borrower pursuant to any Bond Loan Document or the transactions contemplated therein which is distributed by Bond Owner by means of electronic communications pursuant to this Section, including through an Electronic System.

“**Complete**”, “**Completed**” or “**Completion**” means completion of the construction of the Improvements (including installation of all FF&E required to be installed in order to obtain a Certificate of Occupancy), with such completion and installation being (a) except for Permitted Liens (including Contested Claims which are being contested in accordance with **Section 7.7.6(ii)**), free and clear of all Liens, including any stop payment notices and any other possible claims therefor, with such lien free completion evidenced by (i) mechanics lien waivers, conditional only upon final payment, from General Contractor and all subcontractors that are to receive payment from any remaining Loan proceeds, on the then current form required by Applicable Law and (ii) to the extent reasonably required by Bond Owner, the issuance of a CLTA 122 endorsement (or its equivalent) to the Title Insurance Policy and/or recordation of a notice of completion in the official records of the county in which the Project is located and the expiration of all time periods for filing stop payment notices and mechanics or materialman liens; (b) in accordance with the Plans, all Material Project Related Documents (as applicable), in all material respects, all Applicable Laws and this Agreement, (c) subject only to Punch List Items and (d) otherwise evidenced and confirmed by (i) receipt of a Certificate of Occupancy and (ii) to the extent required by Bond Owner, the following executed certificates of

completion (A) AIA Form G704 (Certificate of Substantial Completion in accordance with the Plans), (B) AIA Form G706 (Contractor's Affidavit of Payments of Debts and Claims) and AIA Form G706A (Contractor's Affidavit of Release of Liens), in each case subject only to receipt of final payment (the amount of which to be designated in the certificate), or a reasonable equivalent thereof acceptable to Bond Owner, and (C) Borrower's certification that, to its knowledge, such lien free Completion has occurred; provided that, all such certificates and sworn statements shall be in form and content reasonably acceptable to Bond Owner.

"Completion Date" means the earlier to occur of twenty-four (24) calendar months from the date hereof, subject to Force Majeure not to exceed sixty (60) days; provided, however, such date shall never exceed (a) the "placed in service" date as required pursuant to Section 42 of the Code, (b) the date AHFC shall require the Improvements be completed in the AHFC Loan Documents (c) the date required in the Partnership Agreement for completing the Improvements, or (d) the date required in the Ground Lease for completing the Improvements, if any.

"Compliance Certificate" means the form of compliance certificate attached hereto as **Exhibits G-1** and **G-2** respectively for Borrower and Guarantor, as each such form may be modified or replaced with the prior consent of Bond Owner.

"Conditions to Conversion" means the conditions listed in **Section 4.3**.

"Construction Approvals" has the meaning given such term in **Section 2.6.8**.

"Construction Commencement Deadline" means thirty (30) days after the Bond Closing Date (or such earlier date as may be provided for in the Partnership Agreement).

"Construction Contracts" means collectively, whether presently or hereinafter existing, any and all contracts entered into by or on behalf of Borrower and/or General Contractor relating to the construction of the Project, including the Architect's Agreement, the General Contractor Agreement, and any other subcontracts or supply agreements, whether for (a) work to be performed, (b) services to be provided or (c) FF&E, materials and supplies to be delivered, each in connection with construction of the Improvements and Completion thereof.

"Construction Operating Account" means the account of Borrower (ending with the last four digits XXXXXX____) located at Bond Owner to be used for the deposit by Bond Owner in accordance with the terms of this Agreement, disbursements by Trustee of the proceeds of the Bonds from the Project Fund (or any other Fund set forth in the Indenture) and disbursements from the Capital Contribution Account.

"Construction Schedule" means Borrower's schedule for completing construction of the Improvements attached to the General Contractor Agreement, a copy of which is on file with the Bond Owner, as it may be amended by Borrower, subject to **Section 7.1.2(iv)** hereof.

“Construction Term” means the period commencing on the Bond Closing Date until the Conversion Date.

“Contested Claim” has the meaning given such term in **Section 7.7.6(ii)**.

“Contingent Obligation” means any agreement, undertaking, arrangement or obligation by which any Person: (a) assumes, guarantees, endorses, effectively guarantees, contingently agrees to purchase or provide funds for the payment of or otherwise becomes or is contingently liable upon, any obligation or liability of any other Person, in any manner, whether directly or indirectly; or (b) agrees to maintain the net worth, working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person against loss; including, in either case (a) or case (b) above, (i) any comfort letter, operating agreement, take-or-pay contract, agreement to indemnify or hold harmless, performance bond, other suretyship arrangement or any other form of assurance against loss (except for the endorsement of negotiable or other instruments for deposit or collection in the ordinary course of business) or (ii) the obligations of any such Person as the general partner of a partnership with respect to the liabilities of the partnership.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the decisions, management or policies of a Person, whether pursuant to the Organizational Documents of such Person or otherwise through the ownership of voting securities, the ability to exercise voting power, by contract or otherwise. **“Controlling”** and **“Controlled”** have meanings correlative thereto.

“Conversion Certificate” means a certificate in the form of **Exhibit “P”**, which will be issued by the Bond Owner if the Conditions to Conversion are satisfied by the Permanent Term Commencement Deadline.

“Conversion Date” means the date of the Conversion Certificate, which date shall be date of the commencement of the Permanent Term

“Costs of Issuance” shall have the meaning assigned to that term in the Indenture.

“Daily Simple SOFR” means for any day (a **“Daily Simple SOFR Rate Day”**), a rate per annum equal to SOFR for the day (such day, a **“Daily Simple SOFR Determination Day”**) that is five (5) Business Days prior to (A) if such Daily Simple SOFR Rate Day is a Business Day, such Daily Simple SOFR Rate Day or (B) if such Daily Simple SOFR Rate Day is not a Business Day, the Business Day immediately preceding such Daily Simple SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator’s Website; provided, that if by 5:00 p.m. (New York City time) on the second (2nd) Business Day immediately following any Daily Simple SOFR Determination Day, SOFR in respect of such Daily Simple SOFR Determination Day has not been published on the SOFR Administrator’s Website and a SOFR Unavailability Event with respect to Adjusted Daily Simple SOFR has not occurred, then SOFR for such Daily Simple SOFR Determination Day will be SOFR as published in

respect of the first preceding Business Day for which such SOFR was published on the SOFR Administrator's Website.

"Debtor Relief Laws" means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

"Default Rate" or **"Default Interest Rate"** means the lesser of (i) (a) the then applicable rate of interest per annum which is equal to the then applicable rate, (b) the Default Rate Spread, or (ii) the Maximum Rate.

"Default Rate Spread" means that rate which is equal to five percent (5.00%).

"Delaware LLC Division" means, with respect to any Person that is a limited liability company organized or formed under the laws of the State of Delaware, the statutory division of such Person into two or more Persons pursuant to Section 18-217 of the Delaware Limited Liability Company Act, as amended from time to time.

"Developer" means, collectively, JCM Ventures, LLC, a Kansas limited liability company, and East 43rd St., LLC, a Texas limited liability company (d/b/a Structure Development).

"Developer Fee" means the fee payable by to Developer by Borrower in the amount of [\$2,940,000.00], as set forth in the Budget, which fee will be split 25% to the General Partner and 75% to the Developer as set forth in a Sub-Development Agreement and is paid subject to **Section 5.2.2(v)**.

"Development Agreement" means that certain Development Agreement dated on or about September 1, 2025, by and between Borrower and Developer, and any and all extensions, renewals, modifications, amendments, supplements and replacements thereto and therefor to the extent permitted or approved of in accordance with this Agreement.

"Dissolution" means, with respect to any Person, the termination, liquidation, dissolution of such Person, the merger or consolidation of such Person with another Person, the division of such Person into multiple Persons or any Delaware LLC Division with respect to such Person.

"Distribution" has the meaning given such term in **Section 7.7.8**.

"Dollar," "U.S. Dollar" and the symbol **"\$"** means lawful money of the United States of America.

"Draw Request Package" means a request for (a) disbursement of deposits in the Capital Contribution Account, (b) a disbursement of any of the AHFC Loans on deposit with Bond Owner for later disbursement, and/or (c) a Bond Proceeds Disbursement, in

each case related to construction of the Improvements, including Hard Costs and any Soft Costs, using the Request for Disbursement form attached hereto as **Exhibit E** or such other form as may be acceptable to Bond Owner, together with a payee vendor list setting forth the payee, amount to be paid and purpose of payment, supporting invoices, billing statements, the associated Requisition (if relating to a request for a disbursement from the Project Fund), applicable lien waivers, certificates and such other documents and information and that Borrower believes constitutes evidence that (i) requested disbursement is consistent with the Approved Flow of Funds, and (ii) the conditions precedent set forth in **Article 4** applicable to such disbursement from the Capital Contributions Account, deposits of an AHFC Loan, and/or Bond Proceeds Disbursement have been satisfied; provided that no invoices will be required with respect to work that has been completed and the total cost of which is less than \$25,000.00 unless any such invoice is specifically requested by Bond Owner.

“DSCR” means the ratio of (i) the Project Net Operating Income to (ii) the annualized debt service amount resulting from fully amortizing the then outstanding principal balances of the Bond Loan plus any remaining unfunded commitment over 480 months using the DSCR Assumed Rate. In calculating Project Net Operating Income for purposes of calculating DSCR, expenses deemed by the Bond Owner to not be normal and customary shall not be an operating expense for purposes thereof (such as costs of extra leasing agents during lease-up and extraordinary rental concessions in a particular month).

“DSCR Assumed Rate” means that rate of interest per annum which is equal to [5.90%] per annum for the Bond Loan.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country that is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country that is a parent of an institution described in clause (a) of this definition or (c) any financial institution established in an EEA Member Country that is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegatee) having responsibility for the resolution of any EEA Financial Institution.

“Electronic System” means any electronic system, including e-mail, e-fax, Intralinks, ClearPar®, Debt Domain, SyndTrak, DebtX and any other internet or extranet-based site (whether such electronic system is owned, operated or hosted by Bond Owner or any other Person) providing for access to data on a protected basis.

“Eligible Institution” means any commercial bank, financial institution, institutional Bond Owner, “accredited investor” (as defined in Regulation D of the Securities Act of 1933, as amended) or any other Person (other than a natural Person, a Prohibited Person or a Borrower Related Person) which (a) has total assets of at least \$10,000,000,000.00, (b) has a long-term unsecured debt rating of BBB+ or higher from Standard & Poor’s or its equivalent, (c) has a lending office in the United States, (d) is regularly engaged in the business of making or owning (or, in the case of a pension advisory firm or similar fiduciary, regularly engaged in managing investments in) commercial real estate loans, and (e) is not a natural Person, a Prohibited Person, a Defaulting Bond Owner or a Borrower Related Person.

“Eligible Participant” means any Person other than a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person), a Prohibited Person, Borrower, Guarantor or any Affiliate thereof.

“Entity Guarantor” means JCM Ventures, LLC.

“Environmental Indemnity Agreement” means the Unsecured Environmental Indemnity of even date herewith from Borrower and each Guarantor to Bond Owner, as it may be amended, restated or otherwise modified from time to time as set forth herein.

“ERISA” means the Employee Retirement Income Security Act of 1974, and any regulations issued pursuant thereto, as now or from time to time hereafter in effect.

“Estoppel Certificate” has the meaning given such term in **Section 7.2.7(iv)**.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Bond Loan Market Association (or any successor person), as in effect from time to time.

“Event of Default” means the occurrence of any of the events listed in **Section 8.1** and the expiration of any applicable notice and cure period provided in said section.

“Event of Taxability” has the meaning given to that term in the Indenture.

“Exceptions to Non-Recourse Guaranty” means the Exceptions to Non-Recourse Guaranty of Payment and Completion, of even date herewith, executed by each Guarantor, as may be restated, supplemented, affirmed, and ratified from time to time.

“Excluded Taxes” means with respect to Bond Owner, any of the following Taxes imposed on or with respect to such Person or required to be withheld or deducted from a payment to such Person, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits imposed as a result of such Person being organized under the laws of, or having its principal office or its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof), (b) Other Connection Taxes, (c) U.S. federal withholding Taxes imposed on amounts payable to or for the account of Bond Owner with respect to an applicable interest in a

Loan pursuant to a law in effect on the date on which (i) Bond Owner acquires such interest in the Bond Loan or (ii) Bond Owner changes its lending office, except in each case to the extent that amounts with respect to such Taxes were payable either to Bond Owner's assignor immediately before Bond Owner became a party hereto or to Bond Owner immediately before it changed its lending office, (d) Taxes attributable to such Recipient's failure to comply with **Section 6.4.2**, and (e) any U.S. federal withholding Taxes imposed under FATCA.

"FATCA" means the Foreign Account Tax Compliance Act as set forth in Sections 1471 through 1474 of the Code as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"FCPA" means the Foreign Corrupt Practices Act and related anti-corruption laws and regulations and any successor statutes and regulations thereof, all as may be revised, renewed or otherwise modified from time to time.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System of the United States.

"FF&E" means all furniture, fixtures and equipment (including machinery, tools, supplies and inventory) owned by Borrower and used, or intended to be used, in connection with the Project.

"FHLB" means the Federal Home Loan Bank of Dallas.

"Fifty Percent Test" means the 50% aggregate basis test under Section 42(h)(4)(B) of the Code.

"Financial Institution" means any national bank, banking corporation, national banking association or other banking institution, whether acting in its individual or fiduciary capacity, organized under the laws of the United States, any state, any territory or the District of Columbia, the business of which is substantially confined to banking and is supervised by the Comptroller of the Currency or a comparable state or territorial official or agency such as the Federal Deposit Insurance Corporation, Federal Reserve System or the Office of Thrift Supervision.

"Financial Statements" means the financial statements and reports of the applicable reporting party for the applicable reporting period, including without limitation balance sheets, statements of income and expenses and statements of cash flow, each of which shall be (a) prepared in accordance with GAAP consistently applied, (b) in form and detail consistent with any previous financial statements delivered to and accepted by Bond Owner, (c) accompanied by such footnotes, schedules and addenda as historically

and customarily included in such financial statements and reports, and (d) otherwise in form, detail and content reasonably acceptable to Bond Owner.

"Floor Rate" means 0.25% per annum.

"Force Majeure Event" means any delays which are beyond the reasonable control of Borrower and are caused by (a) any "acts of God", including fire, earthquake, flood or any other extreme weather conditions or natural disaster, (b) the existence of any pandemic or other widespread health crisis, (c) terrorism, public enemies, riot or acts of insurrection, (d) strikes directly affecting the work of construction, (e) shortages of material or labor resulting directly from general market shortages or (f) any governmental regulations, orders or other acts imposed by any Governmental Authority in connection with and in an effort to address any of the foregoing. For avoidance of doubt, no Force Majeure Event shall be caused by the shortage of any funds available to Borrower whatsoever the reason therefor. Borrower shall notify the Bond Owner in writing within five (5) days after the occurrence of a Force majeure Event, but no Force Majeure Event shall suspend or abate any obligation of the Borrower or any other Person to pay any money under this Agreement and the other Bond Loan Documents.

"Foreign Bond Owner" means (a) if the Borrower is a U.S. Person, Bond Owner that is not a U.S. Person and (b) if the Borrower is not a U.S. Person, Bond Owner that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

"Form Lease" means that form of lease to be used by Borrower with respect to leasing of any multifamily residential unit or any non-residential unit, which form shall be approved in form and content by Bond Owner in its reasonable discretion prior to any lease being entered into at the Project. For avoidance of doubt, the Form Lease for any non-residential unit must include the mortgagee protection provisions as described in **Section 7.2.7(iv)**.

"Fund" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of its activities.

"Funding Sources" has the meaning given such term in **Section 5.2.3**.

"Future Lien" has the meaning given such term in **Section 7.2.6(ii)**.

"GAAP" means generally accepted accounting principles and practices, consistently applied.

"General Contractor" means the General Partner (in that capacity), and each other general contractor, whether one or more, engaged by Borrower, and approved in writing by Bond Owner, to renovate the Improvements. Streamline Construction, LLC, a Kansas limited liability company (the **"Primary Subcontractor"**) will be the primary subcontractor for the construction of the Improvements and in such role, will be treated as Contractor for purposes of this Agreement except where the context as determined by

Bond Owner indicates otherwise such as where the use of **“General Contractor”** and **“Primary Subcontractor”** herein are intended to be different entities. If Streamline Construction, LLC is not the primary subcontractor, the Bond Owner must approve in Bond Owner’s sole and reasonable discretion any other primary subcontractor.

“General Contractor Agreement” means that certain Standard Form of Agreement Between Owner and Contractor dated on or about the date hereof between General Contractor, together with (a) any amendments or modifications thereto which have been delivered to and approved by Bond Owner prior to Closing and (b) thereafter, any and all extensions, renewals, modifications, amendments, supplements and replacements thereto and therefor to the extent permitted or approved of in accordance with this Agreement.

“Good Costs” means the Project Costs that are Qualified Development Costs.

“Governing Agreement” means the Governing Law and General Terms Agreement (with Jury Waiver and Dispute Resolution Agreement) of even date herewith among Borrower, Bond Owner, and Guarantor.

“Governmental Authority” means (a) the government of the United States of America or any other nation, any political subdivisions thereof, whether federal, state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (and shall include without limitation the TDHCA, AHFC, the City, Travis County, and the Issuer), including, without limitation, any state agencies and Persons responsible in whole or in part for monitoring compliance with the Act and all land use restriction agreements and for environmental matters in the states in which Borrower is located or otherwise conducting its business activities and the United States Environmental Protection Agency, and (b) any arbitrator or other private adjudicator to the extent applicable pursuant to contract, agreement or otherwise.

“Governmental Regulations” means OFAC, FCPA, the QAP, TAC, the Beneficial Ownership Regulation, the Act, the Housing Act, and any other related Applicable Laws to which Bond Owner may be subject that limits, restricts prohibits or conditions the making of any advance or extension of credit to Borrower or from otherwise conducting business with Borrower or Guarantor.

“Ground Lease” means the Ground Lease dated as of _____, 2025, between Ground Lessor and the Borrower, covering the Real Property.

“Ground Lessor” means AHFC, in that capacity.

“Guarantor” means, collectively, the Entity Guarantor and the Individual Guarantors.

“Guaranty” or **“Guaranties”** means individually and collectively, (a) that certain Guaranty of Payment executed by each Guarantor in favor of Bond Owner as of even date herewith and any and all extensions, renewals, modifications, amendments,

supplements and replacements thereto, and (b) that certain Exceptions to Non-Recourse Guaranty executed by each Guarantor in favor of Bond Owner as of even date herewith and any and all extensions, renewals, modifications, amendments, supplements and replacements thereto.

“Hard Costs” means costs for work, labor and materials required to (a) demolish and remove any pre-existing structures, (b) perform any required excavation work and (c) complete construction of the Improvements, including those items identified as “Hard Costs” on the Budget.

“Hedging Transaction” means any transaction now existing or hereafter entered into between Borrower and Bond Owner or another Acceptable Counterparty which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures, including without limitation the interest rate hedging transactions entered into pursuant to the Hedging Transaction Documents.

“Hedging Transaction Documents” means an ISDA Master Agreement and Schedule thereto between Borrower and Bond Owner or another Acceptable Counterparty, and all Confirmations (as such term is defined in such ISDA Master Agreement) executed in connection with any Hedging Transactions entered into now or in the future, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for any of the foregoing.

“Hedging Transaction Guaranty” means the Guaranty of Hedging Obligations of even date herewith entered into by each Guarantor with respect to the Hedging Transactions entered into by Borrower with respect to the Bond Loan.

“Hedging Transaction Obligations” means any obligations of Borrower, whether absolute or contingent, and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all Hedging Transaction Documents entered into in connection with the Bond Loan and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any Hedging Transaction Documents entered into in connection with the Bond Loan.

“Housing Act” the United States Housing Act of 1937, as amended from time to time, and any successor legislation.

“Impositions” means any and all (a) real estate and personal property taxes and other taxes and assessments with respect to the Project, (b) water and sewer rates and charges and all other governmental charges and any interest or costs or penalties with

respect thereto and (c) other assessments or charges by any community facilities district, any associations, any master declarants or any other Persons pursuant to any Project Related Document maintained for the benefit of the Project or to which the Project is subject, in each case, of any kind and nature whatsoever (whether any of the foregoing are general or special, ordinary or extraordinary, foreseen or unforeseen) and which at any time may be assessed, levied or imposed upon the Project, the rent, revenues or income generated thereby or any use or occupancy thereof.

“Improvements” has the meaning as set forth in **Recital B**, and in any event, shall mean the 75-unit multifamily affordable residential rental project, consisting of _____ () residential buildings, to be constructed on the Real Property, known as Sycamores at Pleasant Valley, to be constructed with the proceeds of the Bond Loan Note, the AHFC Loans, and the Capital Contributions, and substantially in accordance with the Plans. 19 of the units will be set aside for households with incomes of 40% or less of area median income, and 55 of the units will be set aside for households with incomes of 50% or less of area median income. [One unit will be a manager’s unit.]

“In Balance” has the meaning given such term in **Section 5.2.3**.

“Indebtedness” means, as to any Person at any time, the aggregate amount of all indebtedness, obligations or liabilities of such Person as determined in accordance with GAAP on a consolidated basis, including (a) all obligations of such Person for borrowed money; (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments; (c) all obligations of such Person to pay the deferred purchase price of property or services; (d) all capitalized lease obligations of such Person; (e) all obligations or liabilities of others secured by a lien on any asset of such Person thereof, whether or not such obligation or liability is assumed; (f) all obligations guaranteed by such Person; (g) all obligations of such Person for letters of credit; (h) any Contingent Obligations and (i) any other obligations or liabilities which are required by GAAP to be shown as debt on the balance sheet of such Person; in each case, regardless of whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent or joint or several.

“Indemnified Taxes” means any and all Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of Borrower or Guarantor under any Bond Loan Document.

“Indemnitee” has the meaning given such term in **Section 10.4.2**.

“Individual Guarantors” means, collectively, Jacob Mooney and Sarah Andre.

“Information” has the meaning given such term in **Section 10.11.1**.

“Initial Capital Contribution” means the first installment of the Capital Contribution payable under the Partnership Agreement as set forth in **Exhibit “L”**.

“Insurance Requirements” means all of the requirements for insurance set forth in **Exhibit F**.

“Intercreditor Agreements”: Collectively, for each AHFC Loan, the Intercreditor Agreement among Bank, Borrower, and AHFC, outlining the relative priorities of the Bond Loan and that AHFC Loan.

“Interest Rate” means the Adjusted Daily Simple SOFR Rate at all times subject only to the application of the Substitute Index Rate in accordance with **Section 6.1.1(ii)**; provided that if an Event of Taxability occurs, such Interest Rate will be increased by one percent (1%) per annum from the then applicable Interest Rate, and the Borrower shall pay to the Trustee (or the Bond Owner on its behalf as the case may be) promptly upon demand any interest due retroactively; provided further that, at any time the Interest Rate as calculated above would be less than 2.425% (2.175% margin + .25% Floor), then the Interest Rate shall be deemed to be 2.425% (2.175% margin + .25% Floor).

“Interest Rate Adjustment Date” shall mean, when the Interest Rate is the Adjusted Daily Simple SOFR Rate, the Daily Simple SOFR Rate Day, and, if the Interest Rate is not the Adjusted Daily Simple SOFR Rate, the first day of each calendar month.

“Interest Rate Determination Date” means, when the Interest Rate is the Adjusted Daily Simple SOFR Rate, the Daily Simple SOFR Determination Date, and, if the Interest Rate is not the Adjusted Daily Simple SOFR Rate, that date upon which the Bond Owner determines the Substitute Index Rate, which date shall be on up to two days prior to the Interest Rate Adjustment Date.

“Interest Reserve” means that amount of the unfunded portion of the Bond Loan which has been reserved for the payment of interest as and when due pursuant to this Agreement and subject to the terms and conditions hereof. The amount of such Interest Reserve is set forth in the Budget under the line item **“Interest Reserve”**.

“Investment Grade” means either a federally insured institution or a company (a) which has a senior unsecured debt rating of BBB - or higher by Standard & Poor’s or the equivalent or higher of such rating by another rating agency, (b) is an “accredited investor” as defined in Regulation D promulgated under the Securities Act of 1933, or (c) which has been approved by Bond Owner in writing in accordance with customary banking practices and reasonable underwriting standards.

“Investor Limited Partner” means RSEP Holdings, LLC, a Delaware limited liability company, and its successors and assigns (to the extent permitted by this Agreement).

“IRS” means the United States Internal Revenue Service.

“Known Unmatured Event of Default” means any Unmatured Event of Default for which notice and demand to cure has been given to Borrower by Bond Owner or with respect to which Borrower has actual knowledge thereof.

“KYC Information” means such documentation and information as may be deemed necessary by Bond Owner with respect to verification of compliance with the Government Regulations, including the identity of and information relating anyone

holding, whether directly or indirectly, an ownership interest in Borrower of twenty percent (20%) or more.

“Lease” or **“Leases”** means all leases, subleases, licenses and other agreements for the leasing, use or occupancy of any portion of the Project.

“Lease Stabilization” means such time when (i) the Project shall, for each of three consecutive calendar months, have at least ninety percent (90%) economic and physical occupancy levels (on the basis of the completion of all planned units) pursuant to Approved Leases at pro forma rents (on an average basis), (ii) the Loan-to-Value Ratio shall not be more than eighty percent (80%); provided that the Loan-to-Value Ratio shall be calculated based on the maximum Permanent Loan Amount (calculated based upon restricted rents and a forty (40) year amortization period), and (iii) a DSCR for each of the three calendar months referred to in clause (i) of at least 1.15 to 1.0.

“Lien” means, individually and collectively, with respect to the Collateral, any leases, other rights to occupy or use, mortgages, deeds of trust, pledges, security agreements, assignments, assignments as security, conditional sales, title retention arrangements or agreements, conditions, covenants, and restrictions and other charges, liens, encumbrances, or adverse interests, whether voluntarily or involuntarily created, regardless of whether prior or subordinate to any estate, right, title or interest of Borrower or of Bond Owner in such Collateral.

“Line Item Cost Savings” means (a) the portion of any Budget line item which remains after completion of the work applicable to such line item, (b) the portion of any Budget line item which is in excess of the actual cost for such work contracted for based on the applicable Construction Contracts or other documentary evidence applicable to such line item and/or (c) any other line item cost savings, including with respect to any Soft Costs, all as reasonably determined by Bond Owner upon the request of Borrower.

“Loan-to-Cost Ratio” means, with respect to satisfaction of the applicable closing condition, the amount of the sum of the Bond Loan divided by the total Project Costs (including Property Acquisition Costs, Hard Costs and Soft Costs, but without duplication thereof), all as set forth in the Budget approved by Bond Owner as a condition of Closing.

“Loan-to-Value Ratio” means with respect to determining satisfaction of the Bond Loan sizing condition set forth in **Section 3.1.7(a)**, the ratio obtained by dividing the amount of the sum of the Bond Loan by the “as stabilized” Appraised Value of the Project using restricted rents. The Loan-To-Value Ratio, when calculated for purposes of the Bond Closing shall be based on the sum of the amount of the sum of the Bond Loan and the Appraisal Value shall include the value of the Low-Income Housing Tax Credit and the related Capital Contributions (when determining if Lease Stabilization has occurred, the foregoing shall not be included in determining the Loan-To-Value Ratio).

“Losses” has the meaning given such term in **Section 10.4.2**.

“Low Income Housing Tax Credit” means the 2025 allocation of a Low-Income Housing Tax Credit as that term is used in Section 42 of the Internal Revenue Code allocated to the Project in the anticipated, annual amount of \$_____ for 10 years.

“Management Agreements” means collectively, whether presently or hereinafter existing, any management agreements with respect to, affecting or relating to the management of the Project or Borrower, including the Amended and Restated Management Agreement, any other property management agreements, any asset management agreements, any leasing listing agreements and any other management agreements and contracts pursuant to which the development, construction, use, operation or business of the Project or Borrower is managed or controlled by a Person other than Borrower. For clarification purposes, neither the Construction Contracts nor Project Related Documents are included in this definition of Management Agreement.

“Material Adverse Change” means (a) with respect to Borrower or the Project, any set of circumstances or events which has a material adverse impact on (i) Borrower’s ability to duly and punctually pay or perform any of its obligations as and when required under the Bond Loan Documents, including to Complete the Project as and when required by this Agreement (ii) the business, properties, assets, financial condition or results of operations of Borrower, including the Completion of the Project by the Completion Date, as applicable; provided that, any reduction in the market value of the Project due to a general change in the market which is not unique to the Project shall not constitute a **“Material Adverse Change”** and (b) with respect to Guarantor, any set of circumstances or events which has an material adverse effect on the ability of Guarantor to duly and punctually pay or perform any of its obligations as and when required under any Bond Loan Document to which it is a party, including the Guaranty.

“Material Change Order” has the meaning given such term in **Section 7.1.2(iii)**.

“Material Project Related Documents” means any Project Related Document that is not a Construction Contract, Lease or Management Agreement and any material default thereunder or termination thereof other than in accordance with its terms would result in a Material Adverse Change.

“Maturity Date” means September 1, 2046, provided that if the Conditions to Conversion are not satisfied by the Permanent Term Commencement Deadline, the Maturity Date shall be the Permanent Term Commencement Deadline.

“Maximum Rate” means on any day, the lesser of 18% per annum or the maximum nonusurious legal rate of interest (if any) permitted for that day by whichever of applicable federal or Texas law permits the higher interest rate, stated as a rate per annum. On each day, if any, that the Texas Finance Code, as it may from time to time be amended establishes the Maximum Rate, the Maximum Rate shall be the “weekly rate ceiling”, as defined and referenced in Section 303.002 of the Texas Finance Code, after application of Section 303.009 of the Texas Finance Code, for that day. Provided, however, that to the extent permitted by applicable law, Bond Owner reserves the right to change, from time to time by further notice and disclosure to Borrower, the ceiling on which the

Maximum Rate is based under the Texas Finance Code; and, provided further, that the “highest non-usurious rate of interest permitted by applicable law” for purposes of this Agreement shall not be limited to the applicable rate ceiling under the Texas Finance Code if Federal Laws or other state laws now or hereafter in effect and applicable to this Agreement (and the interest contracted for, charged and collected thereunder) shall permit a higher rate of interest. Notwithstanding the foregoing, in no event shall the Maximum Rate exceed the maximum interest rate that may be paid on the Bonds pursuant to Chapter 1204 of the Texas Government Code.

“Moody’s” means Moody’s Ratings and its successors.

“Non-Recourse Carve-Out Guaranty” means the Exceptions to Non-Recourse Guaranty dated as of the Agreement Effective Date executed by Guarantor.

“Obligations” means all of the obligations of Borrower, whether now existing or hereafter arising, pursuant to this Agreement or the other Bond Loan Documents, whether joint, several, joint and several, due or to become due, absolute or contingent, including the outstanding principal balance of the Bond Loan, accrued but unpaid interest, any Protective Advances, any Hedging Transaction Obligations, any indemnification obligations and any incurred but unpaid fees, costs and charges of Trustee, Bond Owner, Bond Owner’s Consultants, but in each case only to the extent such fees, costs and charges are required to be paid by Borrower under the Bond Loan Documents.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury, including Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318 and those otherwise issued or promulgated by OFAC, and related laws and regulations, and any successor statutes and regulations thereof, all as may be revised, renewed or otherwise modified from time to time.

“Organizational Documents” means, with respect to any Person: (a) if such Person is a limited liability company, such Person’s articles of organization, operating agreement, limited liability company agreement and any other documents governing the internal management and operation of such Person (including all amendments, restatements and other modifications thereto); (b) if such Person is a general or limited partnership, such Person’s certificate of limited partnership, partnership agreement and other documents governing the internal management and operation of such Person (including all amendments, restatements and other modifications thereto); (c) if such Person is a corporation, such Person’s articles of incorporation, bylaws and the other documents and instruments governing the internal management and operation of such Person (including all amendments, restatements and other modifications thereto); (d) if such Person is a trust, such Person’s certificate of trust, trust agreement and the other documents and instruments governing the internal management and operation of such Person (including all amendments, restatements and other modifications thereto); and (e) if such Person is another type of entity, the documents and instruments pursuant to which such Person is formed, managed and operated (including all amendments, restatements and other modifications thereto); in each case, certified by (i) the applicable Secretary of State (for any Organizational Documents that have been filed with any

Secretary of State) or (ii) an Authorized Representative of the Person (for any Organizational Documents that have not been filed with any Secretary of State).

“Other Connection Taxes” means, with respect to Bond Owner, Taxes imposed as a result of a present or former connection between such Person and the jurisdiction imposing such Tax (other than connections arising from such Person having (a) executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or engaged in any other transaction pursuant to or enforced by, any Bond Loan Document or (b) sold or assigned an interest in any Bond Loan Document).

“Partnership Agreement” means the Amended and Restated Agreement of Limited Partnership of Borrower entered into among AHFC Pleasant Valley Non-Profit Corporation, as general partner (the **“General Partner”**), 5900 SPV ALP, LLC, a Texas limited liability company (the **“Administrative Limited Partner”**), the Special Limited Partner, as the special limited partner, the Investor Limited Partner, as the investor limited partner, _____, as the withdrawing general partner, as the same may be amended from time to time subject to and in accordance with this Agreement.

“Payment Date” means, (a) with respect to the first payment date after the Bond Closing Date, October 1, 2025, and (b) for each month thereafter until the Maturity Date, the first (1st) day of each calendar month; provided that, if such day is not a Business Day, the Payment Date shall be the immediately following Business Day thereafter.

“Payments” has the meaning given such term in **Section 6.2.5(ii)**.

“Permanent Loan Amount” means the amount of the Permanent Bond Loan available during the Permanent Term, which in any event shall be an amount not to exceed \$5,300,000.00.

“Permanent Term” means the period beginning on the Conversion Date through the Maturity Date.

“Permanent Term Commencement Deadline” means September 1, 2028, as may be extended by **Section 5.5** (without extending the Maturity Date).

“Permitted Indebtedness” means the following Indebtedness of Borrower: (a) the Obligations; (b) the AHFC Loans, (c) non-delinquent debt incurred by Borrower with respect to any Permitted Lien under clauses (b) through (i) of the definition of Permitted Liens, to the extent made subordinate to the Bond Loan in a manner satisfactory to the Bond Owner, (d) unsecured trade debt incurred in the ordinary course of operation of the Project in such amounts as are normal and reasonable under the circumstances, provided that such debt is not evidenced by a note and is paid when due and provided in any event that the outstanding principal balance of all such trade debt shall not exceed at any one time two percent (2%) of the combined amount of the Bond Loan, and (e) any non-delinquent equipment leasing or financing to the extent any security interest therein is limited to such equipment, such equipment is required for the

use and operation of the Project, and is incurred in the ordinary course of business by Borrower.

“Permitted Liens” means only the following: (a) the Liens created in favor of Bond Owner pursuant to the Bond Loan Mortgage and other Bond Loan Documents; (b) inchoate Liens for works of improvement performed in accordance with this Agreement, any Approved Lease and all Applicable Laws and for which payment is not yet delinquent; (c) Contested Claims which are being contested in accordance with **Section 7.7.6(ii)**; (d) Impositions not yet delinquent or otherwise being contested in accordance with **Section 7.7.6(ii)**; (e) Permitted Title Exceptions; (f) any Approved Leases; (g) any equipment liens or leases to the extent constituting Permitted Indebtedness and limited to the equipment itself, (h) to the extent constituting a Lien, any Project Related Documents entered into in accordance with this Agreement, including any Future Lien approved in accordance with **Section 7.2.6(ii)**, (i) the deed of trust liens securing payment of the AHFC Loans and the other Permitted Indebtedness (in each case, to the extent made subordinate to the Bond Loan Mortgage in a manner acceptable to Bond Owner), and (j) any other items which have been approved by Bond Owner.

“Permitted Ownership Transfer” means with respect to any Transfer of any direct or indirect ownership or management interest in Borrower, whether pursuant to a single transaction or a series of transactions, any Transfer where, after giving effect to such Transfer, (a) (i) Control of the Borrower remains as it did prior to such Transfer and (ii) the holders of more than fifty percent (50%) of the ownership interests in and to the General Partner and/or in the Administrative Limited Partner, as applicable, remains as it did prior to such Transfer and (b) if such Transfer would result in one or more Persons who did not then hold an existing direct or indirect ownership interest in Borrower owning, whether directly or indirectly, more than twenty percent (20%) of Borrower, then, as an express condition of such Transfer being a Permitted Transfer, (i) such Person or Persons shall not be a Prohibited Person, (ii) after giving effect to such Transfer, Borrower shall remain in compliance with **Section 7.13.1** and (iii) Borrower shall provide to Bond Owner fifteen (15) days prior written notice of such proposed Transfer, which notice shall include the identity of any Person who will be acquiring twenty percent (20%) or more of the ownership interests in Borrower, an updated organizational chart of Borrower, the material documents evidencing such Transfer and an officer's certificate from an applicable officer of Borrower certifying to the truth and accuracy of the information provided and that all of the foregoing conditions to such Permitted Ownership Transfer have been satisfied.

“Permitted Project Transfer” means any Transfer of the Project or any portion thereof, whether pursuant to a single transaction or a series of transactions, which (i) constitutes a Permitted Lien, (ii) constitutes an involuntary taking or condemnation of the Project or any portion thereof by any Governmental Authority so long as Borrower complies with **Section 7.11** and (iii) as an express condition to such Transfer, Repayment in Full is required at the time of such Transfer.

“Permitted Title Exceptions” means (a) those exceptions of title which are set forth on Schedule B of the Title Insurance Policy and accepted by Bond Owner as of the

Closing, (b) Impositions not yet delinquent, (c) any Future Liens but only to the extent that in connection with Bond Owner's approval of any such Future Lien in accordance with **Section 7.2.6(ii)**, Bond Owner has agreed to subordinate its Liens to such Future Lien and (d) any other exception approved by Bond Owner in writing in its sole and absolute discretion.

"Permitted Transfer" means either a Permitted Project Transfer, Equity Permitted Transfer or a Permitted Ownership Transfer.

"Person" means any natural person, any unincorporated association, any corporation, any partnership, any joint venture, any limited liability company, any trust, any other legal entity or any Governmental Authority.

"Placed in Service" or **"placed in service"** shall have the meaning attributed by the TDHCA for purposes of the Low-Income Housing Tax Credit (and, in any event, shall occur no later than the date required in the Tax Credit Allocation).

"Plans" has the meaning assigned to that term in **Recital E** and in any event means the final plans and specifications and working drawings with respect to the Improvements accepted by Bond Owner, all applicable Governmental Authorities and any other Persons required to approve same, as such plans and specifications may be modified and supplemented from time to time in accordance with the terms and provisions of this Agreement.

"Pre-Substitute Rate" has the meaning set forth in **Section 6.1.1(ii)**.

"Primary Subcontract" means the first-tier subcontract entered into by General Contractor and the Primary Subcontractor with respect to the agreement of the Primary Subcontractor to perform the obligation of the General Contractor under the general contract between Borrower and General Contractor.

"Prohibited Person" shall mean any Person that is:

(a) (i) a Person designated as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website <http://www.treasury.gov/ofac/downloads/sdnlist.pdf> or at any replacement website or other replacement official publication of such list, or any person or entity owned or controlled by or acting for or on behalf of such a Person; (ii) an agency of the government of a country, or an organization controlled by a country, or a Person resident in a country that is subject to trade restrictions or a sanctions program under any of the economic sanctions of the United States administered by the United States Department of the Treasury's Office of Foreign Assets Control; or (iii) a Person (including a country or government) with Bond Owner is prohibited from dealing or otherwise engaging in any transaction by any applicable Governmental Regulations;

(b) (i) unless consented to by Bond Owner or Bond Owner as applicable, a Person who is, or within the past seven (7) years was, an adverse party to Bond Owner or any Affiliate thereof in any material litigation and such Person acted in bad faith or without a reasonable basis in fact or law in connection therewith or (ii) has been found guilty of any felony charges involving a crime of dishonesty or moral turpitude;

(c) a Person who is, or within the past seven (7) years, was, the subject of a Bankruptcy Event; or

(d) a Person who is a direct or indirect equity owner of said Person who is in Control of, or at the time of the triggering event was in Control of, any Person listed in clauses (a), (b) or (c) above.

“Project” means the Real Property, the Improvements and all other improvements on the Real Property, including all FF&E and personal property of Borrower used in the development, construction, use and operation of the Project, in each case, whether currently existing or hereinafter constructed thereon, installed therein or used in connection therewith.

“Project Costs” means all Hard Costs, Soft Costs and Property Acquisition Costs.

“Project Fund” shall have the meaning assigned to that term in the Indenture.

“Project Gross Revenues” means the sum of (a) all rents received for the Project from Tenants that are in occupancy, paying rent under all of the then existing Approved Leases with respect to which the Tenant thereunder is not, (i) as of the date of determination, in monetary default (after expiration of any applicable notice and cure periods) or any other default which gives rise to the right of termination thereof by landlord and landlord has commenced enforcement action with respect thereto or (ii) subject to a Bankruptcy Event, plus (b) any other gross revenues generated by the Project which do not constitute rents to the extent such revenues are generated on a regular, recurring basis in the ordinary course of operations, all as reported on Borrower’s operating statements delivered pursuant to **Section 7.3.1**, consistently applied; provided that (1) in no event shall the following revenue be included in the calculation of Project Gross Revenues: (A) security deposits, (B) rent from any month-to-month Leases or hold-over Tenants and (c) any rent that is paid more than one (1) month in advance (unless paid pursuant to the express terms of any Approved Lease, in which case such rent shall be paid spread evenly over those rental periods pre-paid) and (2) in calculating the gross revenue generated from rents under clause (a) above, a vacancy factor equal to the then existing actual vacancy rate shall be applied.

“Project Net Operating Income” means, as verified by Bond Owner on the applicable date, the annualized net operating income for the Project as determined by Bond Owner by subtracting the Project Operating Expenses from the Project Gross Revenues based on the immediately preceding three (3) month period. In determining the annualized Project Net Operating Income, except to the extent expressly provided in

the applicable definitions therefor, all Project Gross Revenue and Project Operating Expenses shall be computed on a cash basis and subject to adjustments for the normalization of expenses, reserves and expense reimbursements.

“Project Operating Expenses” means the actual operating expenses of Borrower with respect to the operation and management of the Project for the applicable period as determined in accordance with GAAP or as otherwise previously approved by Bond Owner, consistently applied, annualized and normalized for the annual amounts of actual taxes and assessments, insurance premiums for casualty insurance and liability insurance carried in connection with the Project and any other regular, recurring operating expenses that are incurred in the ordinary course of operations but may be paid less frequently than monthly. Any depreciation, non-cash expenses and all debt service payments with respect to the Bond Loan shall be excluded from the calculation of Project Operating Expenses.

“Project Related Documents” means collectively, whether presently or hereinafter existing, any and all covenants, conditions, restrictions, maintenance agreements, homeowner association bylaws or condominium declarations, easements, reciprocal easement agreements, restrictive covenants, franchise agreements, parking agreements, leasing agreements, license agreements, agreements regarding utilities and other agreements, licenses, entitlements or permits affecting or governing or related to the ownership or permitted development, construction, operation or use of the Project or any portion thereof, but expressly excluding any Leases.

“Property Acquisition Costs” means the purchase price and/or acquisition costs of the Property, all as set forth in the Budget.

“Property Management Agreement” has the meaning set forth in **Section 7.2.5**.

“Protective Advances” means all sums expended by Bond Owner as applicable: (a) to make payments which are required to be made by Borrower but for which Borrower has failed to make as and when required under the Bond Loan Documents, including payment of Impositions, Project Operating Expenses and insurance premiums; (b) to protect the priority, validity and enforceability of the lien of the Bond Loan Mortgage and any and all other Bond Loan Documents encumbering any of the Collateral; (c) to protect the value or the security of any of the Collateral, including any amounts expended in accordance with **Section 5.4** of this Agreement; and (d) to pay Bond Owner’s fees, costs and expenses to the extent entitled thereto under the Bond Loan Documents and Borrower has failed to pay same as and when required under the Bond Loan Documents, including any fees, costs and expenses incurred in connection with Bond Owner’s the exercise of any rights and remedies as a result of an Event of Default.

“Punch List Items” means items of work which remain to be completed after Completion, as disclosed and reasonably accepted by Bond Owner, (a) which are nonstructural, customary and typical for projects substantially similar to the subject Project and not required in order to receive a Certificate of Occupancy, and (b) for which

Borrower has adequate funds for the payment thereof as and when required (taking into account any available undisbursed Bond Loan proceeds with respect thereto).

“QAP” means Qualified Allocation Plan for the 2025 Housing Tax Credit Program adopted by the TDHCA (as may be amended, replaced, or superseded).

“Qualified Development Costs” has the meaning assigned to that term in the Indenture.

“Qualified Property Manager” means (a) Valhalla Mgmnt, LLC, a Missouri limited liability company, so long as, at the time it is to become the property manager for the Project, no fundamental adverse change in circumstance or condition has occurred with respect to it nor has it become a Prohibited Person and (b) any other property manager which (i) is a reputable management company having at least seven (7) years’ experience in the management of multi-family properties with similar uses as the Project and in the jurisdiction in which the Project are located, (ii) has, for at least seven (7) years prior to its engagement as property manager, managed at least eight (8) properties of the same or similar property type and size as the Project, (iii) is not the subject of a Bankruptcy Event, (iv) immediately upon its engagement as property manager of the Project, will hold and otherwise maintain all required licenses and permits for the current use, management, operation and leasing of the Project and (v) is not a Prohibited Person.

“Real Property” shall have the meaning as set forth in the Recitals.

“Regulation D” means Regulation D of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Regulatory Agreements” means, collectively: (i) the Bond Regulatory Agreement, (ii) the TDHCA Restriction, and (iii) the AHFC Restrictions.

“Repair Funds” has the meaning given such term in **Section 7.11.4(iii)**.

“Repayment in Full” means the indefeasible payment and performance in full of the Loans all of the other Obligations; excluding, however, only those Obligations which, by the express terms of this Agreement or any other Bond Loan Document, survive repayment of the Bond Loan.

“Requisition” means a request for the disbursement of funds in the Project Fund in accordance with Section 6.2(3) of the Indenture on the form attached as **Exhibit A** to the Indenture (and in any event shall be the same as the requisitions used in the Indenture).

“Retainage” means an amount (without duplication) equal to ten percent (10%) of all costs under the Construction Contract, the Primary Subcontract, and subcontracts for the Improvements and all other costs for labor, materials and construction of the Improvements as part of the construction of the Improvements, it being the intent that the total Retainage held by Bond Owner upon completion of construction of the Improvements in accordance with the Plans shall be equal to 10.0%. The Retainage shall

in no event be less than the amount actually held back by the Borrower from the Contractor, the Primary Subcontractor, and all subcontractors engaged in the construction of the Improvements.

“Signature Authorization Form” means the Signature Authorization and Disbursement Instructions, prepared and completed on the form attached hereto as **Exhibit “D”** in a manner satisfactory to Bond Owner, dated on or about the date hereof, and executed by Borrower.

“SNDA” has the meaning given such term in **Section 7.2.7(iv)**.

“SOFR” means a rate per annum equal to the secured overnight financing rate published by the Federal Reserve, currently at <http://www.newyorkfed.org> (or any successor source for the secured overnight financing rate identified as such by the administrator of the secured overnight financing rate from time to time); provided that for purposes of this Agreement, SOFR shall have a floor of .25% per annum (if SOFR is determined under this Agreement to be less than .25% on the day of determination, in that case for purposes of this Agreement, SOFR shall be .25%). SOFR is not necessarily the lowest rate charged by Bond Owner on their loans. Bond Owner’s SOFR rate is to be strictly interpreted and is not intended to serve any purpose other than providing an index to determine the interest rate used herein. Bond Owner’s SOFR may not necessarily be the same as the quoted offer side in any time deposit market by any particular institution or service applicable to any interest period.

“SOFR Adjustment” means 0% per annum.

“SOFR Administrator” means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Daily Simple SOFR Rate selected by the Agent in its reasonable discretion).

“SOFR Administrator’s Website” means the website of the SOFR Administrator, currently at <https://www.cmegroup.com/market-data/cme-group-benchmark-administration/term-sofr.html>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“SOFR Index Rate” means SOFR plus the SOFR Adjustment. The SOFR Index Rate is to be strictly interpreted and is not intended to serve any purpose other than providing an index to determine the interest rate used herein. The SOFR Index Rate is not necessarily the lowest rate charged by Bond Owner on its loans.

“Soft Costs” means those costs associated with the development, construction, marketing, leasing, operation and maintenance of the Improvements which are not Hard Costs, including the Developer Fee, leasing commissions, architectural and engineering fees, consultant fees, professional fees, marketing fees and expenses, real estate taxes, insurance and bonding costs, interest and financing fees and any other items identified as **“Soft Costs”** on the Budget.

“Solvent” means, with respect to any Person on a particular date, that on such date (a) the fair value of the assets of such Person is greater than the total amount of Indebtedness and other liabilities of such Person (excluding Contingent Liabilities to the extent not required to be recorded in accordance with GAAP on the balance sheets, or otherwise reflected in the Financial Statements, of such Person), (b) the present fair market value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its Indebtedness and other liabilities as they become absolute and matured (excluding Contingent Liabilities to the extent not required to be recorded in accordance with GAAP on the balance sheets, or otherwise reflected in the Financial Statements, of such Person), (c) such Person is able to realize upon its assets and pay its Indebtedness and other liabilities (other than Contingent Liabilities to the extent not required to be recorded in accordance with GAAP on the balance sheets, or otherwise reflected in the Financial Statements, of such Person) as they mature in the normal course of business and (d) such Person does not intend to, and does not believe that it will, incur Indebtedness and other liabilities beyond such Person’s ability to pay such Indebtedness and other liabilities as they mature.

“SPE Requirements” has the meaning given such term in **Section 7.9**.

“Spread” means 2.175% per annum.

“Special Limited Partner” means Red Stone Equity Manager, LLC.

“Statements” has the meaning given such term in **Section 10.9**.

“Stored Materials” has the meaning given such term in **Section 4.2.6**.

“Substantial Completion” means the completion of the construction and equipping of the Improvements free and clear of all liens other than Permitted Title Exceptions in substantial accordance with the Plans in all material respects and otherwise to the reasonable satisfaction of Bond Owner and the Bond Owner’s construction consultant, except for such defects or departures which do not, in the opinion of Bond Owner, the Bond Owner’s construction consultant, materially and adversely affect either the value of the work in place or the full utilization of the applicable portion of the Improvements for which it is intended, and the issuance and delivery to Bond Owner of a Certificate of Substantial Completion by the Architect on a form reasonably acceptable to Bond Owner and copies of all permits and approvals of Governmental Authorities for the occupancy of all apartment units comprised of the Improvements including, and not by way of limitation, a conditional or permanent certificate of occupancy.

“Substitute Index Rate” has the meaning set forth in **Section 6.1.1(ii)**.

“Survey” means a current Texas ALTA survey of the Project prepared by a surveyor registered or licensed in the State of where the Project is located and certified to Bond Owner, which survey and certification shall be in form and substance reasonably acceptable to Bond Owner and satisfy the requirements set forth in **Exhibit “M”**.

“TAC” means the Texas Administrative Code, a compilation of all state agency rules in Texas (including rules of the TDHCA).

“Taking” has the meaning given to such term in **Section 7.11.2**

“Tax Credit Allocation” means the carryover allocation issued by the TDHCA awarding the allocation of a Low-Income Housing Tax Credit for the Project and any carry over agreement or housing tax credit program determination notice which has been issued which is attached as **Exhibit “N”**.

“Tax Exemption Agreement” has the meaning assigned to that term in the Indenture.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholdings), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“TDHCA” means the Texas Department of Housing and Community Affairs.

“TDHCA Restrictions” means that certain Declaration of Land Use Restrictive Covenants for Low Income Housing Credits to be executed by Borrower and, if appropriate, the TDHCA, to be recorded in the Real Property Records of Travis County, Texas, which will impose certain occupancy and rent restrictions on the Property and Improvements in connection with the Low-Income Housing Tax Credit.

“Tenant” means any tenant or lessee under any Lease, including any Approved Lease.

“Threshold Change Order Amounts” means, with respect to the individual and aggregate threshold amounts for Material Change Orders, [\$50,000.00] and [\$250,000.00] respectively;

“Title Company” means Chicago Title Insurance Company, or such other title insurance company approved by Bond Owner.

“Title Insurance Policy” means, collectively, a title insurance policy insuring the lien granted in the Bond Loan Mortgage, which each shall satisfy the requirements of **Section 7.10** and **Exhibit “O”**.

“Transfer” means: (a) any sale, transfer, assignment, conveyance, hypothecation, encumbrance, lease, or vesting of the Project or any part thereof or any interest therein, to or in any Person other than Borrower, whether voluntary, involuntary, by operation of law, or otherwise; (b) any sale, transfer, assignment, conveyance, hypothecation, encumbrance or vesting of any ownership interest in Borrower or Guarantor (whether directly or indirectly to or in any Person; (c) any consolidation or merger of Borrower or a Guarantor (whether directly or indirectly) into or with any Person,

whether voluntary, involuntary, by operation of law, or otherwise; or (d) the execution of any agreements to do any of the foregoing.

“UCC” means the Uniform Commercial Code as in effect in the State in which the Project is located, as amended or modified from time to time.

“UCC Financing Statements” means such UCC-1 financing statements in favor of Bond Owner as secured party, perfecting their security interest in the personal property Collateral now owned or hereafter acquired by Borrower.

“U.S. Person” means a **“United States person”** within the meaning of Section 7701(a)(30) of the Code.

“U.S. Tax Compliance Certificate” has the meaning assigned to such term in **Section 6.4.2(vii)(2)(c)**, the forms of which are collectively attached hereto as **Exhibit H-1** through **H-4** as such forms may be amended or otherwise replaced by Bond Owner.

“Unmatured Event of Default” means the occurrence or existence of any condition or event that, with notice or the passage of time, or both, would give rise to an Event of Default.

“Write-Down and Conversion Powers” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

1.2 Interpretation. Unless the context of this Agreement expressly and specifically requires otherwise, the following rules of construction shall apply to this Agreement and each of the other Bond Loan Documents:

1.2.1 Number; Inclusion. References to the singular includes the plural; references to the plural includes the singular, the plural, the part and the whole; “or” has the inclusive meaning represented by the phrase “and/or”; and “including” has the meaning represented by the phrase “including without limitation”. In the case of any ambiguity, any references, terms, words or provisions are intended by the parties hereto to be, and shall be, interpreted so as to provide Bond Owner with the maximum benefit thereof, it being understood that Borrower has reviewed and negotiated the Bond Loan Documents and the parties hereto, and Guarantor by its execution of the Guaranty, irrevocably and unconditionally waive any right to claim that the Bond Loan Documents should be interpreted against any other party hereto (or against Guarantor) as the drafter thereof.

1.2.2 Documents Taken as a Whole. The words “hereof,” “herein,” “hereunder,” “hereto” and similar terms in this Agreement or any other Bond Loan Document refer to this Agreement or such other Bond Loan Document as a whole

and not to any particular provision of this Agreement or such other Bond Loan Document.

1.2.3 Headings. The Section and other headings contained in this Agreement or the other Bond Loan Documents and the Table of Contents (if any) following this Agreement or the other Bond Loan Documents are for reference purposes only and shall not control or affect the construction of this Agreement or the other Bond Loan Documents or the interpretation thereof in any respect.

1.2.4 Implied References to This Agreement. Article, section, subsection, clause, schedule and Exhibit references are to this Agreement unless otherwise specified.

1.2.5 Persons. Reference to any Person includes such Person's successors and assigns but only if such successors and assigns are permitted by this Agreement or the other Bond Loan Documents, as the case may be.

1.2.6 References to Loan Documents. Reference to any agreement (including this Agreement and any other Bond Loan Document together with the schedules and exhibits hereto or thereto), document or instrument means such agreement, document or instrument as amended, modified, replaced, substituted for, superseded or restated.

1.2.7 References to Agreement and Laws. Unless otherwise expressly provided herein, (a) references to formation documents, governing documents, agreement and other contractual instruments shall be deemed to include all subsequent amendments, restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, extensions, supplements and other modifications are not prohibited by any Bond Loan Document; and (b) references to any Applicable Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Applicable Law.

1.2.8 Accounting Terms. For purposes of this Agreement, all accounting terms not otherwise defined herein or in the Recitals shall have the meanings assigned to them in conformity with GAAP.

1.2.9 UCC Terms. Terms defined in the UCC in effect on the Bond Closing Date and not otherwise defined herein shall, unless the context otherwise indicates, have the meanings provided by those definitions.

1.2.10 Times of Day. Unless otherwise specified, all references herein to times of day shall mean Pacific Standard Time or Pacific Daylight Time as applicable.

1.2.11 Fees and Charges. Any and all fees paid to Bond Owner pursuant to any Bond Loan Document, including the Bond Owner Fee Letter, shall

be deemed to be fully earned and nonrefundable upon receipt thereof regardless of whether the Bond Loan is fully funded or repaid prior to the Maturity Date.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

As an inducement to Bond Owner to execute this Agreement to purchase the Bonds, Borrower hereby makes to Bond Owner the representations and warranties set forth below.

2.1 Organization, Powers; Good Standing and Non-Foreign Affidavit.

2.1.1 Organization; Powers; Good Standing.

(i) Borrower is a Texas limited partnership. Borrower has been duly formed, is validly existing and is in good standing under the laws of Texas which is the State of its organization, formation or incorporation as applicable, is otherwise properly registered, authorized to do business and in good standing in that State and, if different, that State within which the Project is located. Borrower has all requisite power, authority, rights and franchises to own, construct and operate the Project in accordance with the requirements set forth in this Agreement and the other Bond Loan Documents and to enter into, deliver and perform this Agreement and the other Bond Loan Documents to which it is a party.

(ii) The Entity Guarantor has been duly formed, is validly existing and in good standing under the laws of Texas, which is the State of its organization, formation or incorporation, as applicable, and is otherwise properly registered, authorized to do business and in good standing in each state so required in order to carry on its material businesses and operations. The Entity Guarantor has all requisite power, authority, rights and franchises to own and operate its assets and conduct its businesses and to enter into, deliver and perform the Guaranty, the Non-Recourse Guaranty, and the other Bond Loan Documents to which it is a party.

(iii) The address of Borrower's and the Entity Guarantor's respective registered office and principal place of business is as set forth on Schedule 1 attached hereto.

2.1.2 IRS Code Section 1445 Certification. Section 1445 of the Code, provides that a transferee of an U.S. real property interest must withhold tax if the transferor is a foreign person. Borrower hereby certifies to Bond Owner (together with the trustee under the Bond Loan Mortgage, as applicable) that it is not a foreign person within the meaning of Section 1445 of the Code. Borrower understands that this certification may be disclosed to IRS by Bond Owner and that any false statement contained herein could be punished by fine, imprisonment or both. Borrower has delivered to Bond Owner its true and correct U.S. employer

identification number, which is the only employer identification number for Borrower.

2.2 Purpose; Authorization, No Defaults, etc.

2.2.1 Loan Purpose. The Bond Loan is solely for commercial and business purposes and is not intended for, and proceeds thereof will not be used for, any consumer related purpose, including personal, family or household, or for any agricultural purpose.

2.2.2 Authorization. The execution, delivery and performance of the Bond Loan Documents by Borrower and the Entity Guarantor as applicable are within Borrower's and the Entity Guarantor's respective powers and have been duly authorized by all necessary action of Borrower and the Entity Guarantor respectively. No approval, consent, exemption, authorization or other action, notice or filing with or to any Governmental Authority is necessary or required in connection the execution of the Bond Loan Documents unless otherwise approved by Bond Owner.

2.2.3 No Conflict. The execution, delivery and performance of the Bond Loan Documents by Borrower and each Guarantor as applicable will not: (a) violate (i) the Organizational Documents of Borrower or any Organizational Documents of the Entity Guarantor, respectively, (ii) to the best of Borrower's knowledge after due investigation and inquiry, any legal requirement affecting the Collateral, Borrower or a Guarantor or any of their respective properties or assets or (iii) any agreement to which Borrower or a Guarantor is bound or to which it is a party; or (b) result in or require the creation of any lien in favor of any third Person (other than Bond Owner as set forth in the Bond Loan Documents and Permitted Liens) upon the Collateral, upon any direct or indirect ownership interest in Borrower or upon each Guarantor's properties or assets in favor of any third Person (other than Bond Owner as set forth in the Bond Loan Documents).

2.2.4 Binding Obligations. This Agreement and the other Bond Loan Documents have been duly executed by Borrower and each Guarantor as applicable and are the legal, valid and binding obligations of Borrower and each Guarantor as applicable, enforceable against Borrower and each Guarantor as applicable in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

2.2.5 No Defaults. No Material Adverse Change, Known Unmatured Event of Default or Event of Default exists.

2.3 Financial Condition.

2.3.1 Solvency. Borrower and each Guarantor are Solvent and will remain Solvent after giving effect to the transactions contemplated by the Bond Loan Documents, including each Bond Proceeds Disbursement, all Obligations

incurred thereby, the security interests granted therein and the payment of all fees and expenses related thereto.

2.3.2 Financial Statements and Condition. Each of the Financial Statements, reports and information delivered to Bond Owner by or on behalf of Borrower and each Guarantor prior to the Bond Closing Date and each of the Financial Statements, reports and information thereafter delivered to Bond Owner by or on behalf of Borrower and each Guarantor pursuant to the requirements set forth herein, are true, correct and complete in all material respects as of the stated date thereof. Each of the Financial Statements, reports and information delivered to Bond Owner by or on behalf of Borrower and each Guarantor prior to the Bond Closing Date completely disclosed Borrower's and each Guarantor's financial condition to the Bond Owner, that there has been no Material Adverse Change in the Borrower's or a Guarantor's financial condition, and there exists no material obligations of Borrower not disclosed in such Financial Statements.

2.4 No Adverse Facts or Circumstances.

2.4.1 Material Defaults. Borrower is not aware of any default in any material respect with respect to (a) the terms and provisions of any instrument evidencing or securing any Permitted Indebtedness of Borrower, (b) any Permitted Lien or (c) any Construction Contract or any Material Project Related Document.

2.4.2 No Adverse Litigation.

(i) **Borrower and Project.** Borrower is not aware of any action, suit, investigation, proceeding or arbitration at law or in equity or before or by any Governmental Authority, pending or threatened against or affecting Borrower or any assets of Borrower, Borrower's leasehold ownership in the Project, the ownership of Borrower or the validity, enforceability, perfection or priority of the Bond Loan Documents or the rights and interests of Bond Owner, including their security interests in and to the Collateral, which seeks to enjoin, prohibit or delay the development and Completion of the Project or the use and operation of the Project for its intended purpose or which if determined against Borrower or its interests would cause a Material Adverse Change.

(ii) **Guarantor.** No Guarantor is aware of any action, suit, investigation, proceeding or arbitration at law or in equity or before or by any Governmental Authority, pending or threatened against or affecting a Guarantor or any assets of a Guarantor, or the validity, enforceability, perfection or priority of the Bond Loan Documents to which a Guarantor is a party, or the rights and interests of Bond Owner with respect thereto, which is reasonably likely to result in a Material Adverse Change if determined adversely to a Guarantor.

2.4.3 **No Material Adverse Change.** Borrower is not aware of any existing Material Adverse Change.

2.5 **Compliance with Applicable Laws.**

2.5.1 **Payment of Taxes.** All tax returns and reports of Borrower and each Guarantor required to be filed by any of them have been timely filed (taking into account valid extensions of the due date for any such returns), and all taxes, assessments, fees and other governmental charges upon Borrower and Guarantor, and upon their respective properties, assets, income and franchises which are due and payable have been paid when due and payable or are being contested in good faith in accordance with Applicable Law and with appropriate reserves therefor. Borrower knows of no proposed tax assessment against it that would be material to the condition (financial or otherwise) of Borrower, and Borrower has not contracted with any Governmental Authority in connection with such taxes.

2.5.2 **No Prohibited Securities Activities.** Borrower is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any margin stock (as defined within Regulations G, T and U of the Board of Governors of the Federal Reserve System), and no more than twenty-five percent (25%) of the value of Borrower's assets consists of such margin stock. No part of the Bond Loan will be used to purchase or carry any margin stock or to extend credit to others for that purpose or for any other purpose that violates the provisions of Regulations U or X of said Board of Governors.

2.5.3 **ERISA.** To Borrower's knowledge, Borrower is in compliance with ERISA. No Reportable Event, Prohibited Transaction (both as defined in ERISA) or termination of any plan has occurred, and no notice of termination has been filed with respect to any plan established or maintained by Borrower and subject to ERISA. Borrower has not incurred any material funding deficiency within the meaning of ERISA or any material liability to the Pension Benefit Guarantee Corporation in conjunction with any plan established or maintained by Borrower. Borrower is not a party to any Multiemployer Plan (as defined in ERISA). Borrower is not and shall not become an entity deemed to hold "plan assets" within the meaning of 29 C.F.R. § 2510.3-101 of an employee benefit plan (as defined in Section 3(3) of ERISA) which is subject to Title I of ERISA or any plan (within the meaning of Section 4975 of the Code), and neither the execution of this Agreement nor the making of the Bond Loan gives rise to a prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code. Borrower is and will at all times be and remain an "operating company" as defined in 29 C.F.R. § 2510-101(c). **"Benefit plan investors"** (as defined in 29 C.F.R. § 2510.3-101(f)) do not and will not own twenty-five percent (25%) or more of the value of any class of equity interests in Borrower.

2.5.4 Governmental Regulations. Neither Borrower nor any Guarantor is the subject of any Governmental Regulations that prohibits or limits any financial institution, including Bond Owner, from approving a disbursements to, or making any advance or extension of credit, to Borrower or from otherwise conducting business with Borrower or each Guarantor. Borrower and each Guarantor have implemented and maintain policies and procedures designed to ensure compliance with Governmental Regulations and the transactions contemplated hereby will not result in any violation thereof. Neither Borrower nor any Guarantor has engaged, or intends to engage, in any activity that could be reasonably expected to result in a violation of any such policies and procedures or any Governmental Regulations.

2.5.5 Investment Company. Neither Borrower nor Guarantor is subject to regulation under the Investment Company Act of 1940, the Federal Power Act, the Public Utility Holding Company Act of 1935, the Interstate Commerce Act or any federal or state statute or regulation limiting its ability to incur the Obligations.

2.5.6 Compliance with All Other Applicable Laws. Borrower and each Guarantor are, in all material respects, in compliance with all other Applicable Laws.

2.5.7 No Prohibited Persons. Neither Borrower nor the Entity Guarantor are Controlled by a Prohibited Person and no Prohibited Person has an ownership in either Borrower or the Entity Guarantor, whether directly or indirectly, that is greater than twenty percent (20%).

2.6 Representations Regarding the Project.

2.6.1 Title to Project. Borrower is or will be the sole owner of, and has good and indefeasible title to, the leasehold interest in the Project, free from any Lien of any kind whatsoever, excepting only the Permitted Liens and taxes not yet due and payable. Except for the Real Property which is ground leased to Borrower under the Ground Lease, all assets constituting collateral under the Bond Loan Documents are titled in Borrower's name, and except in favor of the Bond Owner, Borrower has not executed any security documents related to such assets, and Borrower has not used or filed a financing statement under any other name within the last five (5) years cover any such asset. Borrower has not used or filed a financing statement under any other name within the last five (5) years.

2.6.2 Project Related Documents; Construction Contracts, Plans and Management Agreements.

(i) Borrower holds all of the rights, title and interests of the Project owner in and to any and all existing Project Related Documents, any Construction Contract to which it is a party, the Plans and any Management Agreements, Borrower is not aware of any existing default with respect thereto which is reasonably likely to constitute or result in a Material

Adverse Change and Borrower's interest therein is not subject to any Imposition, Lien or other claim (other than the Permitted Liens), set-off or deduction other than in the ordinary course of business; and

(ii) Except as may otherwise be permitted from and after the Bond Closing Date in accordance with the terms of this Agreement and as otherwise disclosed in writing to Bond Owner prior to Closing, there are no Management Agreements in existence and, to Borrower's knowledge, no Material Project Related Documents in existence.

2.6.3 Utilities and Access; Parking. The Project has adequate rights of access to public ways and is or upon Completion will be served by water, sewer, sanitary sewer and storm drain facilities adequate to service the Project for full utilization of the Project for its intended uses. All public utilities necessary to the full use and enjoyment of the Project as currently used and enjoyed are or upon Completion, will be located either in the public right-of-way abutting the Project (which are connected so as to serve the Project without passing over other property) or in recorded easements serving the Project. All roads necessary for the use of the Project for its intended purpose have been or, upon Completion will be, completed and dedicated to public use and accepted by all Governmental Authorities. The Project has, or is served by, or upon Completion will have or be served by, adequate parking and access in accordance with all Applicable Laws.

2.6.4 Insurance. All insurance policies furnished to Bond Owner by Borrower are valid and in full force and effect. No notice has been given or claim made and, to the best of Borrower's knowledge, no grounds presently exist to cancel or void any of such policies or to reduce the coverage provided thereby and, in Borrower's reasonable judgment, such policies provide adequate coverage in amounts sufficient to insure the assets and risks of Borrower in accordance with prudent business practices.

2.6.5 No Claims Proceeding. Borrower is not aware of any existing or threatened (in writing) Claims Proceeding against Borrower and/or the Project (or any portion thereof).

2.6.6 Leases. As of the Bond Closing Date there are no existing Leases.

2.6.7 Compliance with Laws to Which Project is Subject. The Project, and the uses to which the Project are and will be put, comply fully with, and Borrower is not otherwise in default with respect to: (a) to the best of Borrower's knowledge after due investigation and inquiry, all Applicable Laws, including all building, zoning and use laws, ordinances, requirements, rules and regulations; and (b) all applicable Impositions, including any covenants, conditions and restrictions and any other restrictive covenants and obligations created by private contracts which affect the ownership, construction, equipping, fixturing, use or operation of the Project.

2.6.8 Governmental and Private Approvals. All material certifications, permits, licenses, entitlements and approvals, and any other requirements of Applicable Laws for the construction of the Improvements (collectively, the “**Construction Approvals**”) have been obtained, or to Borrower’s the best of knowledge, will be obtained as and when required, and are, or once obtained will be, valid and in full force and effect in all material respects. Borrower has not received nor is Borrower aware of (a) any notice of violation or noncompliance with respect to any Construction Approval, (b) any contemplated or pending proceeding or action to rescind, limit in any material respect or otherwise revoke any of the Construction Approvals or (c) any Construction Approval which has not yet been obtained and with respect to which there is a material risk of not being able to obtain as and when required in order to Complete the Improvements by the Completion Date in accordance herewith. From and after Completion, (x) all material certifications, permits, licenses and approvals, including certificates of completion or occupancy that are required for the legal use, occupancy and operation of the Project for the purpose intended herein have been obtained or will be obtained as and when required and are valid and in full force and effect, and Borrower has not received nor is Borrower aware of any notice of violation or noncompliance with respect thereto and (y) the use being made of the Project is in conformity with the Certificate of Occupancy and any and all approvals, permits or licenses issued for the Project. To Borrower’s knowledge after due investigation and inquiry, no additional governmental or regulatory actions, filings or registrations with respect to the Project, and no approvals, authorizations or consents of any trustee or holder of any Indebtedness or obligation of Borrower, are required for the due execution, delivery and performance by Borrower of the Bond Loan Documents to be executed by Borrower, except for permits, inspections, sign offs and similar approvals and authorizations to be obtained as and when required in connection with the ordinary course of developing, constructing and operating the Project.

2.6.9 Personal Property. Borrower is now and shall continue to be the sole owner of the personal property Collateral free from any adverse lien, security interest or adverse claim of any kind whatsoever other than any applicable Permitted Liens.

2.6.10 Separate Tax Parcels. The Project is comprised of one or more tax parcels that are separately identified from and assessed separately from any other real property.

2.6.11 Special Assessments. Except for the Permitted Title Exceptions, Borrower knows of no special assessments that have been imposed upon or are outstanding against the Project, and Borrower has not received any notice that a special assessment is being contemplated by any Governmental Authority having jurisdiction over the Project.

2.6.12 No Construction; Maintenance Expenses. Except as disclosed in writing to, and accepted by, Bond Owner, (a) no demolition, site improvement

work (including rough grading, excavation and/or shoring) or any other work that would give rise to a mechanic's or materialman's Lien against the Project has been commenced or performed with respect to the Project prior to the recordation of the Bond Loan Mortgage; and (b) all costs and expenses of any and all labor, materials, supplies and equipment used in the maintenance or repair of the Project to date have been paid in accordance with the payment terms and conditions with respect thereto and there are no delinquent claims for payment for work, labor or materials affecting the Project which are or may become a Lien against the Project (other than Permitted Liens).

2.6.13 Construction of the Project. Borrower is not aware of any structural or other material defects or damages in the Project, whether as a result of a casualty or otherwise, and whether latent or otherwise, except to the extent the same will be (a) remedied in the ordinary course in connection with the Completion of the Project, including any demolition of any existing improvements in accordance with the Plans and Applicable Law, or (b) otherwise remedied in accordance with **Section 7.13**. Borrower has not received notice from any insurance company, bonding company, inspector or any other Person of any defects or inadequacies in the Project, the construction of the Project or any part thereof, which would materially and adversely affect Completion, occupancy, leasing, use, sale or insurability of the same, (y) cause the imposition of extraordinary premiums or charges thereon or (z) cause any termination or threatened termination of any policy of insurance or bond.

2.6.14 Boundaries. Except as disclosed on the Survey, (a) except for any offsite work required to be done in connection with the construction of the Improvements pursuant to Applicable Law, none of the Improvements, including any Improvements from and after Completion, which were included in determining the value of the Project lie or are contemplated to lie outside the boundaries and building restriction lines of the Project and (b) no improvements on adjoining properties encroach upon the Project and no easements or other encumbrances upon the Project encroach upon any of the vertical Improvements so as to materially affect the intended use of the Project or the value or marketability of the Project.

2.6.15 Intellectual Property. Any trademarks, trade names and service marks necessary to the business of Borrower and the Project as presently conducted or as Borrower contemplates conducting upon Completion of the Improvements are, to Borrower's knowledge, in good standing and, to Borrower's knowledge, uncontested. Borrower has not infringed, is not infringing, and has not received notice of infringement with respect to any asserted trademarks, trade names and service marks of others. To Borrower's knowledge, there is no infringement by others of trademarks, trade names and service marks of Borrower or the Project.

2.6.16 **Ground Lease.** The Ground Lease is unmodified and in full force and effect and no event has occurred which with notice or lapse of time would allow the Ground Lessor to terminate the Ground Lease.

2.6.17 **Low-Income Housing Tax Credit.** A Low-Income Housing Tax Credit has been allocated to the Project in the amount set forth in the Tax Credit Allocation and, to Borrower's knowledge, all requirements to Borrower's right to receive the tax credit allocation as of the date hereof have been met. In connection with the foregoing, the Tax Credit Allocation is in full force and effect and Borrower is in full compliance with the terms and provisions thereof.

2.6.18 **No Commencement.** Except as otherwise specifically disclosed to the Bond Owner in writing prior to the Bond Closing Date, there has been no commencement of work of any nature on, or delivery of materials to, the Project.

2.6.19 **Bond Documents.** All representations and warranties of Borrower in the Bond Documents are true and correct in all material respects.

2.7 Nature of Representations. The foregoing representations and warranties shall be deemed made to Bond Owner as of the Bond Closing Date and except for representations made as to a specific date shall be deemed re-made (a) as of the date of each Bond Proceeds Disbursement (except as may be disclosed by Borrower in the Draw Request Package for such Bond Proceeds Disbursement), (b) as of each date that Financial Statements are delivered to Bond Owner pursuant to **Section 7.3** (except as may be disclosed by Borrower or a Guarantor in the applicable required certificate pursuant to **Section 7.3**).

2.8 Reliance. Borrower acknowledges and agrees that (a) Bond Owner is relying that each of the foregoing representations and warranties are true and correct in all material respects as a condition of (i) entering into this Agreement, (ii) purchasing the Bonds and Bond Owner approving a Requisition for making any of the Bond Proceeds Disbursements hereunder (subject only to any disclosures as set forth in **Section 2.7**), (b) that such reliance is without any duty or obligation to investigate or conduct any due diligence into whether any of the foregoing representations and warranties are or otherwise continue to be true and correct and (c) that such reliance is justified and reasonable.

ARTICLE 3 CLOSING

3.1 Conditions Precedent to Closing. The effectiveness of this Agreement, the commitment of the Bond Owner to purchase the Bonds, and any obligations of Bond Owner to otherwise perform any obligations which any of them may have under this Agreement or any other Bond Loan Document are subject to Bond Owner's determination that each of the conditions precedent set forth below have been satisfied or otherwise waived in writing by the Bond Owner (and each such item has been received and

approved by Bond Owner; provided documents required under this **Article 3** may be delivered electronically):

3.1.1 Delivery of Bond Loan Documents. (a) Borrower shall have delivered to Bond Owner (or Trustee, as the case may be, and in that case copies of such documents to the Bond Owner) (i) fully executed (and notarized as applicable) originals of the Bond Loan Documents (or, as to any Bond Loan Document for which Bond Owner is willing to accept, a fully executed copy of the same with the original to follow via overnight mail), (ii) properly executed closing instructions of Bond Owner and (iii) a final closing settlement statement acceptable to Bond Owner, (b) Bond Owner shall have received all required Bond Owner's signatures, (c) Bond Owner shall have executed the same to the extent requiring Bond Owner's signature and (d) escrow shall have accepted and approved the Bond Loan Mortgage and all other recordable Bond Loan Documents for recordation in the applicable county or counties.

3.1.2 Recordation of Deed of Trust – UCC Financing Statements. The Bond Loan Mortgage and all other recordable Bond Loan Documents required to be recorded at the Bond Closing shall have been recorded in the applicable county recorder's office and Bond Owner shall have received confirmation of same (unless Bond Closing is pursuant to a gap Title Insurance Policy endorsement as approved by Bond Owner, in which case such recordation shall be substantially concurrent with Bond Closing). In connection with the Bond Closing, Bond Owner is hereby authorized to file (or cause to be filed) the UCC Financing Statements and fixture filings with all recording or filing offices in such jurisdictions as Bond Owner determines appropriate in order to perfect, continue or confirm the security interests in and to the Collateral granted to Issuer, Bond Owner, under the Bond Loan Documents.

3.1.3 Closing Fees, Costs and Charges.

(i) **Fee Letter Fees.** Bond Owner shall have received payment of all of the fees required to be paid to Bond Owner pursuant to the Bond Owner Fee Letter as of the Bond Closing Date.

(ii) **Bond Owner Fees, Costs and Charges.** Bond Owner shall have received, or will receive at the time of Bond Closing, payment of all fees, costs, charges, expenses and other amounts of Bond Owner and Bond Owner's Consultants which have been incurred in preparation of and in connection with the Bond Closing.

(iii) **Title, Escrow and Third-Party Costs.** Borrower shall have paid, or will pay at the time of Bond Closing, all third-party fees, costs, charges, expenses and other amounts required to be paid in order to satisfy the conditions of Closing and to close the Bond Loan, including all title and escrow fees, costs and charges, the cost of each Title Insurance Policy (inclusive of all endorsements) and any and all recording and filing fees and

costs, and the Bond Closing shall otherwise have occurred pursuant to the escrow and other terms of **Exhibit “O”**.

(iv) **Application of Good Faith Deposit; Loan Proceeds.** The fees, costs and charges set forth above, shall have been be paid from (i) any remaining good faith deposit funds which were previously received by Bond Owner with respect to the Bond Loan from or on behalf of Borrower prior to the Bond Closing, (ii) from Borrower’s own funds; all in accordance with the settlement statement approved by Bond Owner as of the Bond Closing Date and with Bond Owner’s closing instructions, as applicable, and (iii) to the extent any Bond Loan proceeds are to be disbursed at Closing, from Bond Loan proceeds.

3.1.4 Project Related Closing Conditions. Borrower shall have delivered to Bond Owner, and Bond Owner shall have determined, approved or otherwise accepted, each of the following:

(i) **Appraisal.** An Appraisal.

(ii) **Reports.** To the extent required by Bond Owner, a property condition report, a plan and cost review, a soils report and engineering study covering the Project (both certified to Bond Owner) and all other inspection and test reports made by or for Borrower or otherwise prepared by Bond Owner’s Consultants (and all items noted in any such reports as needing remediation, repair, or correction shall have been made in a manner satisfactory to the Bond Owner).

(iii) **Environmental Compliance.** An environmental assessment phase I report and, if required by Bond Owner, an environmental assessment phase II report, and such other evidence that Borrower has (i) conducted and completed all environmental investigations and studies on or to the Project, including a comprehensive environmental assessment, as may be required by (A) Bond Owner, (B) any governmental agency or authority or (C) any statute, regulation, rule, policy, or ordinance, to determine whether the Project has been contaminated with or by Hazardous Substances and whether regulated wetlands are present on the Project and (ii) performed and completed all necessary remedial, removal, and other actions to the Project so that the Project conforms to all applicable federal, state, and local statutes, ordinances, rules, regulations, policies, orders, and directives which govern or protect the environment. There has been no use, storage or release of any hazardous substances on any of the Project, Borrower has no knowledge of any use, storage or release of hazardous substances on the Project or any litigation related to any such use or release, there will be no use, storage or release of hazardous substances on the Project unless previously disclosed to, and agreed to by, the Bond Owner, and Bond Owner may enter onto the collateral property to ensure compliance with all environmental laws.

(iv) **Governmental Authority Authorizations.** Bond Owner shall have received such evidence as Bond Owner may require to confirm that the Project is and upon Completion will be in compliance with all Applicable Laws, and that any and all licenses, permits, entitlements, approvals and authorizations required as of the Bond Closing Date (or applicable requested Bond Proceeds Disbursement) have been obtained with respect to the ownership, development, construction, occupancy, use and maintenance of the Project as contemplated by this Agreement.

(v) **Flood Zone.** In accordance with the provisions of the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973 and the National Flood Insurance Reform Act of 1994 (all as amended from time to time), satisfactory evidence that the Project is not located in a special flood hazard area (as determined by the Federal Emergency Management Agency) where flood insurance would be available in accordance with the aforementioned Acts, or if the Improvements are located within a special flood hazard area, Borrower has obtained, and is maintaining in full force and effect, a policy or policies of flood insurance in accordance with the terms hereof.

(vi) **Special Studies Zone.** Such evidence as Bond Owner may require that the Property is not located within a "special studies zone" under the Alquist-Priolo Special Studies Zone Act or within any zone which is classified as a Major Damage Zone, Zones 3 and 4, by the International Conference of Building Officials or, if the Property is within any such a zone, upon request from Bond Owner, evidence that Borrower has obtained, and is maintaining in full force and effect, a policy or policies of earthquake insurance pursuant to the Insurance Requirements.

(vii) **Impositions; Separate Tax Parcels; Zoning.** Evidence that all Impositions have been paid prior to delinquency, that the Project is in compliance with all subdivision requirements and constitutes a separate tax parcel or parcels and is properly zoned for its intended use and the Improvements to be built on the Real Property.

(viii) **Survey.** A Survey.

(ix) **Maps and Site Plans.** Borrower shall have delivered to Bond Owner true, correct and complete copies of any final maps (or tentative maps to the extent accepted by Bond Owner) and all site plans; together with such evidence as Bond Owner may reasonably require that such maps have been approved by the appropriate Governmental Authority (and with respect to any tentative map, subject only to non-discretionary remaining approval).

(x) **Title Insurance Policy.** Each Title Insurance Policy or, if acceptable to Bond Owner, an unqualified and unconditional commitment

by the Title Company for the Title Insurance Policy and payment of premiums with respect thereto) and true, complete and legible copies of all Permitted Title Exceptions.

(xi) **Insurance.** The policies of insurance (or evidence thereof) as required by the Insurance Requirements.

(xii) **Bond Closing.** Evidence that Bond Closing has occurred and in connection therewith, Bond Owner shall have received and approved copies of the fully executed Bond Documents, and Bond Owner shall have received and approved its original Bond (unless it is agreed in writing by the Bond Owner the Trustee may receive the Bond and hold the original Bonds for and on behalf of the Bond Owner, in which case the Bond Owner shall have received and approved evidence that the original Bonds are being duly held by Trustee).

(xiii) **Management Agreements and Project Related Documents.** Any existing Management Agreements and Material Project Related Documents.

(xiv) **Utilities.** Such evidence that electric, gas, sewer, cable, water and telephone facilities either are, or upon Completion will be, available to the Project.

(xv) **Accounts.** Borrower shall cause to be opened the Capital Contribution Account, Borrower's Construction Operating Account and any other Accounts required to be opened as of the Bond Closing Date pursuant to the terms and conditions set forth herein or in any other Bond Loan Document.

(xvi) **Approved Flow of Funds.** The Approved Flow of Funds.

3.1.5 **Construction Related Documents.** Borrower shall have delivered to Bond Owner, and Bond Owner shall have determined, approved or otherwise accepted, each of the following:

(i) **Architect's and Engineer's Agreements.** The Architect's Agreement and the Engineer's Agreement, together with assignments thereof to Bond Owner and the counter-party's consent thereto.

(ii) **General Contractor Agreement.** The General Contractor Agreement, together with an assignment thereof to Bond Owner and the counter-party's consent thereto.

(iii) **Conveyance to Ground Lessor.** The Real Property shall have been conveyed to the Ground Lessor on terms acceptable to the Bond Owner.

(iv) **Ground Lease.** The Ground Lease, together with an estoppel from the ground lessor on a form satisfactory to the Bond Owner.

(v) **Subcontracts, Schedule of Values, etc.** Copies of all existing subcontracts and a schedule showing (i) to the extent required by Bond Owner, all other Construction Contracts (including any subcontracts) awarded as of the Bond Closing Date, including names, types of work, subcontract amounts and percentage Retainage provided in said subcontracts, (ii) the amount of general conditions and an estimate of value for each subcontract not awarded as of such date and (iii) a total overall schedule of values.

(vi) **Contractor Licenses and Financial Condition of Contractors.** If requested by Bond Owner, (i) the General Contractor, Primary Subcontractor, and each existing subcontractor's respective contractor's license numbers and (ii) evidence satisfactory to Bond Owner that the General Contractor, Primary Subcontract, and the subcontractors each have the requisite experience and financial strength to perform its obligations under their respective Construction Contracts, which evidence may require delivery of its financial statements, including balance sheets and profit and loss statements.

(vii) **Budget and Construction Schedule.** The Budget and Construction Schedule.

(viii) **Plans, Etc.** The Plans and any other specifications, maps, drawings and other materials as exist and are reasonably available with respect to the Project.

(ix) **Cost Review; Budget and Construction Schedule.** Bond Owner shall have approved a cost review of the Project and contemplated construction thereof prepared by Bond Owner's Consultants confirming the reasonableness and accuracy of the Budget, the Plans and the Construction Schedule.

(x) **Payment and Performance Bonds.** If Bond Owner requires a payment and performance bond, copies of a payment and performance bond in amounts, form and content acceptable to Bond Owner and issued by a bonding company acceptable to Bond Owner and have a dual obligee clause.

(xi) **Regulatory Agreements.** The Bond Regulatory Agreement and each AHFC Restriction will be in place at closing of the Bond Loan.

(xii) **Other.** All building and other permits necessary for commencement of development of the Project, together with all additional documents and information relating to the design and construction of the

Improvements as may be required by Bond Owner and which are customarily required by construction lenders for projects similar to the subject Project.

3.1.6 Borrower and Guarantor Related Conditions. Borrower shall have delivered to Bond Owner, and Bond Owner shall have determined, approved or otherwise accepted, each of the following:

(i) **Organizational Documents.** True, correct and complete copies of the Organizational Documents of Borrower and Guarantor, together with such other information as Bond Owner may reasonably require in order to verify full authorization to execute, deliver and perform the Bond Loan Documents, including the authority of each Authorized Representative signing on behalf of Borrower or a Guarantor, as applicable.

(ii) **Good Standing Certificates; Resolutions.** (i) Good standing certificates (or their equivalents) for Borrower and each Guarantor from the State(s) referenced in **Section 2.1.1**, (ii) to the extent requested by Bond Owner, good standing certificates (or their equivalent) from the direct and indirect interest holders of Borrower and the Entity Guarantor who are within the chain of authority and (iii) such certified corporate, limited liability company, partnership or other appropriate entity resolutions, consents and certificates from each of such entities, authorizing the transactions described herein.

(iii) **Incumbency Certificates.** Incumbency certificates from Borrower and the Entity Guarantor which shall identify by name and title, and bear the signatures of, the Authorized Representatives of each such entity.

(iv) **Financial Statements.** As to Borrower and each Guarantor, current Financial Statements and, to the extent required by Bond Owner, (i) up to the last three (3) years of historical Financial Statements and (ii) such other financial information as Bond Owner may reasonably request to verify the financial condition of Borrower and Guarantors.

(v) **IRS Forms.** A signed IRS Form W-8 or W-9, as applicable.

(vi) **Governmental Regulations.** Bond Owner shall have received all KYC Information (including a Beneficial Ownership Certification to the extent Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation), and Bond Owner shall have determined compliance with the Governmental Regulations.

(vii) **AHFC Loans.** Evidence that each AHFC Loan has closed on terms acceptable to the Bond Owner and in connection therewith, Bond Owner shall have received and approved copies of each of the AHFC Loan

Documents and an original fully executed counterpart of an Intercreditor Agreement for each AHFC Loan.

(viii) **Other Information.** Borrower shall have provided Bond Owner such other documentation and information as Bond Owner may reasonably request.

3.1.7 **Loan Sizing Conditions.** Borrower shall have delivered to Bond Owner such evidence as may be required by Bond Owner to confirm the following as of the Bond Closing Date:

(a) **Loan-to-Value Ratio.** The Bond Loan-to-Value Ratio does not exceed eighty percent (80%).

(b) **Loan-to-Cost Ratio.** The Loan-to-Cost Ratio does not exceed eighty percent (80%).

(c) **DSCR.** The pro forma DSCR for the Project is no less than 1.15:1.00.

3.1.8 **Contributed Equity.**

(i) **Borrower's Initial Capital Contribution.** The Initial Capital Contribution shall have been deposited into the Capital Contribution Account, except for amounts used to pay Costs of Issuance and deposited in the Cost of Issuance Fund and other budgeted closing costs paid through the title company or to pay fees and pre-closing advances owing to the Investor Limited Partner.

3.1.9 **General Closing Conditions.**

(i) **Representations and Warranties.** All of the representations and warranties of Borrower and Guarantors set forth in the Bond Loan Documents and in the Bond Documents, including in **Article 2** of this Agreement, are true, correct and complete in all material respects.

(ii) **Covenant Compliance.** Borrower and Guarantor are in compliance with all of their respective covenants set forth in the Bond Loan Documents applicable to each of them, including all of the covenants set forth in **Article 7** of this Agreement.

(iii) **No Defaults.** No Material Adverse Change, Known Unmatured Event of Default or Event of Default is presently existing as of the Bond Closing Date.

(iv) **Legal Opinions.** Borrower, at its expense, shall provide (or cause to be provided by Bond Counsel) to Bond Owner with one or more written opinions by counsel reasonably acceptable to Bond Owner, with

respect to (i) the due organization, good standing and authority of Borrower and each Guarantor to execute deliver and perform the Bond Loan Documents and to grant to Bond Owner the security interests in and to the Collateral as provided in the Bond Loan Documents, (ii) the validity and enforceability of the Bond Loan Documents, (iii) the attachment of the liens and perfection thereof with respect to the real property, fixtures and the personal property collateral (to the extent perfected by filing of a UCC Financing Statement), (iv) the fact that there are no documentary stamp tax or other taxes or payments with respect to the recordation of the recordable Bond Loan Documents (other than standard filing and recordation fees), (v) the fact that there are no legal or contractual prohibitions to the execution, delivery and performance of the Bond Loan Documents by Borrower and each Guarantor, (vi) that the Bonds have been duly issued and interest earned on the Bonds will be tax exempt, and (vi) such other matters as may be reasonably required by Bond Owner.

(v) **Other Items and Information.** Borrower shall have taken such other actions and shall have provided Bond Owner with such other information and documents that it may reasonably require, and Bond Owner shall have accepted or otherwise approved the same as applicable, including any conditions of Closing which may be set forth in any schedule, Exhibit or rider hereto or as otherwise set forth in any other Bond Loan Document.

ARTICLE 4

CONDITIONS PRECEDENT TO DISBURSEMENTS

4.1 General Conditions Precedent to All Disbursements. In addition to and without limitation of any other conditions precedent set forth elsewhere herein, as a condition precedent to any approval of a Requisition to disburse Bond proceeds from the Project Fund, or to disburse Capital Contributions then on deposit with the Bond Owner, or to disbursement any deposits of the AHFC Loans for later disbursement, whether the initial disbursement, periodic disbursements related to construction, Requisition from the Interest Reserve or otherwise, Bond Owner shall have reasonably determined that, as of the date of such disbursement (or approval of a Requisition), each of the following conditions has been satisfied:

4.1.1 Contributed Equity. To the extent not required as a condition of Bond Closing, as a condition precedent to the initial Bond Proceeds Disbursement, satisfaction of the equity requirements set forth in **Section 3.1.8**.

4.1.2 Loan Balancing. As of the date of the Draw Request Package request, the Bond Loan is In Balance.

4.1.3 Representations and Warranties. Each of the representations and warranties of Borrower and Guarantor set forth in the Bond Loan Documents, including in **Article 2** of this Agreement, are true and correct in all material respects

as of the date made (with each of the representations and warranties set forth in **Article 2** being deemed remade by Borrower as true and correct in all material respects as of the date of the Draw Request Package, except as disclosed by Borrower pursuant to **Section 2.7**; provided that such disclosure shall not constitute satisfaction of this condition precedent to the applicable requested Bond Proceeds Disbursement).

4.1.4 Financial Covenant Compliance. [Reserved]

4.1.5 No Defaults. No Event of Default then exists and, unless waived by Bond Owner, no Material Adverse Change or Known Unmatured Event of Default then exists.

4.2 Construction Disbursement Conditions Precedent. In addition to and without limiting any other conditions precedent set forth elsewhere herein to the disbursement of any amount on deposit in the Capital Contribution Account or any amount of an AHFC Loan deposited with Bond Owner for later disbursement, or to the approval of a Requisition, as a condition precedent to any such disbursement from the Capital Contribution Account, of deposits of proceeds of the AHFC Loans, or approval of a related Requisition, Bond Owner shall have determined that for that disbursement or approval, each of the following conditions has been satisfied:

4.2.1 Draw Request Package. At least ten (10) Business Days prior to the date of the requested disbursement of any amount on deposit in the Capital Contribution Account or the disbursement of Bond proceeds in the Project Fund, (a) Borrower shall have delivered to Bond Owner a complete and accurate Draw Request Package and (b) Bond Owner shall have verified that the Draw Request Package is complete and accurate and is consistent with the Approved Flow of Funds. Each Draw Request Package submitted by Borrower shall constitute a representation and warranty by Borrower that, except as otherwise specifically disclosed in such Draw Request Package and labeled as a **"Disclosure"**: (i) Borrower is in compliance with and has satisfied all of the conditions to the applicable disbursement of the requested Funding Sources set forth in this Agreement, (ii) all applicable representations and warranties made under **Article 2** hereof or elsewhere in any Bond Loan Document, or in any certificate or other document executed by Borrower or Guarantor and delivered to Bond Owner pursuant to or in connection with the Bond Loan, are true, correct and complete in all material respects as of the date of the Draw Request Package (except to the extent any representation and warranty is made as of a specified date, in which case, such representation and warranty shall have been true, correct and complete in all material respects as of such specified date as if made on such date) and (iii) no Known Unmatured Event of Default or Event of Default then exists and, to Borrower's knowledge, no Material Adverse Change then exists (other than as disclosed in the Draw Request Package). Borrower hereby authorizes the Person identified on the Signature Authorization Form to execute and deliver each Draw Request Package. Promptly upon receipt Bond Owner shall post the Draw Request Package (or such portion thereof that Bond Owner deems appropriate)

onto an Electronic System to which Bond Owner have access. Acceptance by Borrower of the requested Bond Proceeds Disbursement or disbursement of deposits of the Capital Contributions or AHFC Proceeds shall in each case constitute a representation and warranty by Borrower that the statements and information set forth in the Draw Request Package remain true, correct and complete in all material respects as of the date of such Draw Request Package. With respect to and approval of a disbursement for hard costs, as part of the related Draw Request Package, Bond Owner shall have received a Request for Disbursement on the form attached hereto as **Exhibit "E"**. Notwithstanding anything contained herein to the contrary, as a condition precedent to Bond Owner's approval of the first Requisition and Draw Request Package after the Bond Closing Date, Bond Owner shall have received the following items: (A) a predetermination letter from Travis County Appraisal District indicating the Real Property is exempt from ad valorem taxes, together with a legal opinion satisfactory to the Bond Owner supporting the availability of that tax exemption, and (B) all Construction Approvals. Further, in addition to the other terms and requirements herein, for any request for reimbursement of a particular soft cost in excess of \$10,000.00, Borrower shall provide Bond Owner with the Draw Request Package a copy of the invoice for that soft cost;

4.2.2 Construction Approvals. Borrower shall have delivered, whether as part of the Draw Request Package or otherwise previously delivered, all necessary Construction Approvals relating to any work that is the subject of the requested Bond Proceeds Disbursement.

4.2.3 Bond Owner's Consultant's Report. To the extent required by Bond Owner, with respect to Bond Proceeds Disbursements and disbursement of deposits of Capital Contributions and proceeds of the AHFC Loans for Hard Costs, Bond Owner shall have received a report from Bond Owner Consultant designated by Bond Owner to review, analyze and conduct inspections pursuant to **Section 7.12** with respect to the subject Draw Request Package, with the cost and expense of such inspection and report paid by Borrower.

4.2.4 Stop Notices; Lien Waivers and Related Endorsements. No stop notices have been served on Borrower, General Contractor (and/or the Primary Subcontractor), Bond Owner which are not being contested by Borrower in accordance with **Section 7.7.6**. Other than Permitted Liens, no Liens (nor any claims which could give rise to Liens) exist. Bond Owner shall have received such conditional lien waivers as Bond Owner may require for works of improvement on the Project which is the subject of the requested Draw Request Package and, on a thirty (30) day trailing basis, Bond Owner shall have received such unconditional lien waivers as Bond Owner may require with respect to all prior works of improvement on the Project. All lien waivers shall be on forms in the form of **Exhibit "I"** attached hereto (using the applicable form), or such other form which substantially satisfies the requirements of HB 1456 as adopted by the Texas legislature and effective as January 1, 2012, or as otherwise required by Applicable Law and in form and content reasonably acceptable to Title Company and Bond

Owner. To the extent required by Bond Owner, Bond Owner shall have also received a commitment from the Title Company to issue an endorsement to each Title Insurance Policy extending the coverage to include the date and the amount of the requested Bond Proceeds Disbursement without exception for any matter not previously approved by Bond Owner in writing and insuring over all mechanics' and material suppliers' liens arising (or which may arise) from any works of improvement on the Project through the date of the applicable Bond Proceeds Disbursement.

4.2.5 Additional Conditions for Vertical Construction. With respect to either of the, (i) disbursement after the Bond Closing Date of deposits in the Capital Contribution Account or of deposits of the AHFC Loans with Bond Owner for later disbursement, or (ii) approval after the Bond Closing Date of a Requisition, (a) to the extent not previously delivered, Bond Owner shall have received, the policies of insurance (or evidence thereof) required during any period of renovation as set forth in the Insurance Requirements, and (b) to the extent required by Bond Owner, an updated Survey showing the location of such foundation and an endorsement to each Title Insurance Policy insuring that such foundation (i) is located within the boundaries of the Property and any set-back requirements and (ii) does not encroach on any other legal parcel or property or any easement or public or private right of way, and (c) a copy of a filed Affidavit of Commencement, in the form of **Exhibit "J"**, as filed with the County Clerk of Travis County, Texas, and otherwise satisfying the requirements of the Texas Property Code (which shall evidence that commencement of construction of the Improvements began after the date the Bond Loan Mortgage was recorded).

4.2.6 Additional Conditions for Stored Materials. With respect to any disbursement of deposits of the Capital Contributions, or approval of a Requisition for any materials, supplies or FF&E which are not yet physically incorporated into the Improvements ("**Stored Materials**"), except for deposits required to be made with respect to materials which have not yet been fabricated and/or delivered, to the extent required by Bond Owner, Bond Owner shall have determined that the following conditions have been satisfied: (a) Borrower has delivered an invoice and/or bill of lading describing the Stored Material, which shall include Borrower's name and the Project address; (b) the amount to be disbursed on account thereof does not include the cost of incorporating such Stored Materials into the Improvements; (c) the Stored Materials are, or upon delivery will be, safely and suitably stored on-site (or if off-site, as applicable) and insured for the full value thereof against theft, destruction or other casualty under insurance policies designating Bond Owner, as loss payee and additional insured as evidenced by insurance binders or endorsements satisfactory to Bond Owner; (d) immediately upon disbursement of the Bond Proceeds Disbursement thereof (or disbursement of deposits of the Capital Contributions and/or the proceeds of the AHFC Loans, Borrower will own such Stored Materials, as evidenced by appropriate bills of sale and payment receipts; (e) such Stored Materials are consistent with and will comply with the Plans, are free from defect and are of suitable quality for incorporation into the Improvements; (f) to the extent stored offsite and to the

extent required by Bond Owner, all such Stored Materials shall be physically segregated from all other assets of the vendor, placed in a bonded warehouse or similarly secured facility, with such vendor or other Person subordinating any rights thereto to the rights and Liens of Bond Owner; and (g) Bond Owner may file a financing statement or require Borrower to execute a security agreement relating to such Stored Materials. All Stored Materials must be installed in the Improvements within one hundred twenty (120) days of the delivery of such Stored Materials to the initial storage area, subject to reasonable extension thereof as may be approved by Bond Owner upon the prior request therefor by Borrower, but not to exceed one hundred eighty (180) days. The aggregate amount of Stored Material at one time in no event shall exceed \$_____.

4.2.7 Additional Funding Conditions. Except as may be required to satisfy the Fifty Percent Test, the Bond Owner shall have no obligation to approve any Requisition or disbursement of other funds unless and until it has received evidence of the payment for those line items set forth in the Budget and in accordance with the funding schedule agreed upon by Bond Owner to be funded by the portions of (a) the Capital Contributions then due pursuant to the Partnership Agreement and the Approved Flow of Funds, and/or (b) all of the funds from the AHFC Loans then payable under the Approved Flow of Funds.

4.2.8 Slab Survey. If and to the extent reasonably required by Bond Owner, after the pouring of a slab and upon completion of that slab, Borrower shall have delivered a current survey evidencing the actual location of the slab, showing no encroachment. If and to the extent required by the Bond Owner, Borrower shall have delivered a slab survey, if the proceeds of a particular Draw Request Package are for, among other things, costs associated with the slab to the Improvements, showing, among other things, no encroachments on or over any boundary line, easement, setback line, or other restricted area. The survey must be dated, signed, and stamped by a surveyor licensed by the State of Texas.

4.2.9 Additional Conditions for Final Disbursement upon Completion. With respect to approving a Requisition or any disbursement of other available Funding Sources for the final payment of the Hard Costs (but excluding any Punch List Items) and the payment of any Retainage (except as hereafter provided), Bond Owner has received evidence, and shall have reasonably determined, that each of the following conditions have been satisfied:

(i) **Completion.** Evidence of Completion, all as further described in the definition of "**Completion**" set forth above in **Section 1.1**, and without limiting the foregoing, Bond Owner shall have received and approved evidence that forty-one (41) days have elapsed after the later of (i) "completion" of the Improvements, as defined in and required by Section 53.106 of the Texas Property Code, or (ii) the date of completion as set forth in an Affidavit and Certificate of Completion (the "**Affidavit of Completion**"), filed with the county clerk of the county where the Real Property is located, executed by Borrower and the Contractor, and Architect

(provided the Architect shall be required to sign only if and to the extent required by the Bond Owner) in the form of **Exhibit "K"** (or a certificate or affidavit in such other form which complies with Section 53.106 of the Texas Property Code and is otherwise acceptable to the Bond Owner), or (iii) the date Borrower has otherwise fully and completely satisfied the requirements of Section 53.106 of the Texas Property Code, including, without limitation, providing a copy of any such affidavit to all parties, and within the time periods, required by such Section 53.106.

(ii) **Title Insurance Endorsements.** Such title insurance endorsements as Bond Owner may reasonably require which may include date down endorsements and other endorsements which insure over all mechanics' and material suppliers' liens arising (or which may arise) from the construction related to the Completion of the Improvements; and

(iii) **Permits.** Copies of all licenses, permits and agreements necessary for the use, operation and occupancy of the Project after Completion thereof to the extent not previously delivered to Bond Owner (which shall include in any event a final certificate of occupancy evidencing the Improvements can be legally occupied); and

(iv) **As-Built Survey.** If required by Bond Owner, an as-built survey, approved by Bond Owner and satisfying the requirements of **Exhibit "M"**, showing the location of the Improvements and showing no encroachment by any of the Improvements upon any boundary line, easement, building setback line, or other restricted area, and shall reflect there is public access and shall contain flood plain disclosures (Bond Owner in any event shall have received and approved a flood plain determination with respect to the Real Property). The survey must be dated, signed, and stamped by a surveyor certified in Texas; and

(v) **Affidavit of Bills Paid.** An affidavit of bills paid, in a form reasonably acceptable to Bond Owner, executed by Borrower (in the form of **Exhibit "R"**) and each Contractor (in the form of **Exhibit "Q"**), Architect, and such other Persons who have supplied materials or labor as Bond Owner may require to satisfy itself that the Improvements, on a form reasonably satisfactory to Bond Owner (and all other improvements to the Real Property completed through the date of any such affidavit) have been substantially completed lien-free and that the costs of all materials furnished and labor performed in connection with such construction have been paid in full subject to Retainage (or Bonded around by a Bond issued by a company satisfactory to Bond Owner and in an amount and on a form reasonably satisfactory to Bond Owner). Without limiting the foregoing, the Bond Owner shall have received and approved a fully executed (by Borrower, Architect, and Contractor) AIA Form G706 (Contractor's Affidavit of Payment of Debts) AIA Form G704, and concurrently with the payment

of Retainage, AIA Form G706a (Contractor's Affidavit of Release of Liens) and full; and

(vi) **Punch List.** A punch-list of any work to be completed and evidence there are sufficient sources of funds to pay such items;

(vii) **Lien Release.** Full and complete releases of lien from each subcontractor of and supplier to the Contractor with respect to work performed and/or materials supplied at the Project;

(viii) **Insurance.** Evidence of continuing insurance coverage in accordance with the Insurance Requirements; and

(ix) **As-Built Plans.** If required by the Bond Owner, a complete set of "as-built" plans and specifications, certified as accurate in all material respects by the Contractor; and

(x) **Escrows and Reserves.** All escrows and reserves required by this Agreement established in a manner satisfactory to the Bond Owner;

(xi) **No Breach or Default.** No Unmatured Event of Default or Event of Default shall have occurred and be then existing; and

(xii) **Other Items.** Such other evidence or information concerning completion as Bond Owner shall reasonably request (including funding of the installment of the Capital Contribution due in connection with construction completion as provided in **Exhibit "L"**).

4.3 Conversion. The Bond Owner shall have no obligation to deliver the Conversion Certificate and thereby convert the Construction Bond Loan to the non-advancing Permanent Bond Loan unless each of the following are fully and completely satisfied, in Bond Owner's sole and reasonable determination, or waived by the Bond Owner in writing on or before the Permanent Term Commencement Deadline (the below are collectively referred to as the "**Conditions to Conversion**"):

4.3.1 Lease Stabilization shall have occurred and in connection therewith, the outstanding principal balance of the Bond Loan shall have been reduced to at least the amount of \$5,300,000.00 (or such lesser amount required to achieve Lease Stabilization), and all unpaid and accrued interest on the Bond Loan shall have been paid;

4.3.2 Bond Owner shall have received and approved each of the following at least ten (10) days prior to the Conversion Date, but in any event by the Permanent Term Commencement Deadline (to the extent not theretofore provided to the Bond Owner);

(a) a complete set of “as-built” Plans, consisting of the original Plans accepted pursuant to **Section 7.1.5**, modified with field notations and revisions to reflect the completed project, as constructed;

(b) an updated ALTA/NSPS as-built survey of the Project;

(c) an endorsement to the Title Insurance Policy, bringing the effective date of the policy to a date acceptable to Bond Owner, with no additional exceptions other than Permitted Title Exceptions and such other items as may be approved by Bond Owner in writing (or if such an endorsement is not available, for any reason, a new title policy on a form reasonably satisfactory to Bond Owner) and the escrow and other requirements of **Exhibit “O”** shall have been satisfied;

(d) a final report from a review architect or Bond Owner’s construction consultant stating that the Improvements were satisfactorily completed in substantial accordance with the Plans;

(e) current financial statements for Borrower, Guarantor, and the general partner of Borrower;

(f) evidence of all insurance required at time of conversion, as set forth on in the Insurance Requirements;

(g) current, within thirty (30) days of the date of the Conversion Date, Certificates of Fact, evidence from the Texas Comptroller of Public Accounts related to the payment of franchise taxes for Borrower, Guarantor other than individuals, if any, and the general partner of Borrower, as applicable;

(h) a current certified project rent roll for the Project and most current balance sheet and income statement for the property.

4.3.3 No Unmatured Event of Default or Event of Default shall have occurred and be then existing.

4.3.4 Borrower shall have fully and timely satisfied (or Bond Owner has waived in writing) the requirements of **Section 4.2**, including, without limitation, providing Bond Owner with permanent certificates of occupancy, if available from the applicable Governmental Authority, for all units of the Project and the AIA Form G704;

4.3.5 Borrower shall be deemed to have reaffirmed all of the representations and covenants contained in the Bond Loan Documents are true and correct in all material respects (other than representations and warranties made as to a specific date);

4.3.6 All reserves and escrows then required by the Bond Loan Documents (or under the Partnership Agreement) shall be funded (proof of payment of insurance and taxes for the next twelve months may be provided in place of the required escrow); provided, however, that the Operating Reserve may be funded from the proceeds of the [third] Capital Contribution described in **Exhibit “L”** (as provided for in the Partnership Agreement);

4.3.7 The Investor Limited Partner shall have made (or, simultaneously with conversion, will make) all scheduled Capital Contributions required up to and including lease stabilization as provided in **Exhibit “L”** pursuant to the terms and conditions of the Partnership Agreement (except for adjustments made in accordance with the terms of the Partnership Agreement) and any other funding source for the development of the Project then scheduled to have been paid shall have then been paid;

4.3.8 Borrower shall have executed and delivered to Bond Owner such other information, documents, and certificates as Bond Owner may reasonably request in connection with the conversion of the Bond Loan and reimbursed Bond Owner for all of its reasonable costs and expenses incurred with respect thereto (including, without limitation, certificates of occupancy for all of the planned Improvements); and

4.3.9 Borrower shall have reimbursed Bond Owner for all of its reasonable costs and expenses related to the conversion of the Bond to the permanent phase.

ARTICLE 5

BOND PURCHASE AND BOND PROCEEDS DISBURSEMENTS

5.1 Commitment to Purchase Bonds and to Disburse Bond Proceeds.

5.1.1 In order to provide funds to make the Bond Loan subject to and as provided for in this Agreement, the Indenture and in the Financing Agreement, the Issuer will issue the Bonds and sell and deliver the Bonds to the Bond Owner, and the Bond Owner will purchase the Bonds for the combined face amount of the Bonds on the Bond Closing Date.

5.1.2 Simultaneously with the sale and delivery of the Bonds to the Bond Owner and subject to the provisions set forth below, the Issuer shall use the proceeds from the sale of the Bonds on the Bond Closing Date to simultaneously with such sale and receipt of the such proceeds make the Bond Loan to the Borrower subject to and as provided in the Financing Agreement and other Bond Documents and shall assign its rights with respect to the Bonds to the Trustee as provided in the Financing Agreement and the Indenture (Bond Owner is the party responsible for administering the Bond Loan as provided in this Agreement). As a result thereof, the Bond Loan shall be fully funded on or before the Bond Closing Date by deposit into the Project Fund (and certain other Funds under and as

provided for in the Indenture) and the deposits in the Project Fund not expended on or in connection with the Bond Closing Date for acquisition of the Real Property thereafter will, to the extent there are any amounts still on deposit in the Project Fund, be disbursed by the Trustee in periodic disbursements to Borrower by deposit into the Construction Operating Account subject to and as provided in this Agreement and the Financing Agreement.

5.1.3 In connection with the foregoing, Borrower promises and agrees to cause to be issued and delivered to Issuer the Bond Loan Note and Issuer agrees to issue the Bonds to the Bond Owner and Borrower agrees to repay the Bond Loan, plus interest, fees, and costs, in accordance with the terms of the Bond Loan Note, the Bonds, the Bond Documents, and the other Bond Loan Documents. Interest shall accrue on the Bond Loan and the Bonds in accordance with and in same manner interest accrues under the terms of the Bond Loan Note, as provided for in the Indenture, the Bonds, this Agreement, and the Financing Agreement.

5.1.4 Notwithstanding anything to the contrary set forth elsewhere in this Agreement or in any other Bond Loan Document, (a) the Bond Loan is not a revolving loan and no amounts which have been advanced and subsequently repaid may be re-borrowed, and (b) the commitment of Bond Owner to approve any further Requisitions (i) may be suspended pursuant to **Section 8.2.1** at any time during the existence of an Event of Default or Unmatured Event of Default, and (ii) shall automatically terminate, on the earlier of (A) the Maturity Date (as then applicable, or (B) the termination of such commitment as a result of the occurrence of an Event of Default under **Sections 8.1.9(i),(iv) or (vi)** as denoted in **Section 8.2.1**,.

5.1.5 Notwithstanding the foregoing, Borrower shall be entitled (subject to **Section 4.1** and **Section 4.2**) to request Bond Owner to make distributions of amounts in the Capital Contribution Account and of any deposits of the proceeds of the AHFC Loans made with Bond Owner for later disbursement, and to approve Requisitions made on the Bond Loan until, but not including the Completion Date, when (except as hereafter provided in the last sentence of this subsection), provided no Event of Default is then existing, the Bond Loan shall automatically convert to non-advancing term loans. On the Maturity Date, the outstanding balances and all unpaid and accrued interest of the Bond Loan shall be fully and finally due and payable in accordance with the terms and provisions of this Agreement and the Bond Loan Note. Notwithstanding the foregoing or anything to the contrary herein, disbursements of the Bond Loan for budgeted interest carry and for other hard and soft costs approved by Bond Owner as being provided for in the Budget and being payable from a Loan (and reflected in the Approved Flow of Funds as being payable after the Completion Date) and for Retainage may be made after the Completion Date (but in any event, in each case, prior to the Permanent Term Commencement Deadline); subject to compliance with **Section 4.2**, for hard and soft costs approved by the Bond Owner, interest carry, other items approved by the Bond Owner and only to the extent contained in the Budget, and for the final disbursement for Retainage (provided that with respect to

any such hard and soft costs payable after the Completion Date (and not fundings of interest carry), the conditions listed in **Section 4.2** are fully satisfied or waived by Bond Owner in writing, and with respect to Retainage, the final Bond Proceeds Disbursement or disbursement from the Capital Contribution Account of the Capital Contributions and/or of deposits with Bond Owner of the AHFC Loans, the conditions listed in **Section 4.2** are fully satisfied or waived by Bond Owner in writing.

5.1.6 Subject to the further terms of this Section and this Agreement, amounts approved to be paid pursuant to a particular Draw Request Package made after the Bond Closing Date to pay Good Costs shall be paid and/or disbursed in the following order: (A) first from deposits of the proceeds of the AHFC Loans made with Bond Owner for later disbursement, (B) second from proceeds of the Initial Capital Contribution deposited in the Capital Contribution Account maintained by the Bond Owner (to the extent deposited with the Bond Owner under the terms of the Partnership Agreement and to the extent available to pay Good Costs as provided in the most recently revised Budget and as set forth in subsection (6) below), and (C) third from the Requisitions made on the Project Fund until Bond proceeds have been fully disbursed therefrom (based on amounts as may be in the Project Fund after disbursement from the Project Fund on the Bond Closing Date for the acquisition of the Real Property). Without limiting the foregoing, except for a Requisition which may be made on the Bond Closing Date to use Bond proceeds to purchase the Real Property, no consent to a Requisition by the Bond Owner will be provided unless and until all of the Initial Capital Contribution and the AHFC Loans (to the extent to be funded under the Approved Flow Funds) have been fully funded in accordance with the terms of the Partnership Agreement and used first to pay Bad Costs and other Costs of Issuance (by payment to the Trustee in accordance with the terms of the Indenture) and then to pay Good Costs (by deposit in the Capital Contribution Account with respect to the Capital Contributions and in a designated account of Borrower at Bond Owner with respect to proceeds of the AHFC Loans deposited for disbursement therefrom in accordance with the terms of this Agreement). Without limiting the foregoing, it is agreed the proceeds of the Bonds shall only be used to pay Good Costs, and the proceeds of the Capital Contributions and the AHFC Loans shall be used first to pay Costs of Issuance and other Bad Costs (based on the Approved Flow of Funds) and then any remaining amounts shall be used to pay Good Costs in the order provided hereinabove. Notwithstanding the foregoing or anything else in this Agreement to the contrary, if the Bond Owner determines it is necessary that certain Draw Request Package be instead funded from the Project Fund to satisfy the Fifty Percent Test or if it is necessary to ensure that 95% of the proceeds of the Bonds are expended on Good Costs, those Draw Request Package will be first funded from the Project Fund (in any event, it is the intent of the parties that all proceeds of the Bond will be used for the development of the Project). Further, it is agreed and acknowledged that notwithstanding the foregoing or anything herein to the contrary, on or in connection with the Bond Closing Date, \$_____ of the proceeds of the Bonds will be used for the first rental payment due under the Ground Lease. Further, provided no default is then

existing under the Partnership Agreement, if after the Initial Capital Contribution is funded and the payment of the next installment described in **Exhibit "L"** is not yet then payable under the terms of the Partnership Agreement, and has not been actually deposited in the Capital Contribution Account subject to the terms of this Agreement, and if there are then no amounts from the AHFC Loans then deposited with Bond Owner subject to the terms of this Agreement, Bond Owner shall approve Requisitions of the Construction Bond Loan as provided for in this Section and in **Sections 4.1** and **4.2**, until the next funding of the Capital Contribution described in **Exhibit "L"** is payable under the terms of the Partnership Agreement. Amounts on deposit in the Capital Contribution Account and proceeds of the AHFC Loans deposited with Bond Owner for later disbursement, and other amounts deposited in an account of Borrower located at Bond Owner shall be each disbursed subject to and upon satisfaction of the same conditions as provided for in **Sections 4.1** and **4.2**.

5.1.7 Prior to and as a condition to the Bond Owner's agreement to buy the Bonds, the Borrower shall have caused the portion of the Initial Capital Contribution set forth in **Exhibit "L"** which will be used to pay Costs of Issuance to be deposited in the Cost of Issuance Fund in accordance with the terms of the Indenture, and then any remainder of the Initial Capital Contributions shall be deposited on a draw basis in the Capital Contribution Account for disbursement in accordance with the terms of this Agreement to first pay budgeted Bad Costs which are not Costs of Issuance in accordance with the Budget and then to pay budgeted Good Costs as provided in subsection (5) above.

5.1.8 Notwithstanding any of the foregoing or anything in this Agreement (or in the Partnership Agreement) to the contrary, (i) the second Capital Contribution described in **Exhibit "L"**, when funded subject to and in accordance with the terms and conditions of the Partnership Agreement, shall be first paid to Bond Owner for deposit in the Capital Contribution Account and then shall be applied first to pay any unpaid budgeted construction items which are the subject of a pending Draw Request Package, then at least [\$_____] shall be used to pay the outstanding principal balance of the Bond Loan Note, and the remaining portion shall be used as provided for in the Partnership Agreement, (ii) the third Capital Contribution described in **Exhibit "L"**, when funded subject to and in accordance with the terms and conditions of the Partnership Agreement, if and to the extent necessary, shall be first paid to Bond Owner and applied to pay the outstanding principal balance of the Bond Loan Note to a balance of not more than \$5,300,000.00 (and interest accrued thereon) (or such lesser amount required for Lease Stabilization and in any event to pay the Bond Loan to the amount Permanent Loan Amount) and then shall be applied to fund any required reserves and as otherwise provided for in the Partnership Agreement and (iii) the fourth Capital Contribution described in **Exhibit "L"**, when funded subject to and in accordance with the terms and conditions of the Partnership Agreement, shall be used to pay any Developer Fee to the extent then payable under the Partnership Agreement. The foregoing shall not change the treatment of the payment of such

Capital Contributions as Capital Contributions from the Investor Limited Partner for purposes of the Partnership Agreement.

5.2 Construction Related Disbursements.

5.2.1 Construction Related Bond Disbursements. Subject to Bond Owner's determination that each of the applicable conditions, restrictions and limitations to a Bond Proceeds Disbursement related to construction have been satisfied (subject to any waiver or deferment thereof by Bond Owner in accordance with this Agreement), Bond Owner shall execute and consent to the associated Requisition whereby Trustee shall deposit such funds from the Project Fund into the Borrower's Construction Operating Account; provided that Bond Owner may, at any time an Event of Default, Known Unmatured Event of Default or a Material Adverse Change then exists, instruct the Trustee in writing to disburse the Bond proceeds or any portion thereof (a) directly to the General Contractor (or the Primary Subcontractor as the case may be), (b) jointly to Borrower and the General Contractor, (c) directly to contractor, subcontractor, supplier or materialman, (d) jointly to Borrower and any of said Persons or (e) to any combination of the foregoing.

5.2.2 Construction Related Disbursement; Restrictions and Limitations. In addition to and without limiting the other restrictions, limitations and conditions of Bond Owner's approval of a Requisition or of a request for disbursements of deposits of the Capital Contributions in the Capital Contribution Account and/or for a deposit of proceeds of the AHFC Loans made with Bond Owner for later disbursement, each as set forth elsewhere herein, all construction related Bond Proceeds Disbursements shall be subject to the following restrictions and limitations:

(i) **Disbursements Pursuant to Budget Only.** Construction related Requisitions on the Bonds and disbursements of deposits of the Capital Contributions in the Capital Contribution Account and of deposits of proceeds of the AHFC Loans made with Bond Owner for later disbursement, shall in case only be funded in accordance with the Budget, and Borrower shall only use such proceeds for the construction related Project Costs for which the Requisitions and disbursements were made. Except in a manner consistent with any changes thereto made in accordance with any changes in the Plans permitted under **Section 7.1.2** and clauses (b) and (c) below, Borrower will not revise, amend or otherwise modify the Budget without the prior written consent of Bond Owner, which consent shall not be unreasonably withheld, delayed or conditioned (except that it may be conditioned upon the satisfaction of any Disbursement condition with respect to such proposed change, including the balancing requirement set forth in **Section 5.2.3**). Borrower will submit any proposed revisions to the Budget requiring Bond Owner's review and approval at least ten (10) Business Days prior to the requested date of approval. Unless and until any proposed revised Budget has been approved, or otherwise

permitted under this **Section 5.2.2**, the then existing approved Budget shall control. Bond Owner shall not be required to approve any Requisition or to make any other disbursement under this **Section 5.2** with respect to (i) any work that is not a Project Cost set forth in the Budget, (ii) any requested payment or reimbursement that exceeds the actual cost of such work and (iii) any line item in the Budget, such requested payment or reimbursement when added to all prior payments and reimbursements as to such line item, would exceed the line item amount as set forth in the Budget (as such Budget may be updated from time to time pursuant hereto, including as a result of any previously permitted and/or approved change orders pursuant to **Section 7.1.2(iii)**); provided that, with respect to clauses (ii) and (iii) above, subject to taking into account any reallocation of any Line Item Cost Savings and any use of contingency pursuant to **Section 5.2.2(ii)** and/or **Section 5.2.2(iii)** respectively.

(ii) **Cost Savings; Reallocation.** In the event Borrower demonstrates to the reasonable satisfaction of Bond Owner that an actual cost savings has occurred with respect to any Budget line item, such that the full budgeted amount will not be necessary for the payment of the all of the costs and expense covered by that line item, the actual amount of such Line Item Cost Savings shall be reallocated to the contingency line item in the Budget or, subject to the reasonable approval of Bond Owner to another Budget line item or items to the extent determined appropriate by Bond Owner given any existing or increased costs with respect to such other line item or items. Notwithstanding anything to the contrary set forth elsewhere herein, no reallocation from the Interest Reserve shall be permitted.

(iii) **Contingency.** Subject to the satisfaction of the other conditions precedent to the approval of a Requisition or the making of a disbursement applicable thereto and the reasonable consent of Bond Owner, the Hard Cost contingency line item may be reallocated and used by Borrower for the payment of Hard Cost line items and the Soft Cost contingency line item may be reallocated and used by Borrower to pay for Soft Cost line items; provided that: (i) the applicable contingency line items in the Budget shall be reallocated and made available to Borrower only on a percentage of completion basis as reasonably determined by Bond Owner; (iii) without the prior consent of Bond Owner, the Hard Cost contingency shall not be reallocated to any Soft Cost line items and the Soft Cost contingency shall not be reallocated to any Hard Cost line items; and (iv) any request for reallocation and use of any contingency line item shall be set forth in the applicable Draw Request Package.

(iv) **Contractual Limitations.** Requisitions and other disbursements will be limited to amounts then due and payable (i) under the applicable Construction Contract, any Management Agreement, Project Related Document, taking into account any withholding or Retainage requirements or (ii) to the extent not the subject of a Construction Contract,

on the basis of invoices, statements or other evidence thereof reasonably acceptable to Bond Owner so long as consistent with the Budget.

(v) **Contractor Fees/Developer Fees.** Budgeted contractor fees and profit may be paid on a percentage of completion basis. Unless otherwise agreed to by Bond Owner upon request by Borrower and Borrower's showing of good cause therefor under the circumstances (which request shall be included in the Draw Request Package), no Developer Fee shall be paid prior to the issuance of the Conversion Certificate; except that so long as no Event of Default is then existing (or will result from the payment), (i) \$_____ of the Developer Fee may be paid from the Initial Capital Contribution, notwithstanding anything to the contrary provided for in the Partnership Agreement and the Development Agreement, and (ii) \$_____ may be paid upon Completion of the Improvements from the second installment of the Capital Contribution as set forth in **Exhibit "L"**, notwithstanding anything to the contrary provided for in the Partnership Agreement and the Development Agreement.

(vi) **Disbursements for Stored Materials.** In addition to the conditions set forth in **Section 4.2.6**, at no point in time, shall the aggregate amount of disbursements from the Project Fund and from deposits of the Capital Contributions for Stored Materials not yet incorporated into the Improvements exceed five percent (5%) of the total Hard Costs as set forth on the then applicable Budget.

(vii) **Frequency of Disbursements.** Borrower shall be entitled to submit no more than one (1) construction related Draw Request Package (with respect to a Requisition from the Project Fund or a disbursement of other Funding Sources on deposit with the Bond Owner) per calendar month.

(viii) **Minimum Disbursement Amount.** The minimum amount of any construction related Requisition or disbursement of any other source shall be One Hundred Thousand and No/100 Dollars (\$100,000.00) (except as to the final construction related Bond Proceeds Disbursement, which may be the lesser of One Hundred Thousand and No/100 Dollars (\$100,000.00) or the combined, remaining unfunded portion of the Bond Loan.

(ix) **Final Disbursement on Completion; General Contractor Retainage.** The final construction related Requisition and/or disbursement and payment of the Retainage to the General Contractor shall not be approved and made until Completion has occurred and the conditions to the final construction related Bond Proceeds Disbursement (and/or disbursement of the other Funding Sources) set forth in **Section 4.2.9** have been satisfied.

(x) **Punch List Items.** Bond Proceeds Disbursements for any Punch List Items remaining after Completion will be made upon completion of all such Punch List Items (and satisfaction of the other conditions to approval of the related request therefor by Borrower).

5.2.3 **Borrower's Funds.**

(i) **Loan In Balance Requirement.** An approval of a Requisition and/or a disbursement of deposits of the Capital Contributions and of deposits of proceeds of the AHFC Loans made with Bond Owner for later disbursement shall only be made at such times as the Bond Loan is In Balance. The Bond Loan will be considered "**In Balance**" only at such times as Bond Owner has determined that there are sufficient Funding Sources to pay Project Costs as and when required through Completion, pay any Punch List Items after Completion and pay interest on the Bond Loan through stabilization of the Project (to the extent provided for in the Budget). As used herein, "**Funding Sources**" means (i) the then available, remaining portion of the Bond Proceeds that has not yet been disbursed from the Project Fund for the payment of then remaining Project Costs, (ii) any undisbursed portion of the AHFC Loans, (iii) the sum of any of Borrower's Capital Contributions then on deposit in the Capital Contribution Account and any undisbursed Capital Contributions to be used for budgeted costs or to pay the Bond Loan which will be disbursed under the Partnership Agreement for budgeted items and/or the Borrower's Funds Account as applicable, (iv) any fees, credits, reimbursements or other amounts to which Borrower is entitled but has not yet received, but only to the extent included within the Budget or as otherwise reasonably accepted by Bond Owner, (v) any Balancing Deposit then held by the Bond Owner under this Section, and (vi) any Line Item Cost Savings approved by Bond Owner or which Borrower is entitled to reallocate pursuant to **Section 5.2.2(ii)**. In determining the then remaining amount of Project Costs, Bond Owner shall take into account any increases or decreases in Project Costs, operating expenses and extraordinary expenses, whether presently existing or reasonably likely to occur through Completion of the Project (and with respect to interest payments and reserves therefor, through stabilization), whether as a result of any changes in the Plans, the General Contractor's Agreement, any permitted change orders, delays or other matters which have come to the attention of Bond Owner and any changes to the Interest Rate.

(ii) **Balancing Deposits.** Within ten (10) Business Days after written notice from Bond Owner that the Bond Loan is not In Balance, which notice shall include the amount required to bring the Bond Loan back In Balance, Borrower shall deposit that amount required to bring the Bond Loan back In Balance into the Borrower's Funds Account (each, a "**Balancing Deposit**"). Any determination of Bond Owner with respect to whether the Bond Loan is In Balance shall be made in its reasonable discretion.

and, so long as no Event of Default then exists, in consultation with Borrower; provided that, for avoidance of doubt, no consent or approval by Borrower shall be required with respect to Bond Owner's determination that the Bond Loan is not In Balance, with any determination by Bond Owner that the Bond Loan is not In Balance being conclusive absent manifest error.

(iii) **Funding from Borrower's Funds Account.** Except as otherwise permitted by Bond Owner or to satisfy the Fifty Percent Test or if it is necessary to ensure that 95% of the proceeds of the Bonds are expended on Good Costs, in each instance as determined by Bond Owner, all funds on deposit in the Borrower's Funds Account (collectively, the "**Borrower's Funds**") shall be disbursed prior to any subsequent Bond Proceeds Disbursement. Disbursements of Balancing Deposits shall be subject to the same conditions as would be applicable to a Bond Proceeds Disbursement hereunder. At any time an Event of Default then exists, Bond Owner (i) may apply all or any portion of the Borrower's Funds to the payment of the Obligations in accordance with **Section 6.2.5(ii)** (subject only to any right of each Guarantor to have applied to Project Costs pursuant to the Guaranty) or to the payment of any Project Costs, (ii) may use all or any portion of the Borrower's Funds to preserve, protect or otherwise secure its Collateral and its security interest therein or (iii) may hold all or any portion of the Borrower's Funds as additional Collateral for the Bond Loan. Any Balancing Deposit shall be returned by Bond Owner to Borrower upon either (x) Repayment in Full or (y) so long as no Event of Default then exists, the Bond Loan being back In Balance, without giving effect to any Balancing Deposit.

5.3 Interest Reserve Disbursement; Disbursements for Bond Owner's Fees, Charges, Costs, Expenses or Other Amounts. Borrower hereby authorizes Bond Owner, and the Bond Owner hereby agrees, to instruct Trustee in writing to make disbursements from the applicable Fund (or related account) pursuant to this Section (without the necessity of a Requisition therefor, to the extent not required by the Indenture) for (a) the payment of interest as and when due under this Agreement from the Interest Reserve and (b) any fees, charges, costs, expenses or other amounts of Bond Owner to be paid or reimbursed by Borrower pursuant to this Agreement or any other Bond Loan Document; provided, however, that all Bond proceeds shall be spent in accordance with the requirements of the Tax Exemption Agreement. Any disbursements for fees, charges, costs, expenses or other amounts of Bond Owner to be paid or reimbursed by Borrower pursuant to this Agreement or any other Bond Loan Document shall not be made to Borrower but shall be accounted for and otherwise paid or reimbursed to Bond Owner. Such authorization is irrevocable, and no further direction or authorization shall be required for the payment of interest, fees, charges, costs, expenses or other amounts as and when due in accordance with this Section. Upon Borrower's request, Bond Owner shall provide Borrower with a statement of, together with evidence of, any interest, fees, charges, costs, expenses or other amounts disbursed pursuant to this Section, but only to the extent Bond Owner maintains such statements or evidence in the ordinary course of administering the Bond Loan. If funds are not available from the

Interest Reserve or otherwise to pay such interest, fees, charges, costs, expenses or other amounts as and when due under this Agreement in accordance with this Section, Borrower shall timely pay such interest, fees, charges, costs, expenses or other amounts from its own funds. Nothing in this provision shall prevent Borrower from paying interest, fees, charges, costs, expenses or other amounts on the Bond Loan from its own funds prior to depletion of the Interest Reserve or any other applicable line item of the Budget. To the extent Borrower's Funds have been previously deposited with Bond Owner in accordance with **Section 5.2.3**, and such Borrower's Funds have been allocated for the payment of such interest, fees, charges, costs, expenses or other amounts, then such Borrower's Funds shall be disbursed prior to any disbursement of Loan proceeds pursuant to this **Section 5.3**. Notwithstanding anything to the contrary set forth above, unless directed by Bond Owner to do so following Borrower's failure to pay the same, Bond Owner shall not be required to cause to be paid from Bond Loan proceeds on deposit with Trustee from the Interest Reserve or fees, charges, costs, expenses or other amounts of Bond Owner to be paid or reimbursed by Borrower pursuant to this Agreement or any other Bond Loan Document if and to the extent there is sufficient net operating income being generated by the Project to pay such amounts. Without limiting the foregoing, provided no Event of Default is then continuing, and without changing the requirements to convert to the Permanent Term, any unfunded portion of the interest reserve (or cost savings in any other Budget line item) may be disbursed pursuant to a Requisition therefor up to the day before the Permanent Term Commencement Deadline on terms and in a manner satisfactory to the Bond Owner.

5.4 Protective Advances. Borrower hereby authorizes Bond Owner to make Protective Advances in accordance with this **Section 5.4**. In addition, Bond Owner may make Protective Advances as determined to be appropriate by Bond Owner. Bond Owner shall make the Protective Advances directly to such third parties and for such matters which are the subject thereof; provided that, so long as no Event of Default then exists, Bond Owner shall give Borrower no less than ten (10) Business Days prior written notice (unless a different notice period is specifically provided for with respect to any such Protective Advance in which case such notice period will apply) of its intent to make such Protective Advance and will only make such Protective Advance if Borrower has failed to provide satisfactory evidence to Bond Owner that the amounts or matters which are the subject of that proposed Protective Advance have been paid and otherwise satisfied in full. If, however, Bond Owner has reasonably determined that such notice is not practical under the circumstances, Bond Owner may give such shorter notice and opportunity to pay to Borrower as Bond Owner reasonably determines appropriate. At any time an Event of Default is then existing, no notice to Borrower or any other Person shall be required with respect to the making of, or the intent to make, any Protective Advance. Borrower shall reimburse Bond Owner, on demand, for all Protective Advances, together with interest accruing thereon at the then applicable rate on which interest is accruing under the Bond Loan Note. All Protective Advances shall be secured by the Bond Loan Mortgage.

5.5 Renewal Option. The Permanent Term Commencement Deadline may be extended on a one time basis for up to six (6) calendar months from September 1, 2028, to March 1, 2028, provided that each of the following conditions have been fully,

completely, and timely satisfied or waived in writing by Bond Owner on or before September 1, 2029 (for purposes of clarity, the extension of the Permanent Term Commencement Deadline pursuant to this Section shall not have any effect on the Amortization Period Commencement Date and amortization schedule attached as Exhibit A-1 hereto and the Bond Loan shall continue to be due and payable as provided in **Section 6.2** hereof notwithstanding such extension):

(a) At least thirty (30) days prior to September 1, 2028, Borrower shall have notified Bond Owner in writing that it requests an extension of the Permanent Term Commencement Deadline for six calendar months until March 1, 2029;

(b) Substantial Completion of the Improvements shall have occurred (as evidenced by a temporary certificate of occupancy and a certificate of substantial completion from the Architect and concurred to by Bond Owner's construction consultant);

(c) The Project shall be in full compliance with all applicable Placed in Service requirements;

(d) No event which materially limits, reduces, or impairs the Low-Income Housing Tax Credit for the Project shall have occurred, and Borrower shall otherwise be in compliance with all then applicable requirements of law relating to the Low-Income Housing Tax Credit for the Project;

(e) The Bond Owner shall have received and approved evidence each of the AHFC Loans shall each be in full force and effect and no party shall be in default thereunder and any deadline for converting to a permanent phase shall have been extended to at least March 1, 2029;

(f) The Project must demonstrate the ability to achieve Lease Stabilization and to have all Capital Contributions and the AHFC Loans payable through and including stabilization/conversion to be paid by the Permanent Term Commencement Deadline (as extended in accordance with this Section);

(g) Borrower shall have delivered, at its sole cost and expense, all extension and other agreements, instruments, amendments, title insurance endorsements, and modifications required by Bond Owner in its reasonable discretion to effect such renewal and extension (which extension agreement will provide for, among other things, that interest shall continue to accrue on the Bond Loan Note at the applicable rate provided for in the Bond Loan Note, and the Bond Loan Note shall continue to be payable as provided for in this Agreement and the Bond Loan Note);

(h) Borrower shall have reimbursed Bond Owner, Issuer, and Trustee for all of their reasonable costs and expenses (including reasonable attorney's fees) relating to the preparation of the modification agreements for the Bond Loan extending the Permanent Term Commencement Deadline to March 1, 2029;

(i) The interest reserve for the Bond Loan shall be adequate for the renewal term as reasonably determined by Bond Owner, or Bond Owner shall have determined the projected Project Net Operating Income from the Project during the renewal term will be sufficient to pay estimated interest and fees on the Bond Loan Note during the renewal term;

(j) As independent consideration for the extension, Borrower shall have paid to Bond Owner an extension fee equal to 0.25% of the combined aggregate outstanding principal balance of the Bond Loan Note existing on the date the extension term commences, plus the amount of any unfunded commitment under the Bond Loan;

(k) If required by Bond Owner, a current Appraisal reflecting a Loan-to-Value Ratio of at least 80%;

(l) No Material Adverse Change shall exist with respect to Borrower, Guarantor, or the Project;

(m) No Unmatured Event of Default or Event of Default shall be then existing; and

(n) The Bond Loan shall then be in balance as required by this Agreement and all installments of the Capital Contribution and advances of the AHFC Loans then payable as provided in the Approved Flow of Funds shall have been funded as set forth in this Agreement.

5.6 Disbursements. Notwithstanding the foregoing or anything contained herein to the contrary, Bond Owner may, in its sole and absolute discretion, elect to use the Built online Construction Bond Loan platform ("**Built Platform**") as the exclusive method for Borrower's submission of Draw Request Packages. Borrower shall be responsible for any and all fees and costs arising from the Built Platform attributable to the Bond Loan. Borrower shall solely be responsible for the creation of an account on the Built Platform for Disbursements. In the event Bond Owner incurs any fees from the Built Platform directly related to the Bond Loan in connection with the Borrower's use thereof, Borrower shall reimburse Bond Owner for the same within fifteen (15) days of Bond Owner's written request. If Borrower does not reimburse Bond Owner within such fifteen (15) day period, Bond Owner may authorize disbursement of such amounts from

the Bond Loan on Borrower's behalf to Bond Owner to reimburse Bond Owner for such fees.

5.7 Recourse.

5.7.1 Construction Term. During the Construction Term, the Bond Loan shall be a full recourse obligation of the Borrower.

5.7.2 Permanent Term. During the Permanent Term, except as otherwise provided in this **Section 5.7**, the Bond Loan shall be nonrecourse to Borrower and its partners, and Borrower and its partners shall have no personal liability under the Bond Loan Note, this Agreement, the Bond Loan Mortgage, or any Bond Loan Document for the repayment of the Bond Loan Note and other Bond Loan Documents, and Bond Owner's only recourse for the satisfaction of the Bond Loan Note, and the other Obligations the performance of such obligations during the Permanent Term shall be Bond Owner's exercise of its rights and remedies with respect to the Collateral.

5.7.3 Permanent Loan Liability. Notwithstanding anything to the contrary in **Section 5.7.2** above, during the Permanent Term, Borrower shall be personally liable to the Bond Owner for the repayment of loss relating to the following:

(i) fraud, material misrepresentation or failure to disclose a material fact by Borrower or any of its principals, officers, or members, any indemnitor, or any agent, employee or other person authorized to make statements, representations or disclosures on behalf of such persons;

(ii) waste, in any material respect, committed on the Collateral by, or damage, in any material respect, to the Collateral as a result of the intentional misconduct or gross negligence of, Borrower or any of its principals, officers, partners or members, or any agent or employee of such persons, or any removal of the Collateral in violation of the terms of the Bond Loan Documents, to the full extent of the losses or damages incurred by Bond Owner and/or Bond Owner on account of such occurrence;

(iii) failure to pay property or other taxes, assessments or charges and/or failure to procure and maintain the insurance policies for the Collateral required by the Bond Loan Documents (other than amounts paid to Bond Owner or Bond Owner for taxes, assessments or charges and/or insurance premiums pursuant to an impound account and where Bond Owner elects not to apply such funds toward payment of the taxes, assessments or charges and/or insurance premiums owed) which may create liens senior to the lien of the Bond Loan Mortgage on all or any portion of the Collateral;

(iv) failure to maintain insurance as required by this Agreement, the Bond Loan Documents or deliver any insurance or condemnation

proceeds or awards or, to the extent required within the Bond Loan Documents, any security deposits received by Borrower to Bond Owner or to otherwise apply such sums as required under the terms of this Agreement, the Bond Loan Documents, or any other instrument now or hereafter securing the Bond Loan Note;

(v) willful misappropriation or misapplication of any funds from any account pledged by Borrower to Bond Owner under the Bond Loan Documents;

(vi) gross negligence, willful misconduct or criminal acts perpetrated by Borrower resulting in the forfeiture, seizure, loss or diminution in value of all or any portion of the Collateral;

(vii) failure to apply any rents (including without limitation any rents and other lease payments received more than one (1) month in advance), royalties, accounts, revenues, income, issues, profits, sums received in consideration of any surrender or termination of any lease (or the release or discharge of any tenant thereunder) or material modification of any lease on the Collateral, and other benefits from the Collateral which are collected or received by Borrower (A) as required under the terms of the Bond Loan Documents or any other instrument now or hereafter securing the Bond Loan for the payment of the ordinary and necessary expenses of owning and operating the Collateral or paid to Bond Owner, or (B) either during the period of any Event of Default, or after the occurrence of any event which with the giving of notice or the passage of time, or both, would constitute a Default, or after acceleration of the indebtedness and other sums owing under the Bond Loan Documents, only to the payment of either such indebtedness or other sums, or the normal and necessary operating expenses of the Collateral;

(viii) failure by Borrower to comply with the single-purpose entity requirements, if any, set forth in the Bond Loan Documents;

(ix) failure of Borrower to satisfy any of its indemnification obligations under the Bond Loan Documents; and

(x) breach by Borrower, or any failure of Borrower, to comply with, the representations, warranties and covenants set forth in this Agreement relating to prohibited or illegal activities, regardless of whether such breach or failure results in the forfeiture, seizure, loss of all or any portion of the Collateral or the Issuer's security interest therein.

In addition to the foregoing, Borrower agrees to pay to Bond Owner (all fees and other collection costs (including without limitation attorneys' fees and/or expert witness fees) reasonably incurred by Bond Owner in any legal or equitable, judicial or non-judicial, action or proceeding (including without limitation any arbitration,

mediation, and/or any other alternative dispute resolution proceeding to enforce or defend any provisions of the foregoing (including attorneys' fees and costs reasonably incurred in any appeal proceedings or in any bankruptcy proceedings involving Borrower and/or any indemnitor or Borrower under any indemnity or guaranty to enforce the provisions of the foregoing), together with interest thereon from the date of such demand until paid at the rate of interest then applicable to the principal balance of the Bond Loan Note

Notwithstanding the foregoing limitation on the amount of the recourse nature of the Bond Loan shall become null and void and the Bond Loan shall be without limitation as provided for in **Sections 5.7.2** and **5.7.3** above upon the occurrence of any of the following:

(xi) After Bond Owner is entitled to pursue its rights and remedies pursuant to the terms and conditions of the Bond Loan Documents, and Applicable Law, Borrower or a Guarantor contests or in any way interferes with, directly or indirectly, any foreclosure action, UCC sale and/or deed in lieu of foreclosure transaction commenced by Bond Owner in accordance with Applicable Law or with any other enforcement of Bond Owner's rights (in accordance with applicable law), powers or remedies under the Bond Loan Documents or under any document evidencing, securing, or otherwise relating to any of the collateral (whether by making any motion, bringing any counterclaim, claiming any defense, seeking any injunction or other restraint, commencing any action, seeking to consolidate any such foreclosure or other enforcement with any other action, or otherwise); or

(xii) Borrower or any general partner of Borrower makes an assignment for the benefit of creditors, or admits in any legal proceeding, its insolvency or inability to pay its debts as they become due; or

(xiii) Any affiliate, officer, director, or representative which Controls Borrower or which Controls any general partner of Borrower or Borrower consents to or acquiesces in or joins in an application for the appointment of a custodian, receiver, trustee, or examiner for Borrower, any general partner of Borrower or any portion of the Collateral except, if such custodian, receiver or trustee is appointed by Bond Owner; or

(xiv) Borrower shall voluntarily file or commence a petition, case or application for any bankruptcy, reorganization, dissolution or other relief for Borrower under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors; or

(xv) The filing of an involuntary petition against Borrower under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, unless it is dismissed within sixty (60) days of the filing thereof; or

(xvi) The filing of an involuntary petition by Bond Owner against Borrower under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors following the filing by Borrower of a voluntary petition under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, where Borrower or any Borrower files any motion contesting such petition filed by Bond Owner or Bond Owner; or

(xvii) The filing of an involuntary petition against under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors by any other party in which Borrower colludes with or otherwise assists such party, and/or Borrower solicits or causes to be solicited petitioning creditors for any involuntary petition against Borrower by any party; or

(xviii) Borrower files an answer consenting to, or otherwise acquiescing in, or joining in, any involuntary petition filed against it by any other Person under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors; or

(xix) There is substantive consolidation of Borrower or any general partner of: Borrower with any other person or entity in connection with any federal or state bankruptcy proceeding; or

(xx) The existence of an Event of Default resulting from a property transfer or equity transfer prohibited under the terms of this Agreement or any other Bond Loan Documents , including, without limitation, any transfer of the Collateral or any part thereof shall occur without the prior written consent of Bond Owner; or

(xxi) Borrower shall (1) incur any debt, secured or unsecured, direct or indirect, absolute or contingent (including guaranteeing any obligation), other than the Bond Loan Note or trade debt incurred in the ordinary course of Borrower's business which shall be paid in accordance with terms of the Bond Loan Documents, or (2) permit the transfer, encumbrance, hypothecation or pledge of any of the membership, partnership or other ownership interests of Borrower in violation of the terms of the this Agreement or any of the other Bond Loan Documents.

5.8 AHFC Loan. As a condition to the Bond Owner's purchasing the Bonds and of Issuer's making of the Bond Loan, the Bond Owner shall have received and approved evidence that each AHFC Loan has closed on terms acceptable to the Bond Owner, and the Bond Owner shall have received and approved a fully executed original counterpart of an Intercreditor Agreement for each AHFC Loan, together with copies of the AHFC Loan Documents. Without limiting and subject to the other terms and provisions of this Agreement, the AHFC Loans will be fully funded based on the Approved

Flow of Funds, and in any event, no proceeds of the Bond Loan will be disbursed from the Project Fund after the Closing Date unless and until all of such proceeds of the AHFC Loans (being 90% of the combined amount of the AHFC Loans) have first been fully funded and used to pay budgeted items, and, to the extent not used on the Closing Date to pay closing costs or to pay budgeted costs then due, those proceeds from fundings of the AHFC Loans not immediately funded to and used by Borrower to pay budgeted items shall be deposited in separate blocked interest bearing account of the Borrower located at Bond Owner for later disbursement in connection with a Requisition made under the terms of this Agreement. Borrower shall provide the Bond Owner with invoices, receipts, purchase orders, or other evidence of the budgeted items paid with the proceeds of the AHFC Loans (including if used for predevelopment costs incurred and paid prior to the Bond Closing Date. At Borrower's request, Bond Owner has provided bridge financing as a disbursement of proceeds of the Bond Loan from the Project Fund with respect to the aforementioned 10% holdback of the AHFC Loan, and when such holdback is funded, the proceeds will be paid to the Bond Owner for application to the Bond Loan Note.

ARTICLE 6 INTEREST; PAYMENTS; MATURITY DATE YIELD PROTECTION

6.1 Bond Loan Interest Rate and Related Terms.

6.1.1 Bond Loan Interest Rate.

(i) **Interest Rate.** Subject only to **Sections 6.1.1(ii)** and **(iii)** and **Section 6.1.3**, interest shall accrue and be payable on the outstanding principal Bond Loan balance at that rate per annum which is equal to the Interest Rate, as calculated by Bond Owner as of each Interest Rate Determination Date and taking effect as of the Bond Closing Date.

(ii) **Unavailability of SOFR.** If Bond Owner determines on or before any Interest Rate Determination Date that the Daily Simple SOFR is unavailable, will become unavailable prior to the next Daily Simple SOFR Determination Date or that it is, or will be as of the next Daily Simple SOFR Determination Date, unlawful to use the Daily Simple SOFR (each a "**SOFR Unavailability Event**") because the Daily Simple SOFR (i) has been or imminently will be discontinued, (ii) is no longer an industry-accepted reference rate for loans of a similar type to the Bond Loan and/or has been superseded by an alternative reference rate, or (iii) is no longer representative or may not be used pursuant to a public statement by the administrator of the Daily Simple SOFR or other regulatory authority (e.g., the Federal Reserve), in each case with respect to any type of loan or transaction, then Bond Owner (in consultation with Borrower so long as no Event of Default or Known Unmatured Event of Default then exists but without any requirement of obtaining the consent of Borrower with respect thereto) may select an alternative reference rate to be used in lieu of the Daily Simple SOFR (the "**Pre-Substitute Rate**"), which may reflect

adjustments to the related spread or margin to the extent Bond Owner has determined necessary to reflect the economics of the Pre-Substitute Rate (collectively, the “**Substitute Index Rate**”) and may result in modifications to certain interest related definitions and provisions to the extent necessary to give effect to and implement such Substitute Index Rate, including without limitation, the definitions of Business Day, Daily Simple SOFR Determination Date and Daily Simple SOFR Rate Day, all of which Bond Owner is hereby authorized to make and to which Borrower will be bound so long as done in accordance with this Section. Borrower acknowledges that the discontinuation or unavailability of the Daily Simple SOFR is a future event over which no party hereto has influence but which will necessarily affect the Pre-Substitute Rate. Accordingly, Bond Owner shall use reasonable efforts to select a Substitute Index Rate that Bond Owner in good faith believes is a practical means of preserving the parties’ intent relative to the economics of the Pre-Substitute Rate and Bond Owner shall consider to what extent and the manner in which industry-accepted substitutes for the Interest Rate have been established, with Borrower acknowledging that different Substitute Index Rates may be selected for different types of loans and transactions. Notwithstanding the foregoing, the parties acknowledge that, initially and/or over time, the Substitute Index Rate will differ from the Pre-Substitute Rate. In selecting the Substitute Index Rate, Bond Owner shall consider to what extent and the manner in which industry-accepted substitutes for the Daily Simple SOFR have been established, and the parties acknowledge that different Substitute Index Rates may be selected for different types of loans and transactions. Borrower agrees that Bond Owner shall not be liable in any manner for its selection of a Substitute Index Rate, provided that Bond Owner makes such selection in good faith in accordance herewith. The Substitute Index Rate shall be used in lieu of the Pre-Substitute Rate, and all references in this Agreement and the Bond Loan Note to the Pre-Substitute Rate shall be deemed to refer to the Substitute Index Rate, effective as of the date specified by Bond Owner in a written notice given by Bond Owner to Borrower. To the extent practical, Bond Owner shall endeavor to provide Borrower at least ten (10) Business Days’ notice prior to such effective date. The Substitute Index Rate shall remain in effect from the effective date set forth in such notice until Maturity Date, as such may be extended, unless such an instance occurs where the Substitute Index Rate is no longer available, in which case the provisions of this Section will again apply for purposes of replacing the Substitute Index Rate. Notwithstanding anything herein to the contrary, to the extent the Hedge Transaction Documents are still in force and effect, Bond Owner shall select a Substitute Index Rate that matches the floating rate under the Hedge Transaction Documents.

(iii) **Late Charge.** If any monthly amount payable under the Bond Loan Note or under the Bond Loan Mortgage or any other Bond Loan Document is not received by Bond Owner (i) within fifteen (15) days after the scheduled due date, Borrower shall pay to Bond Owner, promptly and

without demand by the Bond Owner, Issuer, Trustee, or Bond Owner, a late charge equal to five percent (5%) of such amount. Borrower acknowledges that its failure to make timely payments will cause Bond Owner to incur additional expenses in servicing and processing the Indebtedness, and that it is extremely difficult and impractical to determine those additional expenses. Borrower agrees that the late charge payable pursuant to this subsection represents a fair and reasonable estimate, taking into account all circumstances existing on the date of this Agreement, of the additional expenses the Bond Owner, Bond Owner, Issuer, or Trustee, will incur by reason of such late payment. This late charge is in addition to, and not in lieu of, any other remedy Bond Owner may have and is in addition to any default interest, fees, charges and other costs which Bond Owner may be entitled to as a result of such failure to pay or any then existing Event of Default.

(iv) **Default Rate.** At any time an Event of Default has occurred and is continuing, interest shall accrue and be payable on the outstanding principal balance at the of the Bond Loan at the Default Rate with respect to the occurrence of an Event of Default (i) under **Section 8.1.1** or **Section 8.1.9(i), (iv) or (v)** and (ii) with respect to the occurrence of any other Event of Default not described in the above clause (i), interest shall accrue on the outstanding principal balance of the Bond Loan at the Default Rate immediately upon the election of Bond Owner. In addition to and without limitation of the above, Bond Owner may (but without any obligation to do so) further waive, defer or otherwise reduce the imposition of the Default Rate Spread and any amounts which may accrue, or may have accrued, at the Default Rate. Except to the extent prohibited by Applicable Law, from and after any judgment obtained by Bond Owner with respect to the Obligations, interest shall accrue and be payable on that judgment at that rate which is the greater of the applicable statutory post-judgment rate of interest or the Default Rate. When the interest rate has been increased due to the Default Rate, Bond Owner may invoice Borrower for a single amount of accrued interest that represents the sum of both (i) accrual under the interest rate applicable in the absence of default ("ordinary interest"), and (ii) additional accrual resulting from the default and interest rate increase ("default interest"). Alternatively, in Bond Owner's sole discretion, Bond Owner's invoice may identify the ordinary interest and default interest as separate amounts. Bond Owner's invoice may caption default interest as "**Late Charges**" or the like but said amount shall in all respects constitute interest.

6.1.2 **Calculation.** The Interest Rate will be adjusted from time to time on each Interest Rate Determination Date (other than in connection with the Substitute Index Rate which may be determined by Bond Owner on a different date (as specified in **Section 6.1.1** above). It is understood and accepted by Borrower that Bond Owner may use different, lower and better index rates and rates of interest with respect to other customers and Borrower waives any claims that could

arise as a result thereof. All interest hereunder shall be computed on a 365/360 basis and shall be payable for the actual number of days elapsed. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Agreement is computed using this method. This calculation method results in a higher effective interest rate than the numeric interest rate stated in this Agreement. All determinations and calculations by Bond Owner under this **Section 6.1** shall be conclusive absent manifest error.

6.1.3 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the applicable Interest Rate, together with any fees, charges and other amounts which are required by Applicable Law, court order or judgment to be treated as interest (collectively, the “**Deemed Effective Rate**”), shall exceed the Maximum Rate, then the rate of interest payable with respect thereto, together with all such fees, charges and other amounts which were required to be treated as interest, shall be limited to the Maximum Rate and, to the extent any payments were made at a Deemed Effective Rate in excess of the Maximum Rate (collectively, the “**Excess Amounts**”), such Excess Amounts will be credited against future interest payments at the applicable Interest Rate (but not to exceed the Maximum Rate). Borrower hereby agrees that the foregoing remedy is fair and reasonable and, to the fullest extent permitted by Applicable Law, waives any right to demand or otherwise seek return of any Excess Amounts except to the extent Repayment in Full has previously occurred and further waives any right to seek compensatory, punitive or special damages with respect to the charging of any such Excess Amounts by Bond Owner.

6.2 Bond Loan Payments.

6.2.1 Monthly Payments.

(i) **Pre-Amortization Period Commencement Date Payments.** Commencing as of the first Payment Date (as set forth in the definition of Payment Date) and continuing on each Payment Date thereafter until and including the Amortization Period Commencement Date, Borrower shall be required to make monthly payments of interest on the outstanding principal balance of the Bond Loan, with interest payable in arrears (which payments will be made from the Interest Reserve to the extent available in accordance with **Section 5.3**).

(ii) **Post-Amortization Period Commencement Date Payments.** Beginning on the first day of the calendar month following the Amortization Period Commencement Date and continuing on the first day of each succeeding calendar month thereafter through but not including the Maturity Date, Borrower shall make principal payments on the dates and in the amounts indicated on Exhibit A-1, attached hereto and hereby incorporated herein (being the same schedule as the sinking fund schedule

attached to the Indenture), plus accrued interest which is subject to changes resulting from changes in SOFR. Any regularly scheduled monthly installment of principal and interest that is received by Bond Owner before the date it is due shall be deemed to have been received on the due date solely for the purpose of calculating interest due; and

(iii) **Maturity.** The entire unpaid principal sum of the Bond Loan Note and all interest accrued and unpaid thereon shall be fully and finally due and payable on the Maturity Date (or earlier redemption of the Bonds).

6.2.2 Payments of Protective Advances. Upon the approval of a Requisition by Bond Owner of any Protective Advance in accordance with **Section 5.4** of this Agreement or any other Bond Loan Document, such Protective Advance shall be added to the principal balance of the Bond Loan as of the date of such Protective Advance and interest shall accrue thereon at the applicable interest rate set forth in **Section 6.1** until repaid. Borrower shall, within ten (10) days written demand therefor by Bond Owner, pay to Bond Owner an amount equal to such Protective Advance, together with accrued interest and Bond Owner's costs and expenses incurred in connection therewith. Such Protective Advances, costs and expenses shall be secured by the Collateral.

6.2.3 Payment of Fees, Charges, Costs, Expenses and Other Amounts. Borrower agrees to pay to Bond Owner, for its own account, fees payable as and when due in accordance with the Bond Owner Fee Letter. With respect to any other fees, charges, costs, expenses or other amounts for which Borrower is obligated hereunder or in any other Bond Loan Document (whether to Bond Owner) to the extent no time period within which such amounts are required to be paid or reimbursed by Borrower is otherwise provided for in this Agreement or any other Bond Loan Document, such payment or reimbursement shall be made within ten (10) days of written demand therefor by Bond Owner.

6.2.4 Prepayments. Borrower shall have the right at any time and from time to time to prepay the Bond Loan in whole or in part without prepayment fee, premium or penalty; provided that (a) Borrower shall notify Bond Owner of any prepayment hereunder at least three (3) Business Days before the date of prepayment and shall specify the prepayment date and the principal amount to be prepaid, (b) such prepayment of principal shall be accompanied by accrued interest on the amount prepaid and any outstanding fees, costs or other amounts due and owing Bond Owner, including any breakage costs and fees to which Bond Owner may be subject as a result of such prepayment, including any breakage fees and costs related to any interest rate contracts which Bond Owner has obtained and is required to be broken as a result of such prepayment and (c) any amounts pre-paid may not be re-borrowed. Any such notice of prepayment may be revocable by written notice from Borrower to Bond Owner but Borrower shall be responsible for any actual, out-of-pocket expenses, costs or charges incurred by Bond Owner as a result of such revocation of such prepayment notice (or failure to prepay pursuant to such prepayment notice).

6.2.5 **Payments Generally.**

(i) **Payments Generally.** Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or fees, or of any other amounts payable) prior to 11:00 a.m. on the date when due, in immediately available funds, without set off or counterclaim. Any amounts received after such time on any date may, in the discretion of Bond Owner, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to Bond Owner (on behalf of the Issuer and the Trustee) care of its Commercial Loan Servicing Department, TH-A007-1962, P.O. Box 3029, Houston, Texas 77253-3029, which payments may be made by wire or ACH pursuant to instructions provided by Bond Owner to Borrower, except that payments required to be made directly to any other Person pursuant to **Section 6.4** shall be made directly to such Persons entitled thereto. Bond Owner shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in U.S. Dollars.

(ii) **Application of Payments.** Except as otherwise provided in **Section 4.3** (Conditions to Conversion), all payments received by Bond Owner with respect to the Bond Loan, whether from Borrower, a Guarantor, or the Collateral, including any scheduled principal payments, any scheduled interest payments, any application of condemnation and/or insurance proceeds, any prepayments of principal, any proceeds from the foreclosure or sale of the Collateral and any net operating income from the Collateral during any period it is owned by Bond Owner (collectively, “**Payments**”) shall be apportioned and applied as follows: first, to pay any fees, indemnities, costs, expenses and reimbursements then due to Bond Owner under the Bond Loan Documents, including pursuant to the Bond Owner Fee Letter; second, to pay any fees, costs, expenses and reimbursements then due under the Bond Loan Documents (except as provided for in **Section 6.2.1**); third, to pay any interest and late charges then due under the Bond Loan Documents; fourth, to repay any Protective Advances approved by Bond Owner in accordance with the terms of this Agreement; fifth, (Reserved); sixth, to pay any principal payments then due under the Bond Loan Documents; seventh, to pay any then due Hedging Transaction Obligations; eighth, (Reserved); ninth, to prepay principal then outstanding under the Bond Loan Documents; tenth, to pay any remaining Hedging Transaction Obligations as a result of any default thereunder or termination thereof and otherwise to cause Repayment in Full to occur; eleventh, to the extent the Project is no longer owned by Borrower and title thereto has been transferred to another Person as a result of the exercise

of the rights and remedies of Bond Owner under the Bond Loan Documents, to fullest extent permitted by Applicable Law, so long as the title to the Project has not been transferred to another Person as a result of the exercise of the rights and remedies of Bond Owner under the Bond Loan Documents, to Borrower and/or any other Person legally entitled thereto pursuant to Applicable Law. Payments made on the Bond Loan will in any event be applied first to unpaid and accrued interest on the Bond Loan Note, then to principal then due on the Bond Loan Note.

(iii) **(Reserved).**

(iv) **No Set-Off.** All Obligations shall be paid by Borrower without notice or demand (except for such notice or demand as may be expressly required hereunder or under the other Bond Loan Documents), counterclaim, setoff, deduction or defense and without abatement, suspension, deferment, diminution or reduction, and the Obligations shall in no way be released, discharged or otherwise affected (except as expressly provided herein) by reason of: (i) any damage to or destruction of or any Taking of the Project or any part thereof; (ii) any restriction or prevention of, or interference by any Person with, any use of the Project or any portion thereof; (iii) any title defect or encumbrance or any eviction from the Project or any part thereof by title paramount or otherwise; (iv) any bankruptcy, insolvency, reorganization, composition, adjustment, Dissolution or other like proceeding relating to Bond Owner, or any action taken with respect to this Agreement by any trustee or receiver of Bond Owner, or by any court, in any such proceeding; (v) any claim that Borrower has or might have against Bond Owner; (vi) any default or failure on the part of Bond Owner to perform or comply with any of the terms of the Bond Loan Documents or of any other agreement with Borrower; or (vii) any other occurrence whatsoever, whether similar or dissimilar to the foregoing; in each case, whether or not Borrower shall have notice or knowledge of any of the foregoing. Borrower waives to the fullest extent permitted by Applicable Law (A) all rights now or hereafter conferred by statute or otherwise to any abatement, suspension, deferment, diminution or reduction of any payment required to be paid as and when due under the Bond Loan Documents and (B) any offset, cross-demand or affirmative defense rights or benefits which Borrower may have otherwise had under applicable law with respect to the payment in full of any and all payments as and when required to be paid under the Bond Loan Documents.

(v) **Evidence of Indebtedness; Interest and Payments.** The Bond Loan Note and the other Bond Loan Documents and shall bear interest calculated and payable as provided by this **Article 6**. Bond Owner shall maintain in accordance with its usual practice an account or accounts evidencing the Obligations of Borrower to Bond Owner, including the date and amount of each Bond Proceeds Disbursement and amounts of principal, interest, fees, costs, expenses and other charges payable and

paid to Bond Owner from time to time hereunder. Absent manifest error, the entries maintained in the accounts maintained by Bond Owner shall be final and conclusive proof of the amounts of, and of other information regarding, the Obligations therein recorded; provided, however, that the failure of Bond Owner to maintain such accounts, or any error therein, shall not in any manner affect the obligation of Borrower to repay the Obligations in accordance with their terms.

(vi) **Acknowledgment of Reasonableness of Additional Rates and Charges as Liquidated Damages; No Waiver.** Borrower hereby acknowledges and agrees that (i) the failure to pay as and when due under this Agreement, the Bond Loan Note, or any other Bond Loan Documents (after giving effect to any applicable notice and cure periods) or the occurrence of any Event of Default will result in Bond Owner and Trustee and Issuer incurring additional costs and expenses with respect to the maintenance, administration and reservations against the Bond Loan, including in servicing and administering the Bond Loan, meeting their respective financial obligations and in the loss of the use of the money due, (ii) Bond Owner is entitled to damages as a result thereof and (iii) that it would be extremely difficult and impractical to ascertain the extent of such damages, (iv) the imposition of the late charges, any compounding of interest and the increase of the interest rate to the Default Rate on the terms and conditions set forth herein are, individually and collectively, reasonably related to and a reasonable estimate of said damages to Bond and Bond Owner and (v) constitute liquidated damages which are reasonable, valid and enforceable under Applicable Law, with Borrower hereby unconditionally and irrevocably waiving any right to claim to the contrary. The imposition of such late charges, any compounding of interest and the increase of the interest rate to the Default Rate are in addition to separate from and without limitation of all other fees, costs and expenses to which Bond Owner may be entitled under the Bond Loan Documents, including **Section 10.4.2**. The imposition of, the payment by Borrower of, or any acceptance of by Bond Owner of, any late charge, prepayment charge, compounding of interest or imposition of the Default Rate shall not constitute a waiver, forbearance or forgiveness of any Event of Default, an extension of any kind, including any as to any required payment date or the Maturity Date, nor shall it constitute an amendment or modification of any provision contained in herein or in any other Bond Loan Document.

6.3 [RESERVED].

6.4 Yield Protection.

6.4.1 Increased Costs.

(i) **Increased Costs Generally.** If any Change in Law shall:
(i) impose, modify or deem applicable any reserve, special deposit,

compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, Bond Owner; (ii) subject Bond Owner to any Indemnified Taxes; or (iii) impose on Bond Owner any other condition, cost or expense (other than Taxes) affecting this Agreement or any Bond Proceeds Disbursement or portion of the Bond Loan made by Bond Owner; and the result of any of the foregoing shall be to increase the cost to Bond Owner of making, converting to, continuing or maintaining its ownership of the Bond or of maintaining its obligation to continue to hold its Bond, or to reduce the amount of any sum received or receivable by Bond Owner, whether of principal, interest or any other amount, then, upon request of Bond Owner, Borrower will pay to Bond Owner such additional amount or amounts as will compensate Bond Owner for those additional costs incurred or reduction suffered.

(ii) **Capital Requirements.** If Bond Owner determines that any Change in Law affecting Bond Owner or any lending office of Bond Owner or Bond Owner's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on Bond Owner's capital or on the capital of Bond Owner's holding company, if any, as a consequence of this Agreement, the commitments of Bond Owner or Bond Owner's ownership of its Bond, to a level below that which Bond Owner or Bond Owner's holding company could have achieved but for such Change in Law (taking into consideration Bond Owner's policies and the policies of Bond Owner's holding company with respect to capital adequacy), and Bond Owner gives notice to Bond Owner of such determination, then, upon Bond Owner's requirement therefor, Borrower will pay to Bond Owner such additional amount or amounts as will compensate Bond Owner or Bond Owner's holding company for any such reduction suffered.

(iii) **Certificates for Reimbursement.** A certificate of Bond Owner setting forth the amount or amounts necessary to compensate Bond Owner or its holding company, as specified in above clauses (a) or (b) of this Section and delivered to Borrower, with copy to Bond Owner, shall be conclusive absent manifest error. Borrower shall pay to Bond Owner, the amount shown as due on any such certificate within ten (10) Business Days after receipt thereof.

(iv) **Delay in Requests.** Failure or delay on the part of Bond Owner to demand compensation pursuant to this Section shall not constitute a waiver of Bond Owner's right to demand such compensation; provided that Borrower shall not be required to compensate Bond Owner pursuant to this Section for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that Bond Owner notifies Borrower of the Change in Law giving rise to such increased costs or reductions, and of Bond Owner's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or

reductions is retroactive, then the nine (9) month period referred to above shall be extended to include the period of retroactive effect thereof).

6.4.2 **Taxes.**

(i) **Payment of Taxes on Project.** Without limiting any other term or provision of this Agreement, Borrower shall pay and discharge before past due all of its indebtedness and obligations, assessments, taxes, governmental charges, levies and liens imposed upon Borrower or its assets, prior to the date on which penalties would attach, and all lawful claims that, if unpaid, might become a lien or charge upon any of Borrower's assets. Borrower shall provide, on demand of the Bond Owner, evidence of payment of all taxes and assessments, or satisfaction of liens. Notwithstanding the foregoing, Borrower will not be required to pay and discharge any of the foregoing so long as (1) it contests the legality of the same in good faith by appropriate proceedings, and (2) it shall have established adequate reserves with respect to such contested items in accordance with GAAP or such other accounting method reasonably acceptable to Bond Owner.

(ii) **Payments on Obligations Free of Taxes.** Any and all payments by or on account of any of the Obligations shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of Bond Owner) requires the deduction or withholding of any Tax from any such payment, then Bond Owner shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) Bond Owner(as applicable) receive an amount equal to the sum they would have received had no such deduction or withholding been made.

(iii) **Indemnification by Borrower.** Borrower shall indemnify Bond Owner, within ten (10) days after written demand therefor accompanied by reasonable evidence of there being Indemnified Taxes, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by Bond Owner or required to be withheld or deducted from a payment to such Person and any reasonable expenses arising therefrom or with respect thereto. A certificate as to the amount of such payment or liability delivered to Borrower by Bond Owner (with a copy to Bond Owner), or by Bond Owner on its own behalf or on behalf of Bond Owner, shall be conclusive absent manifest error.

(iv) **(Reserved).**

(v) **Evidence of Payments.** As soon as practicable after any payment of Taxes by Borrower to a Governmental Authority pursuant to this Section, Borrower shall deliver to Bond Owner the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Bond Owner.

(vi) **(Reserved).**

(vii) **Treatment of Certain Refunds.** If Bond Owner or any party determines, in its sole discretion exercised in good faith, that such party has received a refund of any Taxes as to which it has been indemnified pursuant to this **Section 6.4.2** (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (x) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (x), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (x) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(viii) **Survival.** Each party's obligations under this **Section 6.4.2** shall survive Repayment in Full.

6.4.3 **(Reserved).**

ARTICLE 7 COVENANTS OF BORROWER

As an inducement for Bond Owner to purchase the Bonds, Borrower hereby makes the covenants to each of them as set forth in this **Article 7**, which covenants, unless fully

and finally satisfied, shall remain in full force and effect until Repayment in Full has occurred.

7.1 Construction Related Covenants.

7.1.1 Commencement, Performance and Completion of Construction. Borrower shall cause commencement of construction of the Improvements to occur by no later than the Construction Commencement Deadline, cause construction to be diligently performed on the Improvements at all times in accordance with the Construction Schedule in all material respects and shall cause the Improvements to be Completed and the conditions of the final construction related Bond Proceeds Disbursement set forth in **Section 4.2.9** satisfied on or before the Completion Date; provided, that, such Completion Date may be extended for a period of up to an additional sixty (60) days as a result of any delays caused by a Force Majeure Event; provided that Borrower has notified Bond Owner of such Force Majeure Event within ten (10) days of Borrower's knowledge thereof.

7.1.2 Construction Contracts and Plans; Change Orders.

(i) **General Contractor Agreement.** Borrower will continue to timely perform its obligations and duties in all material respects, including timely making all required payments, with respect to the General Contractor Agreement and will require General Contractor to timely perform all of its obligations and duties thereunder in all material respects, subject to extension for delays caused by a Force Majeure Event; provided that Borrower has notified Bond Owner of such Force Majeure Event within ten (10) days of Borrower's knowledge thereof. Borrower will not terminate, restate, amend or otherwise modify the General Contractor Agreement or enter into any new general contractor's construction agreement, except (i) to the extent permitted with respect to change orders pursuant to clause (iii) below or (ii) otherwise with the prior written consent of Bond Owner, which consent shall not be unreasonably withheld so long as (A) such proposed termination, restatement, amendment or modification, or new agreement as applicable, (I) does not create a Lien other than a Permitted Lien, (II) is consistent with the intended development, construction, use, operation and occupancy of the Project and (III) would not result in any Material Adverse Change, or Event of Default and (B) Borrower has delivered to Bond Owner such additional assignments, subordinations and third party consents as Bond Owner may reasonably require, using forms prepared by Bond Owner subject only to reasonable revisions thereto.

(ii) **Other Construction Contracts.** Borrower will, and will use commercially reasonable efforts to cause General Contractor to, (i) continue to timely perform in all material respects any and all obligations and duties as applicable to each of them respectively, including timely

making all required payments, with respect to any subcontracts and any other Construction Contracts and (ii) require each of the third parties thereto to timely perform in all material respects their respective obligations and duties, subject to extension for delays caused by any Force Majeure Event; provided that Borrower has notified Bond Owner of such Force Majeure Event within ten (10) days of Borrower's knowledge thereof. Borrower shall not, and shall not permit General Contractor to, terminate, restate, amend or otherwise modify any of the other Construction Contracts to which it is a party or enter into any other new Construction Contracts to the extent such proposed termination, restatement, amendment or modification, or new agreement as applicable, would (i) result in a Lien other than a Permitted Lien, (ii) be inconsistent with the intended development, construction, use, operation or occupancy of the Project, (iii) result in the required Retainage being less than the amount required hereunder, (iv) would result in a violation of the change order limitations set forth in clause (iii) below or (v) would likely result in any Material Adverse Change, Known Unmatured Event of Default or Event of Default.

(iii) **Plans; Change Order Limitations.** Borrower shall not make or consent to any change or modification to the Plans, the General Contractor Agreement or Budget, and no work shall be performed with respect to any such change or modification, without the prior written consent of Bond Owner if such change or modification would (i) in any material way, alter the design, integrity, structure, configuration or architectural design of the Project, (ii) result in a material diminution in the quality or utility of construction materials, (ii) change the usable or leasable space in any material respect, (iv) result in a Material Adverse Change, Event of Default or violation of any Applicable Law, (v) result in the required Retainage under the General Contractor Agreement being less than the amount required hereunder or (vi) result in either (1) an increase or decrease in any line item in the Budget equal to or greater than the Threshold Change Order Amounts or (2) when added to the cumulative amount of all prior net increases or decreases in the Budget (which have not been approved by Bond Owner), a net increase in the total Budget equal to or greater than the Threshold Change Order Amounts (in each case, a "**Material Change Order**").Bond Owner

(iv) **Budget, Construction Schedule, etc.** Borrower will comply with the conditions, requirements and limitations with respect to any construction related Bond Proceeds Disbursement set forth in **Section 5.2.2**, including with respect to the Budget and any proposed revisions thereto. Borrower will not revise the Construction Schedule in a manner which would extend Completion beyond the Completion Date without Bond Owner's consent.

(v) **Delivery of Construction Documents.** Whether or not Bond Owner's consent or approval is required with respect thereto, prior to

or concurrent with any Draw Request Package, Borrower shall deliver to Bond Owner copies of all changes to the Plans or work to be completed under the above-referenced Construction which has not been previously delivered to Bond Owner, except for minor deviations from the Plans in the nature of “field changes” that would not result in a Material Change Order and does not, in Borrower’s reasonable and good faith judgment, impair the value of the Project or change the scope of the Project in any material respect.

(vi) **(Reserved).**

(vii) **Compliance With Regulatory and other Agreements.**

As it relates to Borrower or the Project, comply with each Regulatory Agreement and all other restrictions, covenants and easements affecting the Project or the Improvements and cause the satisfaction of all conditions of this Agreement.

7.1.3 **Ground Lease.** Borrower shall perform in accordance with the terms and requirements of the Ground Lease and cause the Ground Lease to remain in full force and effect.

7.1.4 **(Reserved).**

7.1.5 **Post-Completion Deliveries.** By the earlier of completion of the below items or sixty (60) days after Completion, to the extent requested by Bond Owner, Borrower shall have delivered the following to Bond Owner:

(i) **As-Built Survey.** An as-built Survey or other satisfactory evidence showing that the Improvements have been built in accordance with the Plans, within the boundaries of the Property and any set-back requirements and do not encroach on any other legal parcel or property or any easement or public or private right of way, together with such endorsements to each Title Insurance Policy as Agent may reasonably require, including an Accuracy of Survey Endorsement;

(ii) **As-Built Plans.** “As-built” Plans, showing the final as built specifications of all Improvements; and

(iii) **Warranty Book.** A warranty book, together with all guaranties and maintenance agreements, on all applicable Improvements.

7.2 Project Related Covenants.

7.2.1 **Maintenance of Project.** Borrower shall cause the Project to be maintained in a good and safe condition in compliance with all Applicable Laws and Project Related Documents at all times, to the extent that Borrower’s failure to do so is reasonably likely to result in a Material Adverse Change. Absent the consent of Bond Owner, none of the Improvements shall be demolished or

materially altered except as required in connection with the construction and Completion of the Improvements in compliance herewith (including **Section 7.2.8**); provided, that, for avoidance of doubt, to the extent necessary to construct the Improvements, Borrower shall be entitled to demolish any improvements which were located on the Real Property as of the Bond Closing Date. No FF&E or personal property will be removed, demolished or materially altered except as part of the use, consumption and replacement thereof in the ordinary course of business and consistent with customary practice for projects similar to the subject Project. Without limiting the foregoing, Borrower shall maintain and preserve all its real and personal property which is used or useful in its normal and customary business operations in good working order and condition, ordinary wear and tear excepted and shall make all necessary repairs thereto and renewals and replacements thereof so long as, to the extent applicable, insurance proceeds are disbursed in accordance with this Agreement to pay the costs of such repairs, renewals or replacements, except where the failure to do so would not reasonably be expected to have, either individually or in the aggregate, a material adverse effect, as determined by Bond Owner in its discretion, on the Borrower's ability to perform its obligations under any Bond Loan Document.

7.2.2 Waste. Borrower shall not commit or suffer any physical waste of the Project or make any change in the use of the Project which will in any way materially increase the risk of fire or other hazard arising out of the operation of the Project, or take any action that might invalidate or give cause for cancellation of any insurance policy required under **Section 7.13**, or do or permit to be done thereon anything that may in any way materially and adversely impair the value of the Project or the security for the Bond Loan. Borrower will not, without the prior written consent of Bond Owner, permit any drilling or exploration for or extraction, removal, or production of any minerals from the surface or the subsurface of the Project, regardless of the depth thereof or the method of mining or extraction thereof.

7.2.3 Hazardous Substances. Borrower will not use, and will not permit the use of, any Hazardous Substances (as defined in the Environmental Indemnity Agreement with such meaning used herein) at the Project except in the ordinary course of its business and development of the Project and in compliance with all applicable Environmental Regulations (as defined in the Environmental Indemnity Agreement). Borrower shall comply in all respects with any and all such Environmental Regulations; and Borrower shall furnish to Bond Owner promptly and in any event within thirty (30) days after receipt thereof a copy of any notice or other communication from any governmental body regarding the same. Further, Borrower shall complete, at Borrower's expense, all such investigations and testing as may be requested by Bond Owner or any Governmental Authority relative to any toxic or any such Hazardous Substances under Applicable Law, rule or regulation, at or affecting any property or any facility owned, leased or used by Borrower.

7.2.4 **Actions Affecting Project.** Borrower shall appear in and contest any action or proceeding purporting to affect the Project or any other Collateral or the rights or powers of Bond Owner and shall pay all costs and expenses (including costs of evidence of title, litigation, and attorneys' fees) in any such action or proceeding in which Bond Owner may appear or in which Bond Owner is required to appear.

7.2.5 **Management Agreements; Property Management Agreement.** On or before the Bond Closing Date, Borrower shall have (a) entered into a Management Agreement with a Qualified Property Manager for the management of the Project (the "**Property Management Agreement**"), which Property Management Agreement shall be consistent with the intended ownership, use, operation and occupancy of the Project, terminable without cause upon no more than sixty (60) written notice and otherwise on terms acceptable to Bond Owner, which acceptance shall not be unreasonably withheld, delayed or conditioned and (b) executed and delivered to Bond Owner an assignment thereof, together with a consent thereto by the Qualified Property Manager, using forms prepared by Bond Owner subject only to reasonable revisions thereto. Borrower shall not terminate the Property Management Agreement unless a replacement Qualified Property Manager is in place effective upon such termination pursuant to a Property Management Agreement satisfying the requirements set forth above. Without the prior written consent of Bond Owner (which consent shall not be unreasonably withheld, delayed or conditioned so long as no Event of Default then exists) (x) Borrower shall not enter into any other Management Agreements with respect to the Project and (y) Borrower shall not enter into, terminate (except for cause), restate, amend or otherwise modify any existing Management Agreements. Borrower will timely perform its material obligations and duties, including timely making all required payments, with respect to each Management Agreement and will use commercially reasonable efforts to require each counterparty thereto to perform all of its material obligations and duties as and when required (subject to any notice and cure rights).

7.2.6 **Project Related Documents.**

(i) Borrower will continue to timely perform its obligations and duties in all material respects, including timely making all required payments, with respect to the existing Project Related Documents and will require each of the third parties thereto to timely perform all of their respective obligations and duties in all material respects, to the extent that Borrower's failure to do so would cause a Material Adverse Change.

(ii) Without Bond Owner's prior written consent, Borrower shall not enter into (or thereafter terminate, restate, amend or otherwise modify) any easement, declaration of covenants, conditions and restrictions, map, lot line adjustment, or private or public dedication affecting the Property (collectively, "**Future Liens**") or any Material Project Related Documents, which consent shall not be unreasonably withheld, conditioned or delayed,

but may be conditioned upon receiving such assignments, subordinations and third-party consents as may be reasonably required by Bond Owner, upon receiving a drawing or survey showing the precise location of each proposed Future Lien and upon receiving such Title Policy endorsements as Bond Owner may reasonably require.

7.2.7 **Leasing.**

(i) **Lease Approval.** Except as provided in clause (ii) below and in the normal and customary manner in which the Borrower conducts its business, Borrower shall not enter into, extend, terminate or otherwise modify any Lease for the Project without the prior written consent of Bond Owner, which approval shall not be unreasonably withheld, delayed or conditioned. Any Lease (as a sublease under the Ground Lease), including any residential, retail or commercial Lease, approved, or deemed approved, pursuant to this **Section 7.2.7** shall constitute an **“Approved Lease”**.

(ii) **No Lease Approval Required.** Notwithstanding above clause (a), Borrower may enter into any new Lease or extend, terminate or otherwise modify any Approved Lease with respect to any residential apartment unit from time to time without the prior consent of Bond Owner so long as such new Lease or extension, termination or modification satisfies the General Leasing Requirements and (i) with respect to the leasing of any residential premises, satisfies the Residential Leasing Requirements and (ii) with respect to any non-residential premises, satisfies the Commercial Leasing Requirements. Any Lease which does not satisfy the Leasing Requirements shall constitute a **“Material Lease”**. As used herein the following definitions shall mean as follows:

(1) The term **“General Leasing Requirements”** means satisfaction of the following requirements with respect to any proposed lease, whether such Lease is for residential or commercial purposes: (1) such proposed lease is consistent with or otherwise in a form consistent with the Form Lease previously approved by Bond Owner; (2) such proposed lease is in compliance with the requirements of TDHCA; (3) such proposed lease is entered into only in good faith, in an arm’s-length transaction with an unrelated third party in the ordinary course of operating the Project and is otherwise on terms and conditions consistent with affordable housing standards for senior low income tax credit projects; (4) rent shall not be required to be paid more than one (1) month in advance; and (5) the security deposit shall be in an amount equal to or greater than one (1) month of rent and shall not be credited to any payment obligations of Tenant during the term of the Lease.

(2) The term **“Residential Leasing Requirements”** means satisfaction of the following requirements with respect to any proposed lease for any residential unit: (1) such proposed lease is for a single residential apartment unit; and (2) the term of such proposed lease shall be for a period which is no less than six (6) months and no greater than two (2) years. Any Lease which satisfies the requirements of this clause (ii) shall constitute an Approved Lease.

(3) (Reserved).

(iii) **Leasing Covenants.** With respect to each Approved Lease, Borrower shall (i) duly and punctually observe, perform and discharge in all material respects the obligations, terms, covenants, conditions and warranties of Borrower as landlord thereunder, (ii) using commercially reasonable means, if Borrower reasonably deems the same to be appropriate in the ordinary course of operating the Project, enforce the performance of each and every material obligation, term, covenant, condition and agreement in such lease to be performed by any Tenant or Guarantor, (iii) appear in and defend any action or proceeding arising under, occurring out of or in any manner connected with the Approved Leases or the obligations, duties or liabilities of Borrower thereunder and, upon the request of Bond Owner, do so in the name and on behalf of Bond Owner to the extent applicable, all at the expense of Borrower (and pay all costs and expenses of Bond Owner, including reasonable attorneys’ fees and disbursements, in any action or proceeding in which Bond Owner may appear or, in the case Bond Owner is required to appear), (iv) not receive or collect any rents for a period of more than one (1) month in advance and (v) not permit any Tenant to take possession of any portion of the Project prior to the that date which the Lease qualifies as an Approved Lease.

(iv) **SNDA and Estoppels.** With respect to any proposed lease for any non-residential unit (if any), Bond Owner may require as a condition of its approval of such lease, that (i) the lease is entered into only in good faith, in an arm’s-length transaction with an unrelated third party in the ordinary course of operating the Project and is otherwise on market terms and conditions, (ii) does not contain any option to purchase, (iii) is at a rental rate which is consistent with the then current market rates, (iv) the lease contain appropriate mortgagee protections, including subordination, non-disturbance and attornment provisions and provisions that require Tenant to execute, to the extent required by any mortgagee, (A) a separate Subordination, Non-Disturbance and Attornment Agreement in form and content reasonably acceptable to such mortgagee (an **“SNDA”**) and (B) from time to time at the request of such mortgagee, estoppel certificates in form and content reasonably acceptable to mortgagee (an **“Estoppel Certificate”**) and (v) delivery to Bond Owner of a separate SNDA and/or

Estoppel Certificate, each in form and content reasonably acceptable to Bond Owner.

(v) **Lease Termination; Lease Termination Payments.** Notwithstanding anything to the contrary set forth in this **Section 7.2.7**, except in the ordinary course of business, without the prior written consent of Bond Owner, which consent shall not be unreasonably withheld or delayed so long as no Event of Default then exists, Borrower shall not enter into any agreement with any Tenant for the termination of any Lease or with respect to any other Lease.

(vi) **No Prohibited Drug Activities.** Notwithstanding anything to the contrary set forth elsewhere herein, Borrower shall not enter into any Lease with any Person which would result in the violation of any Applicable Law, including any violation of any state or Federal laws relating to the use, sale, possession, cultivation or distribution of any controlled substances and every Approved Lease shall expressly prohibit Tenant from engaging or permitting any activity that would do so. If Borrower becomes aware from any source that any Tenant is engaged in any such prohibited activities, Borrower shall immediately and strictly enforce the terms of the subject Approved Lease, including termination as appropriate.

7.2.8 Post Completion – Works of Improvement. From and after Completion of the Improvements and completion of any approved Punch List Items, except for any tenant improvement work with respect to any non-residential unit pursuant to an Approved Lease or except as set forth in **Section 7.13.4**, Borrower shall not commence, cause to be performed or permit to be commenced or performed, any capital improvements, repairs or other works of improvement to the Project or any portion thereof without the prior consent of Bond Owner if (a) such work is structural in nature or would otherwise affect the existing structural integrity of the Project or any material portion thereof, (b) such work would result in a material change to the Project or the market value, quality appearance or conditions of the Project, including any reduction in leasable square feet (other than in de minimis amounts) of the Project or (c) an Event of Default then exists. Bond Owner may subject its consent to such terms and conditions as it reasonably deems appropriate based on the size, scope and extent of such work, including review and approval of the plans and specifications, prove-up by Borrower that it has sufficient funds to complete such work, a construction budget, and a construction schedule, assignment of contracts and agreements with respect to such work, and receipt of such third party consents and subordinations with respect to such contracts and agreements as Bond Owner may reasonably require. All such work shall be done in accordance with any plans and specifications prepared with respect thereto (and approved by the Bond Owner as part of its approval of such work, as applicable) and otherwise in compliance with all Applicable Laws.

7.2.9 Business Affairs. Borrower shall conduct its business affairs in a reasonable and prudent manner with executive and management personnel of substantially similar qualifications and experience as that of Borrower's management as of the date of this Agreement.

7.3 Financial Statements and Reports. Borrower shall promptly furnish to Bond Owner such information regarding the business affairs, financial condition, assets, liabilities, operations, and transactions of Borrower and Guarantors as Bond Owner may reasonably request, and, without limiting the foregoing, furnish to Bond Owner the following:

7.3.1 As soon as available, and in any event within 30 days from the end of each calendar month (until the Conversion Date at which time the following shall be provided on a quarterly basis within 30 days from the end of each calendar quarter), an operating statement for the calendar month then ending (or calendar quarter, as applicable), prepared by Borrower detailing the revenues received, the expenses incurred and the net operating income before and after debt service (principal and interest) and major capital improvements, and all other matters as Bond Owner may reasonably request;

7.3.2 As soon as available, and in any event within 30 days from the end of each calendar month (until the Conversion Date at which time the following shall be provided on a quarterly basis within 30 days from the end of each calendar quarter), a rent roll prepared by Borrower for the calendar month then ending (or calendar quarter, as applicable) to include the names of tenants of the Improvements, the portion of Improvements occupied by each tenant, the base rent and any other charges payable under each Approved Lease and the term of each lease including the expiration date, and all other matters as Bond Owner may reasonably request;

7.3.3 Upon Bond Owner's written request, within 30 days of receipt thereof, Low-Income Housing Tax Credits Compliance Audits prepared by the TDHCA and/or the Investor Limited Partner, and/or the Special Limited Partner, and/or a third party asset manager;

7.3.4 Beginning with the fiscal year ending December 31, 2025, to the extent available, and, if not then available, December 31, 2026, as soon as available and in any event within 120 days from the end of each fiscal year, an audited financial statement prepared by a third party accounting firm approved by the Bond Owner, showing the financial condition of Borrower at the close of such fiscal year and the results of operation during such fiscal year, which audited financial statement shall include a balance sheet, profit and loss statement and statement of cash flows (sources and uses);

7.3.5 Beginning with the fiscal year ending December 31, 2025, as soon as available and in any event within 45 days from the end of each fiscal year of

Borrower, company prepared financial statements (balance sheet and profit and loss statement).

7.3.6 Beginning with the calendar year ending December 31, 2025, as soon as available, and in any event within 45 days from the end of each calendar year ending prior to the Conversion Date, a signed personal financial statement for each Individual Guarantor, prepared on a form and in a manner satisfactory to the Bond Owner, showing the financial condition of that Individual Guarantor at the close of such calendar year, which financial statement shall include a balance sheet, income and expense statement, and statement of cash flows (sources and uses) and be accompanied by a schedule of contingent liabilities, and any additional supporting information reasonably required by Bond Owner;

7.3.7 Beginning with the fiscal year ending December 31, 2025, as soon as available, and in any event within 90 days from the end of each fiscal year ending prior to the Conversion Date, a company prepared financial statement for the Entity Guarantor prepared on a form and in a manner satisfactory to the Bond Owner, showing the financial condition of the Entity Guarantor at the close of such fiscal year and the results of operation during such fiscal year, which company prepared financial statement shall include a balance sheet, profit and loss statement and statement of cash flows (sources and uses);

7.3.8 Upon the written request of Bond Owner, thereof, within thirty (30) days of filing but no later than October 31st of each year, copies of Borrower's filed federal income tax returns (and all K-1's used for preparation, as applicable) and all requests for extensions to the filing thereof;

7.3.9 Upon the written request of Bond Owner therefor, within thirty (30) days of filing but no later than October 31st of each year copies of each Guarantor's filed federal income tax returns (and all K-1's used for preparation, as applicable) and all requests for extensions to the filing thereof; and

7.3.10 Borrower agrees to promptly notify Bond Owner (A) of any change in direct or indirect ownership interests in the Borrower after the Bond Closing Date as certified to Bond Owner in the Beneficial Ownership Certification prior to or in connection with the execution of this Agreement, or (B) if the individual with significant managerial responsibility identified in the Beneficial Ownership Certification ceases to have that responsibility or if the information reported about that individual changes, and in connection with foregoing, Borrower hereby agrees to provide such information and documentation as Bond Owner may request during the term of the Bond Loan to confirm or update the continued accuracy of the information provided in connection with the foregoing.

7.3.11 Borrower shall promptly inform Bond Owner in writing of any Material Adverse Change of any Borrower's or Guarantor's financial condition.

7.3.12 Borrower shall promptly inform Bond Owner in writing of all existing and all threatened litigation, claims, investigations, proceedings or similar actions affecting Borrower or Guarantor which could materially affect the financial condition of any Borrower or Guarantor.

7.3.13 Borrower shall provide Bond Owner with such other financial statements, tax returns, and other related information at such frequencies and in such detail as Bond Owner may reasonably require.

7.3.14 All tenant lists, applications, and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of the Borrower that is unrelated to the Project, and shall be maintained in a reasonable condition for proper audit and be subject to examination during business hours by representatives of the Issuer or the Trustee.

Each report and financial statement delivered to Bond Owner pursuant to this **Section 7.3** shall be accompanied by a Compliance Certificate and signed by an Authorized Representative of the reporting party certifying that: (a) the attached statements and reports are complete and correct in all material respects and are otherwise in compliance with the reporting requirements of this **Section 7.3**, (b) except as disclosed in the subject certification, all of the representations and warranties of Borrower and Guarantors, as applicable, contained in this Agreement and other Bond Loan Documents are true and correct in all material respects as of the date such certification is given (except to the extent any representation and warranty is made as of a specified date, in which case, such representation and warranty shall have been true, correct and complete in all material respects as of such specified date as if made on such date), and (c) except as disclosed in such certification, there is no existing Event of Default and reporting party is not aware of any existing Unmatured Event of Default or Material Adverse Change. Notwithstanding anything herein to the contrary, Borrower shall maintain its books and records in accordance with GAAP and permit Bond Owner to examine and audit Borrower's books and records at all reasonable times.

7.4 Financial Covenants.

7.4.1 **Borrower Financial Covenants.** [Reserved]

7.4.2 **Guarantor Financial Covenants.** [Reserved]

7.5 OFAC. Borrower and each Guarantor (and their Affiliates) must comply in all material respects with all U.S. economic sanctions laws, Executive Orders and implementing regulations as promulgated by the U.S. Treasury Department's Office of Foreign Assets Control, and all applicable anti-money laundering and counter-terrorism financing provisions of the Bank Secrecy Act and all regulations issued pursuant to it. Neither Borrower nor Guarantor (or their Affiliates) may be (i) a person or entity designated by the U.S. government on the list of the Specially Designated Nationals and Blocked Persons (the "**SDN List**") with which a U.S. Person cannot deal with or otherwise

engage in business transactions, (ii) is a person or entity who is otherwise the target of U.S. economic sanctions laws such that a U.S. Person cannot deal or otherwise engage in business transactions with such person or entity or (iii) is controlled by (including without limitation by virtue of such person being a director or owning voting shares or interests), or acts, directly or indirectly, for or on behalf of, any person or entity on the SDN List or a foreign government that is the target of U.S. economic sanctions prohibitions such that the entry into, or performance under, this Agreement or any other Bond Loan Document would be prohibited under U.S. law.

7.6 Accounts and Reserves.

7.6.1 Borrower's Operating Account. Borrower shall establish and thereafter maintain with Bond Owner at all times, during the term of the Bond Loan, the Construction Operating Account into which (a) unless otherwise provided herein or agreed to by Borrower and Bond Owner, all Bond Proceeds Disbursements to Borrower will be deposited (excluding any Bond Proceeds Disbursements of interest from the Interest Reserve, Protective Advances and any other Bond Proceeds Disbursements to third Persons as provided herein) and (b) any and all revenues, expense reimbursements, and other funds and proceeds received by Borrower or on account of Borrower (including all rents generated by the Project) shall be deposited. So long as no Event of Default then exists, Borrower shall have the right to withdraw and use the funds within the Construction Operating Account at any time and from time to time so long as such use is in compliance with the terms and conditions of the Bond Loan Documents and all Applicable Laws.

7.6.2 Borrower's Funds Account. Borrower hereby authorizes and instructs Bond Owner, as and when Bond Owner deems necessary, to establish and maintain at Bond Owner's offices a deposit account for the deposit and maintenance of any Borrower's funds (the "**Borrower's Funds Account**"), which disbursement and use thereof will be governed by **Section 5.2.3**.

7.6.3 Reserve and Escrow Accounts. In connection with the occurrence of Lease Stabilization, Borrower shall fund a replacement reserve and operating reserve as and when required by **Exhibit "T."**

7.6.4 Grant of Security Interest. As additional security for the payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Obligations, Borrower hereby collaterally assigns, transfers, pledges and grants to Bond Owner a first priority security interest in and to all of Borrower's right, title and interest, in and to any and all deposit, checking and other bank accounts in the name of Borrower maintained at Bond Owner, including the Borrower's Funds Account, Construction Operating Account, Capital Contribution Account, and any reserve account described in **Exhibit "T"**, whether presently existing or hereafter created, together with all amounts on deposit or hereinafter deposited therein and any interest or other amounts accrued thereon (in the event such account is an interest bearing account) and any and all proceeds thereof and

rights and privileges attendant thereto (collectively, the “**Accounts**”). In the event any of the Accounts shall be an interest-bearing account, then such interest shall constitute part of the pledged collateral hereunder. The Accounts constitute accounts under the exclusive control, dominion and possession of Bond Owner subject only to the access rights thereto of Borrower as expressly set forth in this **Section 7.6**, and Bond Owner shall be deemed to have a perfected security interest therein. At any time an Event of Default then exists, Bond Owner may, without further notice to or the consent of Borrower, (a) terminate any such right of access by Borrower and Borrower shall have no further rights thereto, (b) freeze such Accounts, (c) apply any and all funds therein to the outstanding Obligations in such order and priority as Bond Owner determines (subject only to **Section 6.2.5(ii)**) and/or (d) exercise such other rights, powers and remedies of an owner of the Accounts and of a secured party under the UCC and any other Applicable Law. Notwithstanding anything to the contrary set forth elsewhere herein or in any other Bond Loan Document, nothing contained herein shall obligate Bond Owner to take any such action or exercise any such remedy and no such action or exercise (or the failure to act or exercise) by Bond Owner shall reduce or otherwise release Borrower’s liability with respect to any obligation of Borrower arising out of or related to the Accounts or with respect to the Obligations.

7.6.5 Other Account Terms. In the event any Account is an interest-bearing account, Bond Owner shall not be liable to Borrower with respect to the rate of interest at which such interest accrues and any tax liability with respect to any accrued interest shall be the sole responsibility of Borrower. Borrower will at all times own and maintain the Accounts free and clear of any and all Liens or interests of any other Person (other than Bond Owner) and Borrower will, at Borrower’s expense, take all actions necessary or advisable from time to time to maintain the first priority and perfection of said security interest and shall not take any actions that would alter, impair or eliminate said priority or perfection, and, in furtherance thereof, Borrower hereby authorizes Bond Owner to file such financing statements as Bond Owner deems necessary or appropriate with respect to the Accounts. Borrower will promptly sign and deliver such additional forms, certificates, instruments, endorsements and other documents as Bond Owner may require with respect to the opening, maintenance or administration of any Account, all in form and content reasonably required by Bond Owner. Any and all funds within the Accounts shall be made available to Borrower without restriction upon Repayment in Full and, at the request of Borrower such Accounts shall be closed.

7.6.6 (Reserved).

7.6.7 Ground Lease.

(a) Borrower agrees to perform and fully comply in all material respects with all material agreements, covenants, terms, and conditions imposed on or assumed by Borrower as the lessee under the Ground Lease; and if Borrower fails to do so, Bond Owner may, but shall not be obligated to, take any action Bond Owner

deems necessary to prevent or to cure any default by Borrower in the performance of or compliance with any of Borrower's covenants or obligations under the Ground Lease. On receipt by Bond Owner from the Authority, as lessor under the Ground Lease, of notice of any default by Borrower thereunder pursuant to the terms of the Ground Lease or otherwise, Bond Owner may rely thereon and take any action as aforesaid to cure such default even though the existence of such default or the nature thereof is questioned or denied by Borrower or by any party on behalf of Borrower. Borrower hereby expressly grants to Bond Owner, and agrees that Bond Owner shall have, the absolute and immediate right to enter in and on the Project to such extent and as often as Bond Owner, in its sole discretion, deems necessary in order to cure any such default by Borrower. Bond Owner may pay such sums of money as Bond Owner in its sole discretion deems necessary for any such purpose, and Borrower hereby agrees to pay to Bond Owner, immediately and without demand, all such sums so paid and expended by Bond Owner, together with interest thereon from the date of each such payment at the lessor of the Default Rate or the Maximum Rate. If Bond Owner takes any action necessary to cure any default by Borrower, Bond Owner shall be subrogated to any and all of the rights of the person or persons to whom any payment is made by Bond Owner and all of the rights of Borrower under the terms and provisions of the Ground Lease.

(b) Borrower agrees to deliver Bond Owner copies of all notices of default or foreclosure received by Borrower from the Ground Lessor.

(c) Borrower shall not surrender the leasehold estate created by the Ground Lease (collectively, the "**Leasehold Estate**") or terminate or cancel the Ground Lease.

(d) Without the express written consent of Bond Owner, which shall not be unreasonably withheld, Borrower will not modify, change, supplement, alter or amend in any material respect the Ground Lease, and any such termination, cancellation, modification, change, supplement, alteration or amendment of the Ground Lease without the prior written consent thereto by Bond Owner shall be void and of no force and effect.

(e) No release or forbearance of Borrower's obligations under the Ground Lease, pursuant to the provisions of the Ground Lease or otherwise, shall release Borrower from any of its obligations hereunder, including, without limitation, Borrower's obligations with respect to the payment of rent as provided for in the Ground Lease and the performance of all the terms, provisions, covenants,

conditions, and agreements contained in the Ground Lease to be kept, performed and complied with by the Ground Lease therein.

(f) Unless Bond Owner shall otherwise expressly consent in writing, the fee title to the Real Property and the Leasehold Estate shall not merge but shall always remain separate and distinct, notwithstanding the union of such estates either in the Ground Lessor or in the Borrower, or any third party by purchase or otherwise.

(g) Borrower expressly acknowledges that all of the provisions of the assignment of leases in the Bond Loan Mortgage are applicable with respect to any sub-subleases or sub-subtenants now occupying or who may hereafter occupy all or part of the Project.

(h) A default of any kind whatsoever in the payment or performance of any of the duties or obligations imposed upon Borrower by the terms, covenants, agreements or provisions of the Ground Lease, which is continuing beyond the expiration of all applicable notice, grace and cure periods, shall be and constitute an Event of Default hereunder.

7.7 Negative Covenants. Borrower shall not, without the prior written consent of Bond Owner, do or permit to be done any of the following at any time either Loan remains outstanding:

7.7.1 No Prohibited Transfers.

(i) **Project Transfers.** No Transfer with the respect to the Project shall occur other than a Permitted Project Transfer.

(ii) **Ownership Transfers.** No Transfer with respect to the direct or indirect ownership or management interests in Borrower shall occur other than a Permitted Ownership Transfer. Notwithstanding anything to the contrary contained in any Bond Loan Document, (a) Investor Limited Partner and Special Limited Partner shall be permitted to remove the general partner and/or Administrative Limited Partner of Borrower for cause in accordance with the terms of the Partnership Agreement and shall be able to replace the general partner and/or Administrative Limited Partner with a general partner and/or Administrative Limited Partner selected by the Investor Limited Partner or the Special Limited Partner all without the consent or approval of the Bond Owner if the replacement is controlled by the Investor Limited Partner, the Special Limited Partner or either of their respective Affiliates, (b) at all times, direct and indirect transfers of interest in Investor Limited Partner and Special Limited Partner to an entity controlled by the Investor Limited Partner, the Special Limited Partner or either of their respective Affiliates shall be permitted without the consent or

approval of the Bond Owner, (c) prior to the Conditions to Conversion being satisfied, Investor Limited Partner and Special Limited Partner may each Transfer its limited partnership interest in Borrower to an entity controlled by the Investor Limited Partner, the Special Limited Partner or either of their respective Affiliates without the consent of Bond Owner, (d) after the Conditions to Conversion have been satisfied, Investor Limited Partner and Special Limited Partner may each Transfer its limited partnership interest in Borrower in accordance with the terms of the Partnership Agreement without the consent of Bond Owner, and (e) after the tax credit compliance period has terminated, the general partner of Borrower may exercise its purchase option to purchase the interest of the Investor Limited Partner and the Special Limited Partner in accordance with the terms of the Partnership Agreement without the consent of Bond Owner ("**Equity Permitted Transfers**"). Notwithstanding anything herein to the contrary, prior to the satisfaction of the Conditions to Conversion, no Transfer of any ownership interest of Borrower (except for Transfers of the investor partner interest of Borrower to an entity controlled by the Investor Limited Partner, the Special Limited Partner or either of their respective Affiliates or Transfers of interests within the Investor Limited Partner and Special Limited Partner to an entity controlled by the Investor Limited Partner, the Special Limited Partner or either of their respective Affiliates) greater than twenty percent (20%) shall be permitted without Bond Owner's prior written consent. Notwithstanding anything to the contrary herein or in any Bond Loan Document, amendments to the Partnership Agreement solely effectuating such Equity Permitted Transfers shall not require the prior written consent of Bond Owner or constitute an Event of Default hereunder or under any Bond Loan Document.

(iii) **Loans.** Borrower, without Bond Owner's prior written consent, may not (1) loan, invest in or advance money or assets to any other third party, (2) purchase, create or acquire any interest in any other third party, or (3) incur any obligation as surety or guarantor other than in the ordinary course of business.

(iv) **Information.** To the extent not previously provided, Borrower shall provide to Bond Owner such additional information and documentation as it may be reasonably request with respect to any Permitted Transfer, including, with respect to any Permitted Ownership Transfer, the continued compliance with the covenants set forth in **Section 7.13.1** (and the underlying representations in **Section 2.5**), together with customary "know your customer" information and, to the extent applicable, an updated Ownership Interest Certificate. Borrower agrees to promptly notify Bond Owner (A) of any change in direct or indirect ownership interests in the Borrower as reported in any Ownership Interest Certification provided to Bond Owner in connection with the execution of this Agreement or the Bond Loan, or (B) if the individual with significant managerial responsibility identified in the Ownership Interest Certification

ceases to have that responsibility or if the information reported about that individual changes. Borrower hereby agrees to provide such information and documentation as Bond Owner may request during the term of the Bond Loan to confirm or update the continued accuracy of the any information provided in connection with the foregoing.

(v) **No Prohibited Indebtedness.** Borrower shall not incur or become liable for any Indebtedness, whether secured or unsecured, in favor of any Person, other than Permitted Indebtedness. Neither Borrower nor Guarantor shall, directly or indirectly, prepay any indebtedness, without the prior written consent of Bond Owner. Neither Borrower nor Guarantor shall cancel any indebtedness or claim for indebtedness owing to them, except as negotiated on an arm's length basis and within the ordinary course of borrower's or guarantor's business.

7.7.2 **Leases.** Borrower shall not enter into any leases with tenants for any income restricted unit in the Project if such tenant is not an eligible tenant under Section 42 of the Code or as may be required by any Regulatory Agreement.

7.7.3 **Loan to Value Ratio.** Borrower shall not allow the Bond Loan-to-Value Ratio to exceed 80% prior to the Conversion Date.

7.7.4 **Ground Lease.** Borrower shall not modify, amend, terminate, cancel, or allow to expire (or permit to be modified, amended, terminated, cancelled, or to expire) the Ground Lease.

7.7.5 **[Reserved].**

7.7.6 **No Prohibited Liens or Impositions; No Stop Notice Claims.**

(i) The Lien of Bond Owner in and to the Collateral shall be at all times a first-in-priority Lien subject only to the Permitted Title Exceptions and Regulatory Agreements, which Regulatory Agreements Bond Owner understands and acknowledges are prior and superior to the lien of the Bond Loan Mortgage. Except for the Permitted Liens, Borrower shall own the Project free and clear of all Impositions and Liens.

(ii) To the extent permitted by Applicable Law, Borrower shall have the right to contest in good faith the validity of any Imposition, any involuntary Lien, or any stop notice claim which may arise after the Bond Closing Date ("**Contested Claims**") without first paying such Contested Claim so long as Borrower shall have, within thirty (30) days of its actual knowledge thereof, (i) notified Bond Owner of such Contested Claim (which notice shall include the underlying claim documentation, a description of facts and circumstances surrounding such Contested Claim and the basis for such contest) and (ii) Borrower shall have bonded over and obtained the release of such Contested Claim from the Collateral in accordance with Applicable Law (with such Contested Claim thereafter attaching to the

applicable bond thereto and, to the extent Bond Owner is named as a defendant in any litigation, the dismissal thereof); provided that Bond Owner may (but without any obligation to do so) waive the requirement to post such bond to the extent Bond Owner has determined that (A) the continued existence of such Contested Claim is reasonably likely not to result in a Material Adverse Change and (B) Borrower has adequate funds reserved by it to contest and otherwise pay such Contested Claim if determined adversely against Borrower or the Project (including from revenues and Loan proceeds to the extent applicable). If no bond is required to be posted pursuant hereto, Bond Owner may withhold Bond Loan proceeds in an amount to cover such Contested Claim unless and until such Contested Claim is either bonded or otherwise satisfied and discharged in full. Notwithstanding the foregoing, Borrower shall pay and discharge, and obtain the satisfaction and release of any Contested Claim within the earlier of thirty (30) days prior to any threatened foreclosure thereof or ten (10) Business Days written demand therefor by Bond Owner if, at any time during the contesting of such Contested Claim Bond Owner has reasonably determined that (x) there is an imminent risk of loss of the Collateral which is the subject of such Contested Claim, (y) there is a demand for immediate payment thereof that has been made upon Bond Owner, and Bond Owner has reasonably determined that Bond Owner is required to make immediate payment thereunder or (z) the continued existence thereof has resulted in a Material Adverse Change.

(iii) If Borrower shall fail to remove and discharge any Imposition, Lien or other claim in accordance with clauses (i) and (ii) above, then, in addition to any other right or remedy of Bond Owner, Bond Owner may, after only such notice to Borrower as may be reasonable under the then existing circumstances, but without any obligation to do so, discharge same, either by paying the amount claimed to be due, or by procuring the discharge of such Imposition, Lien or stop notice claim by depositing in a court a bond or the amount claimed or otherwise giving security for such claim, or by procuring such discharge in such manner as is or may be prescribed by Applicable Law. Any such payment shall constitute a Protective Advance and shall be required to be repaid by Borrower pursuant to **Section 6.2.2**. In settling, compromising or arranging for the discharge of any such Imposition, Lien or stop notice claim under this Section, Bond Owner shall not be required to establish or confirm the validity or amount thereof.

7.7.7 No Prohibited Associations etc. Without the prior written consent of Bond Owner, Borrower shall not consent to, or vote in favor of, the inclusion of all or any part of the Project in any association, community facilities district, cooperative or other co-use or co-development agreement which is not already identified on each Title Insurance Policy as a Permitted Title Exception or otherwise vote in favor of any material change to, including any material increase in the cost of, any such existing Permitted Title Exception.

7.7.8 No Prohibited Distributions. Except for distributions expressly permitted under the Partnership Agreement during times when an Event of Default does not then exist and to pay taxes for current tax year, Borrower will not declare or pay any distributions or redeem, repurchase or otherwise acquire or retire any of its ownership interest (each a “**Distribution**”) at any time prior to the Conversion Date.

7.7.9 No Prohibited Amendments to Organizational Documents. Except with respect to any amendments, restatements or other modifications limited to evidencing or otherwise confirming any Permitted Transfer, that do not materially or adversely affect the rights of Bond Owner, or that are not required by the terms of the Partnership Agreement to be consented to by Bond Owner, Borrower shall not make or otherwise permit any material amendments, restatements or other modifications to be made in the terms of its Organizational Documents without the written consent of Bond Owner, which consent shall not be unreasonably withheld, delayed or conditioned so long as no Event of Default then exists and so long as it will not result in or permit a prohibited Transfer, the incurrence of any Indebtedness (except for Permitted Indebtedness), the incurrence of any Liens other than Permitted Liens, any violation of any SPE Requirement or any Material Adverse Change. Promptly after any amendment, restatement or other modification to any Organizational Documents of Borrower or Guarantor, Borrower or Guarantor as applicable shall promptly deliver a copy of same to Bond Owner. Borrower shall not issue new shares, partnership interests, or other ownership interests or make any changes in its equity capital structure without Bond Owner’s prior written consent. Borrower may not enter into any agreement containing any provisions which would be violated or breached by the performance of Borrower’s obligations under this Agreement or in connection herewith.

7.8 [RESERVED].

7.9 Single Purpose Entity Covenants. In addition to the other covenants set forth herein, Borrower covenants and agrees to maintain itself as a separate and distinct entity whose single purpose is the ownership, management, leasing, operation and ultimate sale (if applicable) of the Project including by Borrower’s compliance at all times with the following provisions (collectively, the “**SPE Requirements**”):

(i) **Separate Records.** Borrower will maintain and prepare all of its books, records, financial statements, financial reports and bank accounts separate from those of its Affiliates, Guarantors, any of Borrower’s or a Guarantor’s members, managers, partners or shareholders or any other Person. Borrower shall maintain its books, records and resolutions and agreements as official records. Borrower will file its own tax returns to the extent required by Applicable Law.

(ii) **Separate Entity.** Borrower shall, at all times, (a) preserve its existence as an entity duly organized, validly existing and in good

standing in all applicable states, (b) hold itself out to the public as a legal entity, separate and distinct from any other entity (including any Affiliate of Borrower or a Guarantor) and (c) correct any known misunderstanding regarding its status as a separate entity.

(iii) **Dissolution; Fundamental Changes.** Borrower will not affect a Dissolution; provided, however, that the foregoing shall not operate to prevent a transaction otherwise prohibited pursuant to this Section so long as such transaction results in Repayment in Full.

(iv) **Investments and Acquisitions.** Borrower will not own any asset or property other than the Project, FF&E and incidental personal property necessary for the ownership or operation of the Project). Borrower will not (a) make or suffer to exist any investments or commitments of Borrower in any other Person, (b) own or create any subsidiary, (c) become or remain a partner in any partnership or joint venture or (d) make any acquisition except any investment in the Project as contemplated herein.

(v) **Affiliates.** Borrower will not enter into any transaction (including the purchase or sale of any property or service) with, allocate overhead, including for common employees, shared office space or other administrative expense or make any payment or transfer to, any Affiliate of Borrower except in the ordinary course of business and pursuant to the reasonable requirements of Borrower's business and upon fair and reasonable terms no less favorable to Borrower than Borrower would obtain in a comparable arms-length transaction.

(vi) **No Other Business.** Borrower will not engage in any business other than the ownership, management, leasing, operation and sale of the Project for its intended purpose in accordance with this Agreement and the other Bond Loan Documents. Further, neither Borrower nor a Guarantor may (i) make any material change in any line of business from those carried on as of the date of this Agreement, (2) change its accounting treatment, (3) change its fiscal year, (4) change its name as it appears in official filings in its jurisdiction of organization, or (5) change its jurisdiction of organization, in any such event, without the prior written consent of Bond Owner.

7.10 Title Insurance.

7.10.1 Title Insurance at Closing. On the Bond Closing Date, Borrower shall, at Borrower's sole cost and expense, deliver or cause to be delivered to Bond Owner each paid Title Insurance Policy: (a) in the Texas Land Title Association form requested by Bond Owner; (b) with extended coverage (without revision, modification or amendment); (c) issued by the Title Company (with reinsurance and/or coinsurance issued by such reinsurers and coinsurers as Bond Owner may require); (d) with a liability limit of not less than the combined amount of the Bond

Loan; and (e) containing zoning, comprehensive, access, survey, pending disbursements and such other endorsements as Bond Owner may require; said Title Insurance Policy, the coverage thereunder and all endorsements thereto being in form and substance satisfactory to Bond Owner. Provided that, on the Bond Closing Date, Bond Owner may accept in lieu of a Title Insurance Policy a commitment for the issuance of that Title Insurance Policy, as determined by Bond Owner, establishing that the Title Company is prepared to issue that Title Insurance Policy on the terms stated above without qualification or conditions, and thereafter the Title Insurance Policy shall be promptly issued. Each Title Insurance Policy shall insure Bond Owner's security interests under the Bond Loan Mortgage as a valid first lien on the Project, free and clear of all easements, restrictions, defects, Liens, claims, charges and encumbrances except for the Permitted Title Exceptions. Each Title Insurance Policy shall otherwise satisfy the requirements of **Exhibit "O"**.

7.10.2 Post-Closing. From and after the Bond Closing Date, Borrower shall, at its own cost and expense, (a) obtain such title insurance endorsements as Bond Owner may reasonably require and (b) do all things necessary to maintain the Bond Loan Mortgage as a valid first lien on the Project subject only to the Permitted Title Exceptions and ensure Borrower's and the Project's compliance with each of the material Permitted Title Exceptions in all material respects.

7.11 Insurance; Eminent Domain.

7.11.1 Insurance Coverages.

(a) **Maintenance of Insurance.** Borrower shall procure and maintain policies as required by **Exhibit F**, including of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all Improvements on the Real Property, in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Bond Owner. Borrower shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Agent may request with Trustee and Bond Owner being named as additional insureds in such liability insurance policies. Additionally, Borrower shall maintain such other insurance, including but not limited to hazard, business interruption, and boiler insurance, as Bond Owner may reasonably require. Policies shall be written in form, amounts, coverages and basis reasonably acceptable to Bond Owner and issued by a company or companies reasonably acceptable to Bond Owner. All policies shall provide that the policies shall not be invalidated by any waiver of the right of subrogation by any insured and shall provide that the carrier shall have no right to be subrogated to Bond Owner. Borrower, upon request of Bond Owner, will deliver to Bond Owner from time to time the policies or certificates of insurance in form satisfactory to Bond

Owner, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days prior written notice to Bond Owner. Each insurance policy also shall include an endorsement providing that coverage in favor of Bond Owner will not be impaired in any way by any act, omission or default of Borrower or any other person. Should the Real Property be located in an area designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area, Borrower agrees to obtain and maintain Federal Flood Insurance, if available, within 45 days after notice is given by Bond Owner that the Property is located in a special flood hazard area, for the full unpaid principal balance of the Bond Loan and any prior liens on the property securing the Bond Loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Bond Owner, and to maintain such insurance for the term of the Bond Loan.

(b) **Application of Proceeds.** Borrower shall promptly notify Bond Owner of any loss or damage to the Property if the estimated cost of repair or replacement exceeds \$50,000.00. Bond Owner may make proof of loss if Borrower fails to do so within fifteen (15) days of the casualty. Whether or not Bond Owner's security is impaired, Bond Owner may, at Bond Owner's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Bond Owner elects to apply the proceeds to restoration and repair, Borrower shall repair or replace the damaged or destroyed Improvements in a manner satisfactory to Bond Owner. Bond Owner shall, upon satisfactory proof of such expenditure, pay or reimburse Borrower from the proceeds for the reasonable cost of repair or restoration if Borrower is not in default under the Bond Loan Mortgage. Any proceeds which have not been disbursed within 180 days after their receipt and which Bond Owner has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Bond Owner under the Bond Loan Mortgage, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Bond Owner holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Borrower as Borrower's interests may appear.

(c) **Unexpired Insurance at Sale.** Any unexpired insurance shall inure to the benefit of, and pass to, the purchaser of the Property covered by the Bond Loan Mortgage at any trustee's sale or other sale held under the provisions of the Bond Loan Mortgage, or at any foreclosure sale of such Property.

(d) **Borrower's Report on Insurance.** Upon request of Bond Owner, however not more than once a year, Borrower shall furnish to Bond Owner a report on each existing policy of insurance showing: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiration date of the policy. Borrower shall, upon request of Bond Owner, have an independent appraiser satisfactory to Bond Owner determine the cash value replacement cost of the Property.

(e) **Insurance Requirements.** Notwithstanding the foregoing, Borrower shall maintain all insurance required in the Insurance Requirements and shall deliver to Bond Owner current evidence of all such insurance as set forth in the Insurance Requirements. Without limiting the foregoing, Borrower shall maintain fire and other risk insurance, public liability insurance, and such other insurance as Bond Owner may require with respect to Borrower's properties and operations, in form, amounts, coverages and with insurance companies acceptable to Bond Owner and deliver to Bond Owner such policies or certificates of insurance in form satisfactory to Bond Owner. Coverages may not be cancelled or diminished without at least ten (10) days prior written notice to Bond Owner. Each insurance policy also shall include an endorsement providing that coverage in favor of Bond Owner will not be impaired in any way by any act, omission or default of Borrower or any other person. Borrower must provide Bond Owner with such loss payable or other endorsements as Bond Owner may require for policies covering loan collateral. Upon request of Bond Owner, provide reports on each existing insurance policy showing such information as Bond Owner may reasonably request. In addition, upon request of Bond Owner (not more often than annually), Borrower will have an independent appraiser satisfactory to Bond Owner determine, as applicable, the actual cash value or replacement cost of any collateral. The cost of such appraisal shall be paid by Borrower.

7.11.2 **Claims; Eminent Domain; Taking.** In the event of any casualty loss or other covered claim, or in the event any proceeding or action is commenced for the taking of the Project, or any part thereof or interest therein, for public or quasi-public use under the power of eminent domain, condemnation (including inverse condemnation) or otherwise (hereinafter collectively referred to as a "**Taking**" and together with any casualty loss or covered claim, a "**Claim Proceeding**"), or if the Project or any portion thereof is taken or damaged by reason of any public improvement or Taking, or should Borrower receive any notice or other information regarding such Claim Proceeding or any written threatened Claim Proceeding, Borrower shall give prompt written notice thereof to Bond

Owner. All compensation, awards, damages, rights of action and proceeds awarded to Borrower by reason of any Claim Proceeding (“**Claim Proceeds**”) are hereby assigned to Bond Owner (or Trustee or Issuer, as the case may be as determined by the Bond Owner and Bond Counsel) as additional collateral for the Bond Loan and Borrower agrees to execute such further assignments thereof as Bond Owner may require.

7.11.3 Prosecution of Claims. Borrower shall diligently defend against and prosecute any Claim Proceeding, shall reasonably cooperate with Bond Owner with respect to any such proceeding and shall not litigate, settle, adjust or compromise or otherwise resolve any such proceeding without the prior written consent of Bond Owner, not to be unreasonably withheld or delayed so long as no Event of Default then exists. At Borrower’s sole cost and expense, Bond Owner shall be entitled to engage its own counsel to review, participate in and otherwise defend Bond Owner with respect to any Taking, proposed Taking or Claim Proceeding.

7.11.4 Application of Claim Proceeds.

(i) All Claim Proceeds (i) shall be payable to Bond Owner (for its own account or on behalf of Issuer and/or Trustee) and Borrower hereby irrevocably and unconditionally authorizes and directs any affected insurance company or Governmental Authority to make payment of such proceeds directly to Bond Owner (in its own name or on behalf of Trustee and/or Issuer) and (ii) if Borrower receives any such Claim Proceeds, such funds shall be deemed to be held in trust by Borrower for the benefit of Bond Owner and paid over to Bond Owner within three (3) Business Days from Borrower’s receipt thereof. Unless permitted by Bond Owner to be used by Borrower to repair and otherwise restore the Project (as set forth below in this Section), all Claims Proceeds will be applied by Bond Owner to payment of the Obligations in such order as Bond Owner shall determine. Borrower shall not be excused from repairing or maintaining the Project or restoring all damage or destruction to the Project, regardless of whether or not such Claim Proceeds are made available to Borrower, whether any such proceeds are sufficient in amount or whether Bond Owner applies such proceeds to the payment of the Obligations; however, Borrower will not be required to repair, replace or restore the Project if Bond Owner is required to make such Claim Proceeds available to Borrower for such restoration or repair but fails to do so. The application or release by Bond Owner of any Claim Proceeds shall not cure or waive any then existing Event of Default or invalidate any act done during the existence of an Event of Default.

(ii) Notwithstanding the other provisions of this Agreement to the contrary, Bond Owner agrees that Borrower shall have the right to the use and application of Claims Proceeds for the repair, replacement or restoration of the Project so long as (i) Bond Owner has reasonably determined that the collateral value of its security interest in the Project has

not been adversely and materially impaired (taking into account any available Repair Funds) and the contemplated restoration or repair thereof in accordance with this **Section 7.11.4** and (ii) each of the conditions set forth in **Section 7.11.4(iii)** have been satisfied.

(iii) Upon the request of Borrower to use any Claim Proceeds for the repair, replacement or restoration of the Project, Bond Owner shall make such amounts available to Borrower so long as: (i) Borrower has delivered to Bond Owner notice of its intention to repair, replace or restore the Project prior to or within ten (10) Business Days after receipt of such funds; (ii) the Project can be repaired, replaced or restored to its condition prior to the Taking or casualty within twenty-four (24) months of such Taking or casualty loss and the Project can be Completed by no later than three (3) months prior to the then applicable Maturity Date; (iii) no Event of Default then exists; (iv) all such Claim Proceeds are deposited with Bond Owner and (v) to the extent Bond Owner reasonably determines that such Claim Proceeds are insufficient to complete such work, either (I) Borrower has deposited with Bond Owner additional proceeds in an amount required to complete such repair and restoration ("**Additional Proceeds**") within ten (10) Business Days of its request therefor, which Additional Proceeds will be held and disbursed in accordance with **Section 5.2.3** or (II) Borrower has delivered evidence of payments for work or materials in an amount sufficient that remaining Claim Proceeds, are sufficient to complete such work, which amounts shall be paid from sources other than the Bond Loan. Borrower confirms to Bond Owner (and Trustee and Issuer, as applicable), has a duly created and perfected security interest in any and all Claim Proceeds and Additional Proceeds (collectively, the "**Repair Funds**"). In connection with the use of any Repair Funds and as a condition precedent thereto, Borrower shall have (1) promptly delivered to Bond Owner all material plans, specifications, budgets, construction schedules and proposed material Construction Contracts for such restoration or repair (but only to the extent not previously delivered) and Bond Owner shall have reasonably approved same and Borrower shall have obtained all necessary permits and other approvals with respect to same by the applicable Governmental Authorities and, to the extent required by Bond Owner, the material Construction Contracts shall have been assigned to Bond Owner as additional collateral for the Bond Loan (together with any third party consents thereto as may be reasonably required by Bond Owner), (2) Borrower shall have commenced, or caused to commence, and at all times thereafter diligently pursue, completion of such restoration and repairs in accordance with all Applicable Laws and this Agreement, (3) with respect to any requested approval of funds to be used for such Repair Funds, the delivery of such invoices, contractor and architect certifications and sworn statements as customarily provided with respect to such work, appropriate lien releases, and appropriate endorsements to each Title Insurance Policy, all as may be reasonably required or otherwise waived by Bond Owner, with Borrower executing such documents regarding such

disbursements and requirements as Bond Owner may reasonably request and (4) Bond Owner has reasonably determined that the Bond Loan continues to be adequately secured by the Collateral (including the Repair Funds) notwithstanding such Taking or casualty loss.

(iv) Upon satisfaction of the conditions precedent set forth in **Section 7.11.4(iii)**, Bond Owner will disburse the Repair Funds until exhausted pursuant to fund the approved repair, replacement and restoration of the Project, with such disbursements to be (i) no more frequently than once per month, (ii) in an amount of not less than the least of \$50,000.00, the total cost of repair, replacement or restoration or the remaining unfunded Repair Funds. So long as no Event of Default then exists, any Repair Funds remaining after completion of such repairs, replacement or restoration, or after Repayment in Full, will be paid to Borrower (unless another Person is legally entitled thereto, in which case to such Person).

(v) If any of the above conditions are not satisfied, or, if after satisfaction of the above conditions, Borrower does not (i) subject to extension (but not to exceed ninety (90) days) due to any Force Majeure Event; provided that Borrower has notified Bond Owner of such Force Majeure Event within ten (10) days of Borrower's knowledge thereof, prosecute through completion thereof, the repair, replacement or restoration of the Project with due diligence and in accordance with the plans and specifications, and such failure continues for thirty (30) days after written notice thereof from Bond Owner to Borrower or (ii) deposit additional funds as and when required pursuant to **Section 7.11.4(iii)**, such failure shall be an Event of Default and Bond Owner may, at any time during the existence of such Event of Default, apply all or any portion of the Repair Funds to the payment of the Obligations, whether or not then due, and Bond Owner shall have no obligation to disburse such Repair Funds to Borrower. If any Repair Funds remain after completion of such repairs, replacement or restoration, or upon Repayment in Full, such Repair Funds shall be paid to Borrower (unless another Person is legally entitled thereto, in which case to such Person).

7.11.5 Assignment of Policies and Proceeds Upon Foreclosure. In addition and without limitation of any other granting clause contained in the Bond Loan Documents, Borrower hereby assigns to Bond Owner all of its rights, title and interests in and to any and all Repair Funds. In the event of foreclosure of the Bond Loan Mortgage, as a mortgage, by judicial proceedings, by a sale under any power of sale, by any sale by advertisement or by any other transfer of title or assignment of the Project in extinguishment, in whole or in part, of the Obligations, all right, title and interest of Borrower in and to all policies of insurance required under this Agreement, any Claims Proceeds, and/or any rights thereto or claims thereto, including any other Repair Funds, shall inure to the exclusive and sole

benefit of, and pass to, Bond Owner or their respective successors in interest (in their own right and for and on behalf of Trustee and Issuer, as applicable).

7.11.6 Rights Upon Event of Default. Notwithstanding anything to the contrary set forth elsewhere in this **Section 7.11**, at any time an Event of Default then exists, (a) Bond Owner is authorized and empowered by Borrower, as attorney-in-fact for Borrower to (but is not obligated to) litigate, settle, adjust or compromise any Claim Proceeding, (b) without regard to the adequacy of its security, to commence, appear in and prosecute in its own name and/or on behalf of Borrower any such Claim Proceeding, and (c) receive and apply any Claim Proceeds in to the Project or to the Bond Loan, all in such amounts, order and priority as Bond Owner deems appropriate (subject only to **Section 6.2.5**). Borrower waives any and all right to claim or recover against Bond Owner, and their respective successors and assigns and their respective directors, officers, employees, agents and representatives, with respect to any loss of or damage to Borrower, the Project, Borrower's property or the property of others under Borrower's control resulting from any actions and applications by Bond Owner in accordance with this **Section 7.11**.

7.11.7 Rental Loss Proceeds. So long as no Event of Default then exists, any Claims Proceeds which constitute rental loss and business interruption insurance proceeds paid to or held by Bond Owner shall, after reserving therefrom adequate amounts to pay debt service on the Bond Loan as and when due (taking into account any then existing interest reserves), with Bond Owner being authorized to make such payments from such reserve during such repair period, be made available to Borrower, upon request from time to time therefor, for payment of ordinary operating expenses for the Project.

7.12 Maintenance of Records, Inspections and Appraisals. Borrower further covenants and agrees as follows:

7.12.1 Bond Owner's Consultants. Bond Owner may retain Bond Owner's Consultants as it deems reasonably necessary or convenient to perform such services as may, from time to time, be required or otherwise reasonably deemed appropriate by Bond Owner in connection with the Project, the Bond Loan, this Agreement, the other Bond Loan Documents or Borrower's and Guarantor's respective compliance therewith. Bond Owner's Consultants shall have the same protections as Bond Owner under this Agreement and the other Bond Loan Documents. Notwithstanding anything to the contrary set forth elsewhere herein, no Bond Owner's Consultant shall have any authority to bind Bond Owner nor shall any such authority be implied. For avoidance of doubt, it is acknowledged and agreed by Borrower that Bond Owner's Consultants will include a construction consultant who will assist Bond Owner in its cost review and assessment of the Project in connection with the Closing, review of Draw Request Package, satisfaction of the conditions precedent to funding, the costs of construction and Borrower's compliance with the construction related covenants set forth herein,

including monthly site inspections of the Project, and its determination of whether Completion has occurred.

7.12.2 Maintenance of Records. Borrower shall set up and maintain accurate and complete books, accounts and records pertaining to Borrower and the Project in accordance with GAAP, including records related to the ownership, leasing, operation and maintenance of the Project, the financial and operating history and performance of the Project and of Borrower, and Borrower's compliance with the terms and conditions of the Bond Loan Documents and all Applicable Laws (whether physically maintained or electronically maintained, collectively, the "**Borrower Records**").

7.12.3 Access to Borrower and Project. Upon prior reasonable notice and at reasonable times, Borrower shall make Borrower's Records available to Bond Owner upon reasonable request therefor and shall permit, and Bond Owner and Bond Owner's Consultants will have the right, at any time and from time to time during normal business hours and upon at least two (2) Business Days' prior written notice (provided no such prior notice shall be required during the continuance of an Event of Default) and subject only to the rights of any unrelated, third party Tenants under Approved Leases) to enter and inspect the Project and to enter Borrower's offices in order to inspect, audit, verify, examine and, as applicable, copy Borrower's Records. At the request of Bond Owner, Borrower shall also make its Authorized Representatives (and any other of its officers, directors, employees, consultants and contracting parties to the extent they are considered "most knowledgeable" on the applicable subject matter) available to Bond Owner at reasonable times and upon reasonable notice to discuss any of the foregoing.

7.12.4 Appraisals. During the term of the Bond Loan, Bond Owner may obtain one or more Appraisals of any real or personal property constituting collateral for the Bond Loan: (a) if any Applicable Law, rule, regulation, regulator recommendation or audit standard requires or encourages Bond Owner to obtain an appraisal, or (b) Bond Owner believes that an Event of Default has occurred under the Bond Loan Documents, or (c) Bond Owner reasonably believes conditions exist that, with the passage of time and giving any required notice, will constitute an event of default under the Bond Loan Documents. Borrower shall reimburse Bond Owner for the cost of such appraisals (but not more than one per calendar year), and Bond Owner may in its discretion charge that reimbursement to any credit facility outstanding with Borrower. Appraisals under this Section will be ordered, reviewed and accepted by Bond Owner from an appraiser (and in a form and substance) satisfactory to Bond Owner in its sole discretion. Borrower shall cooperate in the conduct of the Appraisal, including but not limited to granting the appraiser access to the real property and providing the appraiser with all records or information requested in connection therewith.

7.12.5 Borrower Cooperation. Borrower shall cooperate fully with any of Bond Owner's Consultants, including any appraiser or inspector, such that they can fully and timely complete their assignments.

7.12.6 Fees and Costs. Subject only to the limitations set forth in **Section 7.14**, Borrower will be responsible, and will reimburse Bond Owner, for all reasonable fees, costs and charges incurred by Bond Owner and Bond Owner's Consultants with respect to any of the actions and matters set forth in this **Section 7.12**.

7.12.7 No Reliance by Borrower or Third Parties; No Waiver. Borrower shall be solely responsible for conducting its own due diligence and making its own investigations and inspections of the Project. All Appraisals, evaluations and inspections by Bond Owner, or by Bond Owner's Consultants, together with any statements or actions which may be made or taken in connection therewith, are for the sole purpose of providing information to Bond Owner and protecting the security interests granted to them under the Bond Loan Documents. Any inspections, approvals, consents, acceptances or determinations made by Bond Owner, or by or on behalf of Bond Owner with respect to the Budget, the Plans, the Construction Schedule, any Construction Contract, Project Related Document or otherwise with respect to the Project, or any lien waivers, receipts, or other agreements, documents, and instruments obtained by any of them, (a) are made or obtained solely for their own benefit, (b) are not in any way for the benefit or protection of Borrower or Guarantor, (c) do not constitute a representation or warranty, express or implied of any kind (including with respect to structural integrity, value, satisfaction of any standard or requirement, quality of work or services and compliance with the Bond Loan Documents or any Applicable Law), (d) may not be relied on in any way by Borrower, Guarantor or any other Person and (e) unless expressly acknowledged in writing to Borrower by Bond Owner, do not constitute a waiver of any Material Adverse Change, Unmatured Event of Default or Event of Default that may then exist. To the fullest extent not prohibited by Applicable Law, Borrower hereby waives any statutory, legal or equitable right to view, receive or otherwise obtain a copy of any such Appraisal, evaluation or inspection. No such inspections or review will limit any of the rights and remedies of Bond Owner pursuant to this Agreement or the other Bond Loan Documents.

7.12.8 Disclaimer. Bond Owner each shall not be liable to any supplier, laborer, architect, engineer or any other party for services performed or materials supplied in connection with the Project by, on behalf of or at the direction of any Borrower Related Party nor shall Bond Owner be liable for any Indebtedness with respect thereto. Borrower is not and shall not be an agent of Bond Owner for any purpose, Bond Owner is not a joint venture partner with Borrower or with the partners, members, managers or shareholders in Borrower in any manner whatsoever. Bond Owner shall not be deemed to be in privity of contract with any contractor or provider of services to the Project, nor shall any payment of funds directly to any provider of services be deemed to create any third-party agent status or recognition of same by Bond Owner.

7.12.9 **Inspections.** In addition to and without limiting any other term or provision in this Agreement or any other Bond Loan Document, Borrower shall subject to the rights of any unrelated, third party residential tenants under Approved Leases) allow Bond Owner to visit and inspect any of the Project, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at the reasonable expense of the Borrower ,upon two (2) Business Days' prior written notice to Borrower (provided no such prior notice shall be required during the continuance of an Event of Default), and at such reasonable times during normal business hours and as often as may be reasonably requested.

7.13 Low-Income Housing Tax Credit. The Borrower promises to keep each of the following covenants relating to the Low-Income Housing Tax Credit:

7.13.1 To observe and perform all obligations imposed on the Borrower in connection with the Low-Income Housing Tax Credit, including the "placed in service" requirements under and as defined in Section 42 of the Code, and under the Partnership Agreement in a timely manner to ensure the availability of the Low-Income Housing Tax Credit; and to operate the residential units of the Project or to use the Borrower's best efforts to ensure the appropriate parties operate the same in accordance with all applicable statutes and regulations governing the Low-Income Housing Tax Credit;

7.13.2 To preserve at all times the availability to the Project of the Low-Income Housing Tax Credit;

7.13.3 Following the Bond Closing Date, not to release, forego, alter, amend, or modify its rights to the Low-Income Housing Tax Credit, without the Bond Owner's prior written consent, which the Bond Owner may give or withhold in the Bond Owner's reasonable discretion;

7.13.4 Not to execute any residential lease not complying fully with all requirements and regulations governing the Low-Income Housing Tax Credit, except with the Bond Owner's prior written consent, which the Bond Owner may give or withhold in the Bond Owner's sole and reasonable discretion;

7.13.5 Keep all records, and cause to be made all elections and certifications, pertaining to the number and size of apartment units, occupancy thereof by tenants, income levels of tenants, set-asides for low-income tenants, and any other matters now or hereafter required to qualify for and maintain the availability of each of the Low-Income Housing Tax Credit applicable to the Improvements;

7.13.6 Comply with the appropriate minimum low-income set-aside requirements under the Code or applicable federal regulations ("**Federal Laws**"),

if any, applicable to the creation, maintenance and continued availability of the Low-Income Housing Tax Credit; and

7.13.7 Certify compliance with the set-aside requirement and report the dollar amount of qualified basis and maximum applicable percentage, date of “placed in service” under and as defined in Section 42 of the Code, as applicable, and any other information required, and as applicable, for each of the Low-Income Housing Tax Credit at such time periods as required by Federal Laws, or state laws, as applicable.

7.14 Equity Funding. On or before the Bond Closing Date, the Investor Limited Partner shall provide Bond Owner with a written certification that partners and/or members owning in the aggregate not less than 75% of the investment fund which owns the Investor Member (the “**Investment Fund**”) are Investment Grade. If requested by Bond Owner prior to the end of a particular calendar year, within 60 days after the end of that calendar year, the Investor Limited Partner shall provide to Bond Owner an annual certification that since the Bond Closing Date (or the most recent annual certification as the case may be) certifying there has been no change in the ownership of the Investment Fund or if there has been a change in the ownership of the Investment Fund since the Bond Closing Date (or the most recent annual certification as the case may be), certifies to Bond Owner in writing that the partners and/or members owning in the aggregate at least 75% of the ownership interests in the Investment Fund are themselves (or such partner’s ultimate parent) Financial Institutions or Investment Grade. All information received in connection with the foregoing shall be kept confidential by Bond Owner, unless required to be disclosed by applicable law and/or bank regulations.

7.15 Deposits For Taxes, Insurance, and Other Charges.

7.15.1 **Creation of Reserve with Bond Owner.** Borrower shall deposit with Bond Owner amounts as set forth in **Exhibit “T”** to pay when due (1) the premiums for fire and other hazard insurance, rent loss insurance and such other insurance as Bond Owner may require under this Agreement, and (2) Taxes. The amounts deposited under the preceding sentence are collectively referred to in this Agreement as the “**Imposition Deposits**”. The amount of the Imposition Deposits shall be sufficient to enable Bond Owner to pay each Imposition before the last date upon which such payment may be made without any penalty or interest charge being added. Bond Owner shall maintain records indicating how much of the monthly Imposition Deposits and how much of the aggregate Imposition Deposits held by Bond Owner are held for the purpose of paying Taxes, insurance premiums and each other Imposition for which Imposition Deposits are required. Any waiver by Bond Owner of the requirement that Borrower remit Imposition Deposits to Bond Owner may be revoked by Bond Owner, in Bond Owner’s discretion, at any time upon notice to Borrower.

7.15.2 **[RESERVED].**

7.15.3 Setoff Rights. If an Event of Default has occurred and is continuing, Bond Owner may instruct the Trustee in writing to apply any Imposition Deposits, in any amounts and in any order as Bond Owner determines, in Bond Owner's discretion, to pay any Impositions or as a credit against the Obligations. Upon payment in full of the Obligations, Bond Owner shall refund to Borrower any Imposition Deposits held by Bond Owner.

7.16 General Covenants. Borrower further covenants and agrees as follows:

7.16.1 Compliance with Applicable Laws.

(i) **Governmental Regulations.** Borrower will at all times comply with all applicable Governmental Regulations, including maintenance of the continued truth and accuracy of each of the representations and warranties set forth in **Section 2.5**.

(ii) **Other Applicable Laws.** In addition to **Section 7.16(i)**, Borrower will at all times comply with all other Applicable Laws; provided that, notwithstanding any provision of this Agreement or any of the other Bond Loan Documents to the contrary, no Material Adverse Change, Unmatured Event of Default or Event of Default shall be deemed to have occurred as a result of the failure of Borrower or the Project to comply with any such Applicable Law so long as Borrower has promptly notified Bond Owner thereof and Bond Owner shall have reasonably determined that each of the following conditions are satisfied: (i) Borrower is contesting in good faith any claim that it is not in compliance with such law or is contesting in good faith the applicability thereof to Borrower or the Project; (ii) Borrower has properly commenced and is diligently pursuing such contest; (iii) such contest will not prohibit or impair in any material respect Borrower's ability to Complete the Project by the Completion Date or own, lease, operate and maintain the Project or otherwise perform its other Obligations under the Bond Loan Documents as and when required; (iv) Borrower demonstrates to Bond Owner's reasonable satisfaction that Borrower has the financial capability to undertake and pay for such contest and any corrective or remedial action then or thereafter likely to be necessary; (v) Bond Owner will not be exposed to any liability due to such contest; and (vi) such contest, if determined against Borrower, will not result in any Lien or Imposition on the Project (unless Borrower has complied with the Lien contest provisions set forth in **Section 7.7.6(ii)** above) or a Material Adverse Change (taking into account any reserves and any remedial plans put in place by Borrower to address any such adverse decision which have been reasonably approved by Bond Owner).

(iii) **Know Your Customer Compliance.** In addition to the foregoing, but without limiting such statements and agreements, Borrower and Guarantor and each of their owners, officers and directors are in compliance with (a) the Trading with the Enemy Act, and each of the foreign

assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B Chapter V, as amended) and any other enabling legislation or executive order relating thereto, (b) the Patriot Act and (c) other federal or state laws relating to “*know your customer*” and anti-money laundering rules and regulations. No part of the proceeds of the Bond Loan will be used directly or indirectly for any payments to any government official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977.

7.16.2 Payment of Obligations. Borrower shall pay all of its current obligations before delinquency, including all federal, state and local taxes, all Indebtedness permitted pursuant to **Section 7.7.1**, and all other payments required under federal, state or local law; subject only to Borrower’s right to contest the same in the manner provided in **Section 7.7.6** to the extent such contest is permitted by Applicable Law.

7.16.3 Notices to Bond Owner. Promptly, and in no event later than fifteen (15) days of Borrower obtaining actual knowledge thereof, Borrower will give, or cause to be given, written notice to Bond Owner of (a) any Event of Default or Material Adverse Change, (b) any material breach or claimed material breach under the General Contractor Agreement, any subcontract, or any existing Management Agreement and the expiration of all applicable notice and cure periods or, to the extent such breach results in a Material Adverse Change, any other Construction Contract, any Project Related Document or other agreement to which Borrower or its assets is subject, (c) any violation or claimed violation of any Applicable Law or any action or proceeding which is instituted or threatened by or against Borrower or Guarantor to the extent any of the foregoing could, if adversely determined, result in an Event of Default or a Material Adverse Change, (d) (i) the insolvency of Borrower or Guarantor or (ii) any of Borrower, Guarantors, any Manager, the General Contractor, or any subcontractor becomes the subject of a Bankruptcy Event, (e) any breach or default of a third party agreement or the commencement of any litigation or proceeding against Borrower or the commencement of any litigation or proceeding against Borrower or a Guarantor to the extent reasonably likely to result in a Material Adverse Change or an Event of Default if determined adversely to Borrower or a Guarantor and (f) any other actions, proceedings, changes in Applicable Law or notices adversely affecting the Project or any other Collateral, or Bond Owner’s interest therein, whether by any zoning, building or other Governmental Authority having jurisdiction with respect to the Project or otherwise to the extent, in each case, it is reasonably likely to result in a Material Adverse Change or an Event of Default if determined adversely to Borrower.

7.16.4 Maintenance of Existence; Trade Names. Borrower shall maintain and preserve its existence and all rights and franchises material to its business, if any. Borrower shall immediately notify Bond Owner of any change in

the legal, trade or fictitious business names used by Borrower. At the request of Bond Owner from time to time, Borrower shall execute a certificate in form reasonably satisfactory to Bond Owner listing the trade names or fictitious business names under which Borrower intends to operate the Project or any business located thereon and representing and warranting that Borrower does business under no other trade names or fictitious business names with respect to the Project. Borrower shall, upon Bond Owner's reasonable request, execute any additional certificates and documents necessary to reflect any change in trade names or fictitious business names.

7.16.5 Keeping Guarantor and Indemnitors Informed. Borrower shall keep Guarantors and all indemnitors informed of Borrower's financial condition and business operations, the condition and use of the Project, and all other circumstances which may affect Borrower's ability to pay or perform the Obligations.

7.16.6 Publicity Releases. After the execution of this Agreement, any and all publicity releases by Borrower or a Guarantor to newspapers of general or limited circulation or trade publications announcing any of the financing by Bond Owner provided for herein shall be issued by or subject to prior approval by Bond Owner. In addition, subject to the reasonable consent of Borrower and so long as not interfering with Borrower's or any Tenant's use and occupancy of the Project and is otherwise in compliance with all Applicable Laws, Bond Owner may, at Bond Owner's sole expense and without reimbursement by Borrower, erect a temporary sign on the Project indicating that Bond Owner is the source of the financing for the Project.

7.16.7 Further Assurances. Borrower shall, at its sole cost and expense, cooperate with Bond Owner at all times and shall, promptly after any reasonable request therefor by Bond Owner, (a) deliver to Bond Owner copies of any Leases, any Construction Contracts, any Management Agreements, any Project Related Documents, and any other instruments, agreements and documents related to Borrower, Guarantors, the Project or the development, construction, use, leasing, occupancy, operation or condition thereof not previously delivered to Bond Owner, together with copies of any changes, revisions, amendments or modifications to any of the foregoing, (b) deliver any and all instruments, agreements and documents, and take such other action, as may be necessary or desirable in the opinion of Bond Owner to maintain or perfect the security interests of Bond Owner provided for herein and in the other Bond Loan Documents and (c) execute and deliver and cause Guarantor to execute and deliver, such modifications as necessary to correct any scrivener's error and to otherwise confirm, ensure the validity and enforceability of the Bond Loan Documents. Borrower further authorizes Bond Owner to, at Borrower's sole cost and expense, file and record such UCC Financing Statements, including continuation statements, that Bond Owner may reasonably deem appropriate to perfect, preserve or otherwise reflect such security interests in the appropriate public records.

7.16.8 **Hedging Transactions.** Borrower may but is not required to enter into, or cause its Affiliates to be entered into, any Hedging Transaction with respect to the Bond Loan. To the extent any Hedging Transaction is entered into between Borrower and Bond Owner (or any Affiliates thereof), it shall constitute an independent agreement governed by the written provisions thereof, which will remain in full force and effect, unaffected by any repayment, prepayment, acceleration, reduction, increase or change in the terms of the Bond Loan Documents; provided that such Hedging Transaction shall be secured by the lien of the Bond Loan Mortgage as set forth therein. In connection with any Hedging Transaction, Borrower shall secure an IRMA to provide financial services on terms and in a manner acceptable to Bond Owner, and Borrower shall pay all associated fees (estimated to be \$25,000.00). Except as otherwise expressly provided such Hedging Transaction, and any payoff statement from Bond Owner relating to the Bond Loan shall not apply to any Hedging Transaction Obligation.

ARTICLE 8 EVENTS OF DEFAULT AND REMEDIES

8.1 Events of Default. The occurrence of any one or more of the following shall constitute an Event of Default under this Agreement (each, an “**Event of Default**”):

8.1.1 **Failure to Pay.** (a) Failure to pay the Bond Loan in full by the Maturity Date; (b) failure to pay when due any of the scheduled monetary payment obligations set forth in **Section 6.2.1**; or (c) failure to pay any other fees, costs, charges and other amounts as and when due to Bond Owner under any other provision of this Agreement or any other Bond Loan Document; provided that, with respect to this clause (c) only, in the absence of any specified notice and cure period, such failure will not be an Event of Default if fully paid within ten (10) days of written demand therefor.

8.1.2 **Failure to Balance.** Failure to make any deposit into the Borrower’s Funds Account as and when required pursuant to **Section 5.2.3(ii)** or **Section 7.14**.

8.1.3 **Specific Construction Related Events of Default.** The following specified Events of Default are in addition and without limiting the other Events of Default under this Section:

(i) **Change Orders.** Any breach of the change order limitations set forth in **Section 7.1.2(iii)**; provided such breach shall not result in an Event of Default if such breach is cured within thirty (30) days of demand therefor by Bond Owner or Bond Owner has determined that the Bond Loan remain In Balance notwithstanding, such breach does not result in a Material Adverse Change, no other Events of Default then exist or will result as a result of such breach and, to the extent an updated Budget and/or updated Plans are required as a result thereof, such Budget and/or Plans have been approved by Bond Owner.

(ii) **Permits.** If and to the extent Bond Owner does not require on the Bond Closing Date, the failure of Borrower to obtain any Construction Approval, material permit, license, consent or approval required for the continued development, construction, Completion or operation of the Improvements for their intended purpose within thirty (30) days after the Bond Closing Date, or upon obtaining, the neglect, failure or refusal to keep in full force and effect any Construction Approval, material permit, license, consent or approval required for the continued development, construction, Completion or operation of the Improvements for their intended purpose hereunder that is not fully reinstated within thirty (30) days after demand therefor by Bond Owner; provided, however, that if Bond Owner has reasonably determined that such failure is capable of being remedied but not within such thirty (30) day period and the continued existence thereof during such cure period will not result in irreparable harm, then so long as Borrower is diligently pursuing such cure at all times during such cure period, Borrower or such Guarantor, as applicable, shall have up to an additional thirty (30) days within which to remedy such failure, but in no event more than a total of sixty (60) days after the initial demand from Bond Owner to Borrower.

(iii) **Cessation of Construction.** Cessation of the work of construction or any material part thereof prior to Completion for any reason for a continuous, consecutive period of twenty (20) Business Days unless such cessation is caused by a Force Majeure Event, in which case such period shall be extended as necessary as a result thereof, but not to exceed sixty (60) Business Days of cessation; provided that Borrower has notified Bond Owner of such Force Majeure Event within ten (10) days of Borrower's knowledge thereof.

(iv) **Failure to Complete.** Failure to Complete the Project by the Completion Date and satisfy all conditions precedent for the final construction related Bond Proceeds Disbursement as set forth in **Section 4.2.8.**

8.1.4 **Breach of Specific Covenants.**

(i) **Reporting Requirements.** The breach of any of the reporting requirements set forth in **Section 7.3**; provided that, such breach shall not result in an Event of Default if such breach is cured within five (5) Business Days of demand therefor by Bond Owner.

(ii) **Accounts.** The breach of any of the covenants and requirements set forth in **Section 7.6**; provided such breach shall not result in an Event of Default if such breach is cured within five (5) Business Days of demand therefor by Bond Owner.

(iii) **Negative Covenants.** The breach of any of the negative covenants set forth in **Section 7.7** (i.e., Prohibited Transfers, Prohibited Liens or Impositions, Prohibited Indebtedness, Prohibited Associations, Prohibited Distributions and Prohibited Amendments to Organizational Documents) but excluding any breach of **Section 7.7.1(i)** with respect to any Transfer of an immaterial part of the Project or any breach of **Section 7.7.1(iii)**, any of which shall constitute a non-monetary default subject to the notice and cure provisions set forth in **Section 8.1.7**.

(iv) **Single Purpose Entity Covenants.** The breach of any of the single purpose entity covenants set forth in **Section 7.9**; provided that, if such failure is inadvertent, is otherwise capable of cure and Bond Owner has reasonably determined that the continued existence thereof will not result in a Material Adverse Change or create a reasonable risk of substantive consolidation with any other Person, then Borrower shall have thirty (30) days from demand therefor by Bond Owner to cure such failure before such failure shall constitute an Event of Default hereunder.

(v) **Maintenance of Insurance.** The failure of Borrower to maintain any insurance required to be maintained under **Section 7.11.1** and such failure is not cured within the earlier of (i) prior to any lapse or expiration of such insurance or (ii) ten (10) Business Days after written demand therefor by Bond Owner.

(vi) **Application of Proceeds.** The failure of Borrower to turnover, use or otherwise apply any Claims Proceeds as and when required in accordance with **Section 7.11.4**; provided that, to the extent there is no specified notice and cure period with respect thereto in **Section 7.11.4**, then within ten (10) Business Days of demand therefor by Bond Owner.

8.1.5 Representations and Warranties. Any representation or warranty of Borrower or a Guarantor contained herein or in any of the other Bond Loan Documents, or in any certificate or other document executed by Borrower or a Guarantor and delivered to Bond Owner pursuant to or in connection with this Agreement or any other Bond Loan Document, fails to be true, correct and complete in all material respects as; provided that, if such failure is inadvertent and capable of cure, and Bond Owner has reasonably determined that the continued existence thereof during such cure period will not result in irreparable harm, then Borrower shall have thirty (30) days from demand therefor by Bond Owner to cure such failure before such failure shall constitute an Event of Default hereunder, and if the representation or warranty at issue was made by a Guarantor, it shall not be an Event of Default if Borrower provides a substitute guarantor reasonably acceptable to Bond Owner for that Guarantor within thirty (30) days after notice is provided by Bond Owner to Borrower and Guarantors.

8.1.6 AHFC Loans. The failure of Borrower to timely pay and perform under and with respect to any term or requirement of the AHFC Loan Document which is not fully cured within any applicable grace or cure period.

8.1.7 Other Nonmonetary Defaults. Any breach by Borrower or a Guarantor of any of the nonmonetary covenants and conditions of this Agreement or of the other Bond Loan Documents to which is a party (other than those specific breaches described in this **Section 8.1**), which breach is not cured to Bond Owner's satisfaction on or before the expiration of any applicable cure period set forth herein or in the other Bond Loan Documents, or, if none is so specified, within fifteen (15) days following Borrower's or such Guarantor's, as applicable, receipt of written notice thereof by Bond Owner; provided, however, that no such notice and cure period will be required if a notice has been provided under this **Section 8.1.7** in the prior twelve calendar months.

8.1.8 Commencement of Foreclosure. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any Collateral. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Bond Owner. However, if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Bond Owner written notice of the creditor or forfeiture proceeding and deposits with Bond Owner monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Bond Owner, in its sole discretion, as being an adequate reserve or bond for the dispute then this paragraph shall not apply.

8.1.9 Bankruptcy; Litigation; Judgments; etc.

(i) **Bankruptcy Event.** Borrower, or prior to the Conversion Date, the Investor Limited Partner or a Guarantor, (a) is unable to remain, or admits in writing that it is not, Solvent, (b) makes a general assignment for the benefit of creditors or (c) become the subject of a Bankruptcy Event; provided that if such Bankruptcy Event is involuntary and not otherwise caused by any Borrower Related Person, such Bankruptcy Event shall not constitute an Event of Default if it is dismissed within sixty (60) days of the filing thereof; provided that, and if the Bankruptcy Event at issue involves a Guarantor, it shall not be an Event of Default if Borrower provides a substitute guarantor reasonably acceptable to Bond Owner for that Guarantor within thirty (30) days after notice is provided by Bond Owner to Borrower and Guarantors.

(ii) **Material Litigation.** The failure of Borrower to diligently defend at all times any litigation or proceeding before any Governmental Authority which has been commenced against or affecting Borrower, the

Project or any other Collateral, but only to the extent, if adversely determined, would result in a Material Adverse Change.

(iii) **Levy, Etc.** All or any material part of the property of Borrower is attached, levied upon, garnished or otherwise seized by legal process, and such attachment, levy, garnishment or seizure is not quashed, stayed, or released within sixty (60) days of the date thereof.

(iv) **Bond Loan Documents; Injunction.** (i) Any Borrower Related Person shall claim or assert in any legal proceeding that the Bond Loan Documents are not legal, valid and binding agreements enforceable against Borrower and/or a Guarantor in accordance with their respective terms, (ii) to the extent caused by any Borrower Related Person, the Bond Loan Documents shall in any way be terminated (except in accordance with their terms), revoked or become or be judicially declared ineffective or inoperative in any material respect or shall in any way fail to give or provide the respective liens, security interests, rights, titles, interests, remedies, powers or privileges intended to be created thereby; provided that if such termination or failure is capable of being cured, such termination or failure shall not constitute an Event of Default if cured within ten (10) days of demand therefor by Bond Owner or (iii) any Person shall obtain an order or decree in any court of competent jurisdiction enjoining or prohibiting Bond Owner, Borrower or a Guarantor from carrying out the terms and conditions of any of the Bond Loan Documents and such order or decree is not vacated, bonded over or stayed within sixty (60) days after the entry thereof.

(v) **Judgment.** A final judgment or decree for monetary damages or a monetary fine or penalty is entered against Borrower and/or a Guarantor (individually or in the aggregate when combined with any other judgment, decree, fine or penalty) and is not paid and discharged, or bonded over or stayed, within thirty (30) days after the entry thereof; provided that if the judgment or decree relates to a Guarantor, it shall not be an Event of Default if Borrower provides a substitute guarantor reasonably acceptable to Bond Owner for that Guarantor within thirty (30) days after notice is provided by Bond Owner to Borrower and Guarantors.

(vi) **Dissolution.** (1) Commencement of any action or proceeding which seeks as one of its remedies for the Dissolution of Borrower, Investor Limited Partner or the Entity Guarantor and such action or proceeding is not defended diligently and in good faith by Borrower or the Entity Guarantor as applicable or (2) a final judgment is entered against Borrower or a Guarantor decreeing any such Dissolution, or (3) failure by Borrower to comply with the single-purpose entity requirements, if any, set forth in the Loan Documents.

(vii) **Indemnification.** Failure of Borrower to satisfy any of its indemnification obligations under the Loan Documents.

(viii) **Death.** The death or legal incapacity of an Individual Guarantor and that Guarantor is not replaced with a substitute guarantor acceptable to Bond Owner within thirty (30) days after any such death or incapacity.

8.1.10 Material Adverse Change. The occurrence of any Material Adverse Change as to the Project, Borrower or a Guarantor; provided that, if Bond Owner has determined that such Material Adverse Change is subject to cure and the continued existence thereof will not result in irreparable harm during such cure period, it shall not constitute an Event of Default hereunder if Borrower and/or Guarantor as applicable is diligently pursuing such cure and it is cured within a reasonable time not to exceed sixty (60) days from the initial demand of Bond Owner to cure such Material Adverse Change.

8.1.11 Destruction of Project. If the Project, or a material portion thereof, is destroyed by fire or other peril, and Borrower fails to comply with the requirements set forth in **Section 7.11.4** as and when required thereunder or, if no time period is provided for therein, within ten (10) Business Days of written demand therefor by Bond Owner, or if Borrower ceases business operations as contemplated as of the date of this Agreement.

8.1.12 Forfeiture of Collateral. The seizure of the Project or any material portion thereof by any Governmental Authority or the forfeiture of Project or any material portion thereof as a result of any enforcement action by any Governmental Authority.

8.1.13 Hedging Transaction Obligations. To the extent a Hedging Transaction exists, the occurrence or existence of any default, breach or call event (however described) beyond any applicable grace or cure period with respect to the Hedging Transaction Obligations under such Hedging Transaction, whether or not Bond Owner (or an Affiliate thereof) is a party thereto.

8.1.14 Default Under Loan Document or Bond Document. The occurrence of any Event of Default under and as defined in any Bond Loan Document, or the occurrence of an Event of Default under and as defined in the Financing Agreement, the Indenture, or any other Bond Document.

8.1.15 Misappropriation. Borrower's use of any Borrower's Funds or Loan proceeds for any purpose other than pursuant to the Budget and any Draw Request Package.

8.1.16 Equity and Partnership Defaults. (i) any material reduction in the portion of the Capital Contributions to be used for budgeted items and to pay the Loan (except as a result of an adjustment due to a shortfall in or late delivery of tax credits as provided for in the Partnership Agreement) or a change in the federal tax rate to be made by the Investor Limited Partner which is not consented to by the Bond Owner in writing (unless the amount of the reduction is made by

the General Partner and/or the Administrative Limited Partner as a Capital Contribution in a manner satisfactory to Bond Owner or the amount of the reduction is otherwise made available in the manner satisfactory to Bond Owner or the reduction does not affect the amount of the scheduled Capital Contributions listed in **Exhibit “L”** which are to be applied to budgeted items or to the Bond Loan Note, or (ii) the Investor Limited Partner withdraws as the Investor Limited Partner of Borrower under the Partnership Agreement except as expressly permitted by the terms of this Agreement.

8.1.17 **Completion.** Completion does not occur by the Completion Date and in accordance with all Applicable Laws (including all requirements for the preservation of the Low Income Housing Tax Credit) and such failure is not fully cured within thirty (30) days after written notice thereof is provided by Bond Owner to Borrower.

8.1.18 **Bond Owner Determination.** A reasonable determination by Bond Owner (or its construction consultant) that Completion cannot occur by the Completion Date and in accordance with all Applicable Laws (including all requirements for ensuring the preservation of the Low-Income Housing Tax Credit), or all the Conditions to Conversion cannot be fully completed and satisfied on or before the Permanent Term Commencement Deadline (regardless of whether or not as a result of any casualty or condemnation), and any such situation is not corrected in a manner reasonably satisfactory to Bond Owner within 30 days after written notice thereof is provided by Bond Owner to Borrower.

8.1.19 **Low Income Tax Credit.** A reasonable determination by the TDHCA that Borrower has failed to satisfy the requirements for obtaining and maintaining the Low-Income Housing Tax Credit for the Project, and all applicable notice, grace, and cure periods have expired.

8.1.20 **Ground Lease.** The cancellation, termination, or expiration of the Ground Lease, the modification or amendment of the Ground Lease in any material respect (including, without limitation, increasing the rent due thereunder), or the failure of Borrower to pay and perform under the terms of the Ground Lease and such failure shall not have been cured within any applicable grace or cure period.

8.1.21 **(Reserved).**

Notwithstanding anything to the contrary in any Bond Loan Document, if an Event of Default relates solely to a Guarantor, then Bond Owner shall not exercise its rights and remedies under the Bond Loan Documents for such Event of Default if Borrower provides a substitute guarantor reasonably acceptable to Bond Owner for that Guarantor within thirty (30) days after notice is provided by Bond Owner to Borrower and Guarantors.

8.2 Remedies.

8.2.1 Rights and Remedies. Notwithstanding any provision to the contrary herein or in any of the other Bond Loan Documents, at any time (1) an Event of Default or Unmatured Event of Default is then existing, (2) the Borrower or Guarantor becomes incompetent or insolvent, files a petition in bankruptcy or is adjudged bankrupt; (3) a Material Adverse Change in either a Borrower's or a Guarantor's financial condition, as determined by Bond Owner in its sole discretion; or (4) a Guarantor seeks or attempts to limit, modify, or revoke its Guaranty of the Bond Loan or any other loan with Bond Owner, any commitment of Bond Owner to approve Requisitions or to disburse deposits of the Capital Contributions in the Capital Contribution Account, as provided for herein shall be suspended, Bond Owner will not have any further obligation to Borrower to approve a Requisition or to make any further disbursements of deposits of the Capital Contributions as provided for herein until such Event of Default or Unmatured Event of Default is cured, and, in addition to the foregoing, at the election of Bond Owner during the continuance of the Event of Default: (a) Bond Owner may exercise any and all of the rights and remedies of Bond Owner provided under any and all of the Bond Loan Documents, at law or in equity, including (i) to declare all outstanding Obligations to be immediately due and payable without presentment, demand, protest or notice of any kind and (ii) the right to appoint a receiver; (b) exercise any and all of the rights and remedies of a secured party under the UCC or other Applicable Law; (c) apply any Reserves in its possession, including any accounts, Claims Proceeds or any other funds or amounts) to the outstanding Obligations, whether or not such Obligations are then due and payable; and (d) charge interest on any or all of the Obligations at the Default Rate, provided the Default Rate will not exceed the Maximum Rate under any circumstances. Notwithstanding anything in the foregoing or elsewhere in any Bond Loan Document to the contrary, (x) upon the occurrence of an Event of Default under **Section 8.1.9(i), (iv) or (v)**, the commitment of Bond Owner to approve Requisitions or to disburse deposits of the Capital Contributions in the Capital Contribution Account, as provided for herein shall be automatically terminated and the Bond Loan and any other outstanding Obligations (and shall be automatically deemed to have become immediately due and payable upon the occurrence of such Event of Default and a redemption shall have been deemed to be made on the Bonds), all without any action by or notice to any Person and (y) upon the automatic acceleration of the Bond Loan as set forth above or if Bond Owner accelerates the Bond Loan by written notice to Borrower and Trustee (with respect to the Bond Loan) before the Event of Default is cured, Bond Owner may (in its sole discretion but without any obligation to do so), to the extent permitted by the Bond Documents and applicable law, by written notice to Borrower and Trustee, elect to rescind or annul any acceleration of the Bond Loan and related Obligations (and the associated notice of redemption of the Bonds) and reinstate all or some portion of the commitment of Bond Owner to approve Requisitions or to disburse deposits of the Capital Contributions; provided that neither Borrower nor any other Person shall have any right to demand any such rescission,

annulment or reinstatement and is not, nor shall be deemed to be, a third party beneficiary of this provision.

8.2.2 Other Actions. Without limiting Bond other rights and remedies under this Agreement, the other Bond Loan Documents and the Bond Documents, at law or in equity, during the existence of any Event of Default, Bond Owner may (but is not obligated to), and without releasing Borrower from any Obligation, make any payment or perform any act, covenant or condition that Borrower is required to pay or perform under any of the Bond Loan Documents and the Bond Documents, in such manner and to such extent Bond Owner may deem necessary or appropriate. In connection therewith, Bond Owner may (but is not obligated to): (a) enter upon and take possession of the Project; (b) commence, prosecute and complete construction of the Project (or suspend any such construction); (c) secure, winterize, preserve and protect the Collateral; (d) make repairs and other reasonable improvements to the Project that are necessary to keep the Project in good condition and repair for its intended purpose; (e) employ any contractors, subcontractors, agents, architects and inspectors required for the purposes set forth in clauses (a) through (d) above; (f) pay, settle or compromise all existing bills and claims which are or may be Liens against the Project or may be necessary or desirable for such completion of the Improvements or clearance any Liens on title; (g) appear, prosecute, defend and settle any actions or proceedings in connection with the Project, (h) take such action, require such performance and do any and every other act as Bond Owner deems necessary under this Agreement or any other Bond Loan Document ; and (i) employ Bond Owner's Consultants, including attorneys, to carry out any of the foregoing, including defending against attempts to interfere with the exercise of power granted hereby.

8.2.3 Protective Advances. All sums expended by Bond Owner in connection with the exercise of their rights and remedies during the existence of any Unmatured Default or any Event of Default shall constitute Protective Advances, shall accrue interest thereon until paid at the Default Rate and shall be secured by Collateral.

8.2.4 Power of Attorney. Without limiting Bond Owner's other rights and remedies under this Agreement, the other Bond Loan Documents, at law or in equity, during the existence of any Event of Default, Borrower hereby irrevocably constitutes and appoints Bond Owner, as its true and lawful attorney-in-fact, coupled with an interest and with full power of substitution, for the purposes of exercising any and all of Bond Owner's rights and remedies as set forth herein, any other Bond Loan Document, at law or in equity in the name of Borrower.

8.2.5 Impounds and Reserve Account Requirements as Condition of Cure. As a condition to any cure of any then existing Event of Default, Bond Owner may require that Borrower establish with Bond Owner, and thereafter fund and maintain pursuant to procedures established by Bond Owner in connection with such proposed cure, such impounds and reserve accounts as Bond Owner

determines appropriate given the payment and performance history of Borrower and the Project and the financial condition of the Project, Borrower and Guarantors, including tax and insurance imposition accounts, and leasing commission reserves, repair reserves and capital expense reserves.

8.2.6 No Liability. If Bond Owner elects to commence or continue with the improvement of the Project or any construction related thereto, Bond Owner will not be deemed to have assumed any liability of Borrower or any other Person for operation of the Project or for the manner or quality of the Project and Borrower expressly waives any such liability, except to the extent that such liability shall be caused directly by the gross negligence or willful misconduct of Bond Owner.

8.2.7 Cumulative Remedies. To the fullest extent permitted by Applicable Law, all of the rights and remedies under this Agreement and the other Bond Loan Documents shall be cumulative and non-exclusive and may be exercised successively, concurrently or in any order as Bond Owner may elect.

8.2.8 Notice and Cure Rights of Investor Limited Partner, Special Limited Partner and Guarantors. Notwithstanding anything to the contrary contained herein or in any other Documents, the Bond Owner agrees to accept performance on the part of a Guarantor, Investor Limited Partner or any of the Investor Limited Partner's Affiliates as though the same had been performed by the Borrower under any of the Bond Loan Documents. The Bond Owner will allow the Guarantor, the Investor Limited Partner and the Investor Limited Partner's Affiliates ten (10) days after giving the Guarantor, Special Limited Partner and the Investor Limited Partner notice to cure a monetary default under the Bond Loan Documents (other than the payment due at maturity) and except as to the Borrower's filing of a voluntary bankruptcy petition, up to thirty (30) days after giving the Guarantor, Special Limited Partner and the Investor Limited Partner notice to cure of any non-monetary default under the Bond Loan Documents. If the Guarantor, Investor Limited Partner, or any of the Investor Limited Partner's Affiliates makes any such payment or otherwise offers cure of a default, the Bond Owner will accept or reject such action as curing such default on the same basis as if payment or cure were made directly by the Borrower. The foregoing notice and cure periods shall run simultaneously with any grace and cure periods provided to the Borrower in **Section 8.1** or otherwise for the applicable occurrences.

8.2.9 Relationship to Bonds. Notwithstanding the foregoing or anything else herein to the contrary, Issuer agrees that the Bond Owner in exercising its rights and/or remedies hereunder may (depending on the circumstances by acting in its own right or in the name of Issuer and/or Trustee. The Bond Owner has been and is duly authorized to administer and service the Bond Loan for and on behalf of the Trustee and the Issuer pursuant to the terms of the Bond Documents.

8.2.10 **No Merger of Estates.** If Bond Owner shall acquire title to the Collateral by accepting a deed-in-lieu of foreclosure or entering into a new lease with the Ground Lessor upon the termination of the Ground Lease, unless Bond Owner shall then release the Bond Loan Mortgage, such acceptance of the Collateral shall be subject to the Bond Loan Mortgage and the liens and security interests granted and created therein.

ARTICLE 9 (RESERVED)

ARTICLE 10 MISCELLANEOUS

10.1 Notices.

10.1.1 **Generally.** Except in the case of notices and other Communications expressly permitted to be given through Electronic Systems and any Communications between Bond Owner and Borrower via email in the ordinary course of the Bond Loan's administration (including with respect to any Draw Request Package and any required consents or approvals with respect to Material Change Orders, the Budget, the Plans or the General Contractor Agreement), all notices, demands, requests and other Communications to any party hereunder shall be in writing (including email or similar writing) and shall be given to such party at the address or email address set forth on Schedule 1. Each such notice, request or other Communication shall be effective (a) if given by personal delivery, upon delivery thereof, (b) if delivered by overnight delivery from a recognized overnight delivery company (including UPS and Federal Express), the next Business Day, (c) if given by email transmission shall be deemed complete only upon a reply email transmission acknowledging receipt thereof (but excluding any automatically generated reply) and delivery thereafter pursuant to the immediately preceding clause or (d) if given by any other means, upon actual delivery thereof.

10.1.2 **Electronic Notices.** In addition to and without limiting the effect of any provision herein, notices and other Communications to Borrower hereunder may be delivered or furnished by using Electronic Systems pursuant to procedures approved by Bond Owner (and with respect to Communications to Borrower, Borrower); provided that approval of such procedures may be limited to particular notices or Communications. Unless Bond Owner otherwise prescribes, (a) notices and other Communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment) and (b) notices or communications posted to an Electronic System shall be deemed received upon the receipt by the intended recipient, at its e-mail address as described in the foregoing clause (a), of notification that such notice or communication is available and identifying the Electronic System where located, whether by link or otherwise; provided that, for both clauses (a) and (b) above, if such notice e-mail or other communication is not

sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day of the recipient.

10.1.3 Change in Address. Any party hereto may change its address, telecopy number or e-mail address for notices and other communications hereunder by notice to the other parties hereto.

10.2 No Deemed Waivers; Waivers and Amendments.

10.2.1 No Deemed Waivers. No failure or delay by Bond Owner in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. No waiver of any provision of this Agreement or consent to any departure by Borrower therefrom shall in any event be effective. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Event of Default, Unmatured Event of Default or Material Adverse Change, regardless of whether Bond Owner may have had any notice or knowledge thereof at the time.

10.2.2 (Reserved).

10.3 Consents, Approvals and Actions. Consents, determinations and approvals given, made or granted by Bond Owner for any matters covered under this Agreement must be in writing (which may include email delivery), shall be narrowly construed to cover only the parties and facts expressly identified in such written approval, determination or consent, shall be solely for the benefit of Bond Owner and Borrower (or Guarantor as applicable) and no third party is intended to be nor may be a third-party beneficiary thereof nor rely thereon for any purpose. Unless another standard is otherwise expressly provided in this Agreement, all determinations, consents, approvals, disapprovals, calculations, requirements, requests, acts, actions, elections, selections, opinions, judgments, options, exercise of rights, remedies or indemnities, satisfaction of conditions or other decisions of or to be made by Bond Owner in accordance with this Agreement or any of the other Bond Loan Documents shall be made in its respective sole and absolute, but good faith discretion.

10.4 Payment of Expenses/Indemnities.

10.4.1 Payment of Expenses. In addition to and without limitation of any other provision set forth in this Agreement or any other Bond Loan Document, Borrower shall pay on demand all reasonable costs and expenses of Bond Owner and Bond Owner's Consultants incurred in connection with (a) the negotiation, preparation, execution, delivery and administration of this Agreement, the other Bond Loan Documents, and any other required documents in connection therewith, or any extensions, amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby

or thereby shall be consummated) including appraisal fees, inspection fees, Bond Owner's Consultant's charges, title and escrow charges, the cost of any Electronic System, the reasonable fees, charges and disbursements of counsel for Bond Owner, (b) any Material Adverse Change, any Unmatured Event of Default or any Event of Default, and (c) the reasonable fees and expenses of Bond Owner and Bond Owner's Consultants with respect to the defense, protection and enforcement of the interests, rights and remedies of Bond Owner with respect to the Bond Loan, the Bond Loan Documents, Borrower, Guarantor or the Collateral, whether in connection with any consensual restructure or workout, any out-of-court workout, any litigation or administrative proceeding, any mediation, any arbitration, any bankruptcy proceeding or any other action or proceeding, all irrespective of whether any litigation, proceeding or other action has been commenced or otherwise instituted. In addition, Borrower shall pay all taxes and assessments and all expenses, charges, costs and fees provided for in this Agreement or relating to the Bond Loan, including any fees incurred for recording or filing any of the Bond Loan Documents, title insurance premiums and charges, tax service contract fees, documentation and processing fees, printing, photostatting and duplicating expenses, air freight charges, escrow fees, costs of surveys, premiums of hazard insurance policies and surety bonds, fees for any appraisals, fees for market or feasibility studies required pursuant to the Bond Loan Documents and costs, fees and expenses incurred in collecting the Obligations and realizing upon the Collateral.

10.4.2 INDEMNIFICATION. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BORROWER AGREES TO PROTECT, INDEMNIFY, DEFEND AND SAVE HARMLESS BOND OWNER, ISSUER AND TRUSTEE AND THEIR RESPECTIVE DIRECTORS, OFFICERS, AGENTS, EMPLOYEES, SUCCESSORS AND ASSIGNS (EACH SUCH PERSON BEING CALLED AN **"INDEMNITEE"**) FOR, FROM AND AGAINST ANY AND ALL LIABILITY, EXPENSE OR DAMAGE OF ANY KIND OR NATURE (COLLECTIVELY **"LOSSES"**), AND FOR, FROM AND AGAINST ANY SUITS, CLAIMS OR DEMANDS, INCLUDING REASONABLE LEGAL FEES AND COSTS ON ACCOUNT OF OR ARISING OUT OF: (A) THIS AGREEMENT OR THE BOND LOAN DOCUMENTS OR OTHERWISE IN CONNECTION HERewith OR IN CONNECTION WITH THE PROJECT, ANY COLLATERAL OR ANY OBLIGATION, INCLUDING ANY SUIT, CLAIM OR DEMAND ARISING OUT OF THE REMOVAL OF, OR FAILURE TO REMOVE, ANY AND ALL NUCLEAR, TOXIC, RADIOACTIVE OR OTHER HAZARDOUS WASTE FROM THE PROJECT; (B) ANY LOAN OR THE USE OF THE PROCEEDS THEREFROM; (C) ANY MANAGEMENT AGREEMENTS, PROJECT RELATED AGREEMENTS, ANY APPROVED LEASES OR ANY OTHER LEASE INCLUDING ANY SUIT, CLAIM OR DEMAND THAT BORROWER HAS VIOLATED ANY SUCH LEASE; (D) ANY APPLICABLE ASSOCIATION, COMMUNITY FACILITIES DISTRICT, COOPERATIVE OR OTHER CO-USE OR CO-DEVELOPMENT AGREEMENT, INCLUDING ANY SUIT, CLAIM OR DEMAND THAT BORROWER, ANY BUYER OR ANY OTHER PERSON HAS VIOLATED OR FAILED TO COMPLY THEREWITH; (E) ANY APPLICABLE APPROVALS BY ANY GOVERNMENTAL

AUTHORITY, INCLUDING ANY SUIT, CLAIM OR DEMAND THAT SEEKS TO CHALLENGE ANY APPROVAL (INCLUDING ZONING APPROVALS) ISSUED OR GRANTED BY ANY SUCH GOVERNMENTAL AUTHORITY WITH RESPECT TO THE PROJECT; AND (F) ANY MATTER ARISING FROM OR RELATED TO ANY PERSON PROVIDING LABOR, SERVICES OR MATERIALS WITH RESPECT TO THE PROJECT, INCLUDING ANY SUIT, CLAIM OR DEMAND THAT BOND OWNER, OR TRUSTEE IS OBLIGATED TO APPROVE ANY BOND PROCEEDS DISBURSEMENTS OR MAKE ANY DISBURSEMENTS OF OTHER FUNDING SOURCES TO OR FOR THE BENEFIT OF ANY SUCH PERSON; PROVIDED THAT SUCH INDEMNITY SHALL NOT, AS TO SUCH INDEMNITEE, BE AVAILABLE TO THE EXTENT ANY LOSSES ARE FINALLY ADJUDICATED TO HAVE DIRECTLY RESULTED FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNITEE. THE FOREGOING INDEMNITY SET FORTH IN THIS SECTION SHALL NOT APPLY TO ANY LOSSES WHICH ARE THE SUBJECT OF THE ENVIRONMENTAL INDEMNITY AGREEMENT, IT BEING THE INTENTION OF THE PARTIES HERETO THAT BORROWER'S LIABILITY FOR ENVIRONMENTAL MATTERS BE GOVERNED EXCLUSIVELY BY THE ENVIRONMENTAL INDEMNITY AGREEMENT. THE OBLIGATIONS ON THE PART OF BORROWER UNDER THIS SECTION SHALL SURVIVE CLOSING AND REPAYMENT IN FULL AND THE RESIGNATION OR REMOVAL OF THE TRUSTEE.

10.5 Brokers. Borrower and Bond Owner each represent to each other that none of them knows of any brokerage commissions or finders' fee due or claimed with respect to the transaction contemplated hereby. Borrower and Bond Owner shall indemnify and hold harmless the other parties for, from and against any and all loss, damage, liability, or expense, including costs and attorneys' fees, which such other party may incur or sustain by reason of or in connection with any misrepresentation by the indemnifying party with respect to the foregoing.

10.6 Borrower Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of Bond Owner (and any attempted assignment or transfer by Borrower without such consent shall be null and void) and (ii) Bond Owner may not assign or otherwise transfer its rights or obligations hereunder. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Eligible Participants any legal or equitable right, remedy or claim under or by reason of this Agreement.

10.7 USA Patriot Act. Bond Owner hereby notifies Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "**Patriot Act**"), it is required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow Bond Owner to identify Borrower in accordance with the Patriot Act.

10.8 Documentation.

10.8.1 Replacement Documentation. Upon receipt of an affidavit of an officer of Bond Owner as to the loss, theft, destruction or mutilation of a Bond, the Bond Loan Note or any other security document which is not of public record, and, in the case of any such loss, theft, destruction or mutilation, Borrower will issue, or cause the Issuer to issue, in lieu thereof, a replacement Bond, replacement Bond Loan Note or other security document in the same principal amount thereof and otherwise of like tenor. Upon the issuance of any such replacement Bond, replacement Bond Loan Note, or other security document, such replacement note or security document shall amend, restate and supersede each prior Bond, Bond Loan Note or security document being replaced thereby but without any novation of the obligations evidenced thereby, with such obligations being deemed continuing obligations such replacement Bond, replacement Bond Loan Note, or security document as such obligations have been amended and restated thereunder. In the event that Borrower issues such replacement note or other security document, the Bond Owner who is the payee on the lost, destroyed, mutilated or stolen Note or security document shall indemnify and hold harmless Borrower from any liability incurred by Borrower in connection with the lost, stolen, destroyed or mutilated Note or security document.

10.8.2 Document Imaging. Bond Owner shall each be entitled, in their sole discretion, to image or make copies of all or any selection of the agreements, instruments, documents, and items and records governing, arising from or relating to the Bond and the Bond Loan, including, without limitation, this Agreement, the Bond Documents, and the Bond Loan Documents, and Bond Owner may destroy or archive its paper originals. The parties hereto (a) waive any right to insist or require that Bond Owner produce paper originals, (b) agree that such images shall be accorded the same force and effect as the paper originals, (c) agree that the Bond Owner is entitled to use such images in lieu of destroyed or archived originals for any purpose, including as admissible evidence in any demand, presentment or other proceedings, and (d) further agree that any executed facsimile (faxed), scanned, pdf or other imaged copy of this Agreement or any Bond Loan Document shall be deemed to be of the same force and effect as the original manually executed document.

10.8.3 Originally Executed Documents. As an express condition to Bond Owner purchasing the Bonds based upon Bond Owner's receipt of fully-executed imaged copies of the Bond Loan Documents, Borrower shall deliver to Bond Owner fully-executed Bond Loan Documents with original hand-written signatures (i.e., wet signatures) of all Loan Parties on or before thirty (30) days from the date of this Agreement, and Borrower's failure to do so on or before such date shall constitute an Event of Default under this Agreement and the Bond Loan Documents. Notwithstanding the foregoing, Borrower and Bond Owner agree that this Agreement and the Bond Loan Documents may be signed and transmitted by electronic mail of a .PDF document and thereafter maintained in imaged or electronic form, and that such imaged or electronic record shall be valid and

effective to bind the party so signing as a paper copy bearing such party's hand-written signature. Borrower and Bond Owner further agree that the signatures appearing on this Agreement and the Bond Loan Documents (whether in imaged or other electronic format) shall be treated, for purpose of validity, enforceability and admissibility, the same as hand-written signatures. This Agreement and the Bond Loan Documents may be executed in one or more counterparts, each of which shall be an original, and all of which together shall constitute a single instrument.

10.9 Statements. Bond Owner may from time to time provide Borrower with account statements or invoices with respect to any of the Obligations (the "**Statements**"). Bond Owner is under no duty or obligation to provide Statements, which, if provided, will be solely for Borrower's convenience. Statements may contain estimates of the amounts owed during the relevant billing period, whether of principal, interest, fees or other Obligations. If Borrower pays the full amount indicated on a Statement on or before the due date indicated on such Statement, Borrower shall not be in default of payment with respect to the billing period indicated on such Statement; provided, that acceptance by Bond Owner of any payment that is less than the total amount actually due at that time (including but not limited to any past due amounts) shall not constitute a waiver of Bond Owner's right to receive payment in full at another time. The foregoing shall supplement and be in addition to the terms of the Indenture.

10.10 Authority to File Notices. Borrower irrevocably appoints Bond Owner in its own name or as attorney-in-fact for Borrower, with full power of substitution, to file for record, at Borrower's cost and expense and in Borrower's name, any UCC Financing Statements, notices of completion, notices of cessation of labor, or any other notices that Bond Owner considers necessary or desirable to protect or perfect its security interests in the Project and any other Collateral.

10.11 Confidentiality.

10.11.1 Bond Owner agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to the Obligations or the enforcement of rights under the Bond Loan Documents or any Hedging Transaction Obligations, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Eligible Participant in, or any prospective assignee of or Eligible Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective

counterparty (or its advisors) to any Hedging Transaction relating to Borrower and its obligations, (g) with the consent of Borrower, (h) to holders of equity interests in Borrower or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to Bond Owner on a non-confidential basis from a source other than Borrower. For the purposes of this Section, “**Information**” means all Financial Statements and other information received from Borrower relating to Borrower or its business, other than any such information that is available to Bond Owner on a non-confidential basis; provided that, except for the Financial Statements and reports, any information received from Borrower or Guarantor after the date hereof shall not constitute confidential information subject to the above restrictions unless it is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

10.11.2 BOND OWNER ACKNOWLEDGES THAT INFORMATION (AS DEFINED ABOVE) FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING BORROWER, THE GUARANTOR, AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

10.11.3 ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY BORROWER PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT BORROWER, GUARANTOR, AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES.

10.12 Bond Owner Determination of Facts. Bond Owner shall at all times be free to establish independently, to its satisfaction, the existence or nonexistence of any fact or facts, the existence or nonexistence of which is a condition, term or requirement of this Agreement.

10.13 Time is of the Essence. Time is of the essence of this Agreement and every other Bond Loan Document.

10.14 Survival. All covenants, agreements, representations and warranties made by Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Bond Proceeds Disbursement, regardless of any

investigation made by any such other party or on its behalf and notwithstanding that Bond Owner may have had notice or knowledge of any Event of Default, Unmatured Event of Default, Material Adverse Change or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect until Repayment in Full.

10.15 Counterparts. This Agreement and any other Bond Loan Document may be executed in one or more counterparts, all of which when fully executed and delivered by all parties hereto and taken together shall constitute a single agreement, binding against each of the parties. Escrow holder or Bond Owner, after verifying that the counterparts are identical except for the signatures, is authorized and instructed to combine the signed signature pages on one or more of such counterparts, which shall then constitute one or more original agreements. To the maximum extent permitted by Applicable Law or by any applicable Governmental Authority, any document may be signed and transmitted by e-mailed PDF or telecopy with the same validity as if it were an ink-signed document. Each signatory below represents and warrants by his or her signature that he or she is duly authorized (on behalf of the respective entity for which such signatory has acted) to execute and deliver this instrument and any other document related to this transaction, thereby fully binding each such respective entity.

10.16 UNLAWFUL USE MARIJUANA, CONTROLLED SUBSTANCES AND PROHIBITED ACTIVITIES.

The undersigned shall not use, occupy, or permit the use or occupancy of any of the Property by the undersigned or any lessee, tenant, licensee, permittee, agent, or any other person in any manner that would be a violation of any applicable federal, state or local law or regulation, regardless of whether such use or occupancy is lawful under any conflicting law, including without limitation any law relating to the use, sale, possession, cultivation, manufacture, distribution or marketing of any controlled substances or other contraband (whether for commercial, medical, or personal purposes), or any law relating to the use or distribution of marijuana (collectively, "**Prohibited Activities**"). Any lease, license, sublease or other agreement for use, occupancy or possession of any of the Project (collectively a "**lease**") with any third person ("**lessee**") shall expressly prohibit the lessee from engaging or permitting others to engage in any Prohibited Activities. The undersigned shall upon demand provide Bond Owner with a written statement setting forth its compliance with this Section and stating whether any Prohibited Activities are or may be occurring in, on or around the Property or Collateral. If the undersigned becomes aware that any lessee is likely engaged in any Prohibited Activities, the undersigned shall, in compliance with applicable law, terminate the applicable lease and take all actions permitted by law to discontinue such activities. The undersigned shall keep Bond Owner fully advised of its actions and plans to comply with this Section and to prevent Prohibited Activities.

This Section is a material consideration and inducement upon which Bond Owner relies in extending credit and other financial accommodations to the undersigned. Failure by the undersigned to comply with this Section shall constitute a material non-curable Event of Default. Notwithstanding anything in this agreement, the Bond Loan Documents

regarding rights to cure Events of Default, Bond Owner is entitled upon breach of this Section to immediately exercise any and all remedies under this agreement, the Bond Loan Documents, and by law.

In addition and not by way of limitation, the undersigned shall indemnify, defend and hold Bond Owner and Trustee harmless from and against any loss, claim, damage, liability, fine, penalty, cost or expense (including attorneys' fees and expenses) arising from, out of or related to any Prohibited Activities at or on the Property or Collateral, Prohibited Activities by the undersigned or any lessee of the Property or Collateral, or the undersigned's breach, violation, or failure to enforce or comply with any of the covenants set forth in this section. This indemnity includes, without limitation any claim by any governmental entity or agency, any lessee, or any third person, including any governmental action for seizure or forfeiture of any Property or Collateral (with or without compensation to Bond Owner, and whether or not Property or Collateral is taken free of or subject to Bond Owner's lien or security interest). As used in this section, the word "undersigned" includes the Borrower but does not include Bond Owner or any individual signing on behalf of Bond Owner.

10.17 Inconsistencies with the Loan Documents. Except as expressly provided to the contrary in any Bond Loan Document or in any Bond Document, in the event of any inconsistencies between any terms of this Agreement and any terms of any of the Bond Loan Documents or any of the Bond Documents, the terms of this Agreement shall govern and prevail.

Notwithstanding anything to the contrary contained herein or in any of the Bond Loan Documents, (a) the parties acknowledge that all determinations, consents, approvals, disapprovals, calculations, requirements, requests, acts, actions, elections, selections, opinions, judgments, options, exercise of rights, remedies or indemnities, satisfaction of conditions or other decisions of Trustee hereunder and under any of the Bond Loan Documents shall be solely at the written direction of Bond Owner and subject to receipt by Trustee of security or indemnity satisfactory to Trustee in its sole discretion, (b) Trustee shall be entitled to request, receive, conclusively rely on and act pursuant to written direction of Bond Owner and shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken by the Trustee in accordance therewith, and (c) the provisions of the Indenture and Financing Agreement with respect to the rights, protections, benefits, immunities and indemnification afforded the Trustee in its capacity as the trustee under the Indenture are incorporated by reference herein and in each of the Bond Loan Documents.

10.18 Incorporation of Preamble, Recitals and Exhibits. The preamble, recitals and exhibits hereto are hereby incorporated into this Agreement.

10.19 Severability of Provisions. Any provision in any Bond Loan Document that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision

in any other jurisdiction, and to this end the provisions of all Bond Loan Documents are declared to be severable.

10.20 Governmental Regulation Terms and Acknowledgements.

10.20.1 Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Bond Loan Document, or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Bond Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by: (a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder that may be payable to it by any party hereto that is an EEA Financial Institution; and (b) the effects of any Bail-In Action on any such liability, including, if applicable; (i) a reduction in full or in part or cancellation of any such liability; (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Bond Loan Document; or (iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

10.20.2 Supported QFC. To the extent that the Bond Loan Documents provide support, through a guarantee or otherwise, for any other agreement or instrument that is a “qualified financial contract” (as defined and interpreted pursuant to 12 U.S.C. 5390(c)(8)(D), a “**QFC**”) with any such support being a “**QFC Credit Support**” and each such QFC being a “**Supported QFC**”) and a Covered Person that is party to a Supported QFC becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under a U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States notwithstanding any governing law provisions to the contrary set forth elsewhere in the Bond Loan Documents. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, any Default Rights under the Bond Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Bond Loan Documents were governed by the laws of the

United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Bond Owner shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support. As used herein, the following terms have the following meanings: (a) **"BHC Act Affiliate"** means an "affiliate" (as such term is defined and interpreted pursuant to 12 U.S.C. 1841(k)); (b) **"Covered Person"** or **"Covered Party"** means any of the following: (i) a "covered entity" as that term is defined and interpreted pursuant to 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined and interpreted pursuant to 12 C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined and interpreted pursuant to 12 C.F.R. § 382.2(b), (c) **"Default Right"** means as defined and interpreted pursuant to 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable; and (d) **"U.S. Special Resolution Regimes"** means the resolution powers and regimes of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act, together with the regulations promulgated thereunder, all as may be amended or otherwise modified from time to time.

10.21 Governing Law. This Agreement shall be construed in accordance with and governed by the federal laws to which Bond Owner may be subject and otherwise pursuant to the internal laws (without regard to conflict of law provisions thereof) of the State of Texas.

10.22 Integration. The Bond Loan Documents contain the complete understanding and agreement of Borrower and Bond Owner and supersede all prior representations, warranties, agreements, arrangements, understandings, and negotiations.

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10.23 Dispute Resolution. DISPUTE RESOLUTION PROVISION. This Dispute Resolution Provision contains a jury waiver, a class action waiver, and an arbitration clause (or judicial reference agreement, as applicable), set out in four Sections. READ IT CAREFULLY.

SECTION 1. GENERAL PROVISIONS GOVERNING ALL DISPUTES.

PRIOR DISPUTE RESOLUTION AGREEMENTS SUPERSEDED. This Dispute Resolution Provision shall supersede and replace any prior “Jury Waiver,” “Judicial Reference,” “Class Action Waiver,” “Arbitration,” “Dispute Resolution,” or similar alternative dispute agreement or provision between or among the parties. Parties, as used in this Section, are the parties to this Agreement unless otherwise specifically noted.

“DISPUTE” defined. As used herein, the word “Dispute” includes, without limitation, any claim by either party against the other party related to this Agreement, any Related Document, and the Bond Loan evidenced hereby. In addition, “Dispute” also includes any claim by either party against the other party regarding any other agreement or business relationship between any of them, whether or not related to the Bond Loan or other subject matter of this Agreement. “Dispute” includes, but is not limited to, matters arising from or relating to a deposit account, an application for or denial of credit, warranties and representations made by a party, the adequacy of a party’s disclosures, enforcement of any and all of the obligations a party hereto may have to another party, compliance with applicable laws and/or regulations, performance or services provided under any agreement by a party, including without limitation disputes based on or arising from any alleged tort or matters involving the employees, officers, agents, affiliates, or assigns of a party hereto.

If a third party is a party to a Dispute (such as a credit reporting agency, merchant accepting a credit card, junior lienholder or title company), each party hereto agrees to consent to including that third party in any arbitration or judicial reference proceeding for resolving the Dispute with that party.

Jury Trial Waiver. Each party waives their respective rights to a trial before a jury in connection with any Dispute, and all Disputes shall be resolved by a judge sitting without a jury. If a court determines that this jury trial waiver is not enforceable for any reason, then **at any time prior to trial of the Dispute, but not later than 30 days after entry of the order determining this provision is unenforceable**, any party shall be entitled to move the court for an order, as applicable: (A) compelling arbitration and staying or dismissing such litigation pending arbitration (“**Arbitration Order**”) under **Section 2** hereof, or (B) staying such litigation and compelling judicial reference under **Section 3** hereof.

CLASS ACTION WAIVER. If permitted by applicable law, each party waives the right to litigate in court or an arbitration proceeding any Dispute as a class action, either as a member of a class or as a representative, or to act as a private attorney general.

SURVIVAL. This Dispute Resolution Provision shall survive any termination, amendment or expiration of this Agreement, or any other relationship between the parties.

SECTION 2. Arbitration IF JURY WAIVER UNENFORCEABLE. If (but only if) a state or federal court located inside the state of Texas determines for any reason that the jury trial waiver in this Dispute Resolution Provision is not enforceable with respect to a Dispute, then any party hereto may require that said Dispute be resolved by binding arbitration pursuant to this **Section 2** before a single arbitrator. An arbitrator shall have no authority to determine matters (i) regarding the validity, enforceability, meaning, or scope of this Dispute Resolution Provision, or (ii) class action claims brought by either party as a class representative on behalf of others and claims by a class representative on either party's behalf as a class member, which matters may be determined only by a court without a jury. By agreeing to arbitrate a Dispute, each party gives up any right that party may have to a jury trial, as well as other rights that party would have in court that are not available or are more limited in arbitration, such as the rights to discovery and to appeal.

Arbitration shall be commenced by filing a petition with, and in accordance with the applicable arbitration rules of, National Arbitration Forum ("**NAF**") or Judicial Arbitration and Mediation Service, Inc. ("**JAMS**") ("**Administrator**") as selected by the initiating party. However, if the parties agree, arbitration may be commenced by appointment of a licensed attorney who is selected by the parties and who agrees to conduct the arbitration without an Administrator. If NAF and JAMS both decline to administer arbitration of the Dispute, and if the parties are unable to mutually agree upon a licensed attorney to act as arbitrator with an Administrator, then either party may file a lawsuit (in a court of appropriate venue inside the state of Texas) and move for an Arbitration Order. The arbitrator, howsoever appointed, shall have expertise in the subject matter of the Dispute. Venue for the arbitration proceeding shall be at a location determined by mutual agreement of the parties or, if no agreement, in the city and state where Bond Owner or Bond Owner is headquartered. The arbitrator shall apply the law of the state specified in the agreement giving rise to the Dispute.

After entry of an Arbitration Order, the non-moving party shall commence arbitration. The moving party shall, at its discretion, also be entitled to commence arbitration but is under no obligation to do so, and the **moving** party shall not in any way be adversely prejudiced by electing not to commence arbitration. The arbitrator: (i) will hear and rule on appropriate dispositive motions for judgment on the pleadings, for failure to state a claim, or for full or partial summary judgment; (ii) will render a decision and any award applying applicable law; (iii) will give effect

to any limitations period in determining any Dispute or defense; (iv) shall enforce the doctrines of compulsory counterclaim, res judicata, and collateral estoppel, if applicable; (v) with regard to motions and the arbitration hearing, shall apply rules of evidence governing civil cases; and (vi) will apply the law of the state specified in the agreement giving rise to the Dispute. Filing of a petition for arbitration shall not prevent any party from (i) seeking and obtaining from a court of competent jurisdiction (notwithstanding ongoing arbitration) provisional or ancillary remedies including but not limited to injunctive relief, property preservation orders, foreclosure, eviction, attachment, replevin, garnishment, and/or the appointment of a receiver, (ii) pursuing non-judicial foreclosure, or (iii) availing itself of any self-help remedies such as setoff and repossession. The exercise of such rights shall not constitute a waiver of the right to submit any Dispute to arbitration.

Judgment upon an arbitration award may be entered in any court having jurisdiction except that, if the arbitration award exceeds \$4,000,000, any party shall be entitled to a de novo appeal of the award before a panel of **three** arbitrators. To allow for such appeal, if the award (including Administrator, arbitrator, and attorney's fees and costs) exceeds \$4,000,000, the arbitrator will issue a written, reasoned decision supporting the award, including a statement of authority and its application to the Dispute. A request for de novo appeal must be filed with the arbitrator within 30 days following the date of the arbitration award; if such a request is not made within that time period, the arbitration decision shall become final and binding. On appeal, the arbitrators shall review the award de novo, meaning that they shall reach their own findings of fact and conclusions of law rather than deferring in any manner to the original arbitrator. Appeal of an arbitration award shall be pursuant to the rules of the Administrator or, if the Administrator has no such rules, then the JAMS arbitration appellate rules shall apply.

Arbitration under this provision concerns a transaction involving interstate commerce and shall be governed by the Federal Arbitration Act, 9 U.S.C. § 1 et seq. If the terms of this **Section. 2** vary from the Administrator's rules, this **Section 2** shall control.

SECTION 3. Reliance. Each party (i) certifies that no one has represented to such party that the other party would not seek to enforce a jury waiver, class action waiver, arbitration provision or judicial reference provision in the event of suit, and (ii) acknowledges that it and the other party have been induced to enter into this Agreement by, among other things, material reliance upon the mutual waivers, agreements, and certifications in the four Sections of this DISPUTE RESOLUTION PROVISION. By initialing below, each party agrees it understands the terms of this Section and has had the opportunity to discuss the provision with counsel.

Borrower Initials: _____

Bond Owner Initials: _____

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10.24 Electronic Execution. The words “execution,” “signed,” “signature,” and words of like import in any Bond Loan Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

10.24.1 The provisions of this Section shall be applicable in the event that Borrower delivers any (i) financial statements of Borrower or any other Person (“**Financial Statement**”), (ii) no default or compliance certificates (“**No Default Certificates**”), or (iii) borrowing base certificates, and together with the Financial Statements, the No Default Certificates, and any other documents or information regarding Borrower or any other Person delivered to Bond Owner pursuant to this Agreement, collectively, the “**Financial Information**”) in electronic form (by “email”).

10.24.2 The Financial Information delivered in electronic form shall, for all purposes, be the same as if, and shall have the same validity, force and effect as if, such Financial Information had been delivered in paper or other tangible form. Each item of Financial Information delivered in electronic form shall be deemed to have been originally signed by Borrower for all purposes (including all purposes and interpretations of federal and state law), whether or not there is an electronic name or signature of Borrower thereon, and Borrower waives any right it may have to claim that the electronic documents are not original documents or valid documents.

10.24.3 Borrower shall deliver Financial Information to Bond Owner in, and only in, a format that Bond Owner may both retain in its own records (i.e. save as a file on its own system) and print. In the event that at any time, under the electronic format then currently used by Bond Owner, Bond Owner is unable to save or print Financial Information delivered in electronic form, Borrower shall no longer be permitted to deliver Financial Information in electronic form.

10.24.4 This Section constitutes an agreement between the parties to conduct transactions by electronic means pursuant to the Texas Uniform Electronic Transactions Act, Chapter 43, Texas Business & Commerce Code, and the provisions of such Act shall be applicable to the delivery of Financial Information by Borrower to Bond Owner in electronic form.

10.25 WAIVER OF DEFENSES AND RELEASE OF CLAIMS. The undersigned hereby (i) represents that neither the undersigned nor any Affiliate or principal of the Undersigned has any defenses to or setoffs against any indebtedness or other obligations owing by the undersigned, or by the undersigned’s Affiliates or principals, to the Bond Owner or to any Affiliates of Bond Owner (the “**Obligations**”), nor any claims against Bond Owner or against any Affiliates of Bond Owner for any matter whatsoever, related

or unrelated to the Obligations, and (ii) releases Bond Owner and all Affiliates of Bond Owner and its respective affiliates, officers, directors, employees and agents from all claims, causes of action, and costs, in law or equity, known or unknown, whether or not matured or contingent, existing as of the date hereof that the undersigned has or may have by reason of any matter of any conceivable kind or character whatsoever, related or unrelated to the Obligations, including the subject matter of this Agreement. The foregoing release does not apply, however, to claims for future performance of express contractual obligations that mature after the date hereof that are owing to the undersigned by Bond Owner or by any Affiliates of Bond Owner. As used in this paragraph, the word "undersigned" includes Borrower but does not include Bond Owner or any individual signing on behalf of Bond Owner. The undersigned acknowledges that Bond Owner has been induced to enter into or continue the Obligations by, among other things, the waivers and releases in this paragraph.

10.26 NO ORAL AGREEMENT. THIS WRITTEN AGREEMENT AND THE OTHER BOND LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES HERETO AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES.

10.27 ON-LINE BANKING LOAN PAYMENTS.

10.27.1 From time to time, Bond Owner may (but shall not be required to) permit loan payments to be made through its online banking website. Bond Owner may impose and change limitations on making online loan payments, such as minimum or maximum payment amounts, the types of accounts from which loan payments may be made, and the types of payments that may be made online (i.e., ordinary installment payments, principal only payments, or other types of payments). Whether online payments are permitted, and Bond Owner's applicable terms and restrictions if such payments are permitted, will be reflected in the features available online when a user logs into the online banking website. From time to time, Bond Owner may (but shall not be required to) permit Requisitions to be approved through its online banking website. Bond Owner may impose and change limitations on online Requisitions, such as minimum or maximum Requisition dollar amounts, and the types of accounts into which advances may be transferred. Whether online Requisitions are permitted, and Bond Owner's applicable terms and restrictions if such Requisitions are permitted, will be reflected in the features available online when a user logs into the online banking website, and/or as Bond owner may otherwise advise Borrower.

10.27.2 From time to time, Bond Owner may (but shall not be required to) permit loan payments to be made through its online banking website. Bond Owner may impose and change limitations on making online loan payments, such as minimum or maximum payment amounts, the types of accounts from which loan payments may be made, and the types of payments that may be made online (i.e., ordinary installment payments, principal-only payments, or other types of

payments). Whether online payments are permitted, and Bond Owner's applicable terms and restrictions if such payments are permitted, will be reflected in the features available online when a user logs into the online banking website.

ARTICLE 11 EXHIBITS AND SCHEDULES

The following exhibits and schedules to this Agreement are fully incorporated herein as if set forth at length:

Schedule 1	Addresses for Notices
Schedule 2	(Reserved)
Exhibit A	[Form of] Note
Exhibit A-1	Permanent Term Amortization Schedule
Exhibit B	(Reserved)
Exhibit C	Budget
Exhibit D	Signature Authorization Form
Exhibit E	Form of Request for Disbursement
Exhibit F	Insurance Requirements
Exhibit G-1	Form of] Reporting Compliance Certificate for Borrower
Exhibit G-2	Form of] Reporting Compliance Certificate for Limited Guarantors
Exhibit H-1 through H-4	Form of U.S. Tax Compliance Certificate
Exhibit I	Waiver of Lien to Date
Exhibit J	Affidavit of Commencement
Exhibit K	Affidavit and Certificate of Completion
Exhibit L	Investor Capital Contribution Schedule
Exhibit M	Survey Requirements
Exhibit N	Tax Credit Allocation
Exhibit O	Title Insurance and Escrow Closing Requirements
Exhibit P	Conversion Certificate

Exhibit Q	Contractor Bills Paid Affidavit
Exhibit R	Owner Bills Paid Affidavit
Exhibit S	Beneficial Ownership Certification
Exhibit T	Conditions Relating to Reserve Accounts

[Signature Pages Follow]

IN WITNESS WHEREOF, Borrower and Bond Owner have caused this Agreement to be duly executed and delivered as of the date first above written.

BORROWER:

5900 PLEASANT VALLEY, LP,
a Texas limited partnership

By: AHFC Pleasant Valley Non-Profit
Corporation, a Texas nonprofit
corporation, its general partner

By: _____
James May
Secretary and Treasurer

[Continued on following pages]

BOND OWNER:

**ZIONS BANCORPORATION, N.A.,
dba AMEGY BANK**

By: _____

Name: Ray Miller

Title: Senior Vice President

:

ISSUER:

**AUSTIN HOUSING FINANCE
CORPORATION**

By: _____
Name: Georgia Barzilay
Title: President

SCHEDULE 1
ADDRESSES FOR NOTICES

Bond Owner:

Zions Bancorporation, N.A,
dba Amegy Bank
4576 Research Forest Drive
The Woodlands, Texas 77381
Attn: Real Estate Loan Administration
Email: ray.miller@amegybank.com

with copy to:

Greenberg Traurig
1000 Louisiana, Suite 6700
Houston, Texas 77002
Attn: Wayne A. Yaffee
Email: wayne.yaffee@gtlaw.com

Borrower:

c/o JCM Ventures, LLC
11705 Wenonga Circle
Leawood, KS 66211
Attention: Jacob Mooney
Telephone: (913) _____
E-Mail: jake@jcm.ventures

With copies to:

Rosenblum Goldenherch
7733 Forsyth Bulevard, 4th Floor
Saint Louis, MO 63105
Attention: David Lang
Telephone: (314) 854-0416
Email: dsl@rgsz.com

and

Austin Housing Finance Corporation
1000 Eat 11th Street
Austin, Texas 78702
Attention: Ellis Morgan
Telephone: (512) 919-4774

Email: ellis.morgan@austintexas.gov

Austin Housing Finance Corporation
1000 East 11th Street
Austin, Texas 78702
Attention: Shannon "Shay" Kackley
Telephone: (512) 974-2317
Email: shay.kackley@austintexas.gov

and

Red Stone
7130 Avenida Encinas, Suite 201
Carlsbad, CA 92011
Attention: Andy Markenson
Telephone: (619) 535-3904
Email: andy.markenson@redstoneequity.com

With a copy to:

Attention: _____
Email: _____

Guarantors:

Jake Mooney
c/o JCM Ventures, LLC
11705 Wenonga Circle
Leawood, KS 66211
Telephone: (913) _____
E-Mail: jake@jcm.ventures

JCM Ventures, LLC
11705 Wenonga Circle
Leawood, KS 66211
Attention: Jacob Mooney
Telephone: (913) _____
E-Mail: jake@jcm.ventures

Sarah Andre
c/o Structure Finance

Email: _____

East 43rd St., LLC

Attn: Sarah Andre
Email: sarah@structuretexas.com

Issuer:

Austin Housing Finance Corporation
1000 East 11th Street
Austin, Texas 78702
Attention: Genaro Pena
Telephone: (512) _____
Email: genaro.pena@austintexas.gov

With a copy to:

McCall Parkhurst & Horton
717 North Harwood, Suite 900
Dallas, Texas 75201
Attention: Mark Malveaux
Telephone: (214) 754-9221
Email: mmalveaux@mphlegal.com

SCHEDULE 2
(Reserved)

EXHIBIT A

NOTE

September ____, 2025

\$14,800,000.00

FOR VALUE RECEIVED, 5900 PLEASANT VALLEY, LP, a Texas limited partnership ("**Borrower**"), promises to pay to AUSTIN HOUSING FINANCE CORPORATION, a Texas nonprofit housing finance corporation ("**Issuer**"), Fourteen Million Eight Hundred Thousand and No/100 Dollars (\$14,800,000.00) (the "**Loan**") or if less, the aggregate unpaid principal amount of all loans made by Issuer to Borrower pursuant to the Financing Agreement (as hereinafter defined), together with interest on the unpaid principal amount hereof in the manner set forth in the Bond Purchase and Funding Agreement (as hereinafter defined). Borrower shall make payments on this Note as follows:

(i) Commencing as of the first Payment Date and continuing on each Payment Date thereafter until and including the Amortization Period Commencement Date, Borrower shall be required to make monthly payments of interest on the outstanding principal balance of the Bond Loan, with interest payable in arrears;

(ii) Beginning on the first day of the calendar month following the Amortization Period Commencement Date and continuing on the first day of each succeeding calendar month thereafter through but not including the Maturity Date, Borrower shall make principal payments on the dates and in the amounts indicated on Exhibit A-1 to the Bond Purchase and Funding Agreement, plus accrued interest; and

(iii) the unpaid principal of and accrued and unpaid interest on the Bond Loan in full on the Maturity Date (or earlier redemption of the Bonds).

This Note is the Bond Loan Note issued pursuant to, and is entitled to the benefits of, the Financing Agreement dated as of September 1, 2025, by and between Borrower and Issuer and joined in and acknowledged by Bond Owner (as may be amended or modified from time to time, the "**Financing Agreement**"), and of the Bond Purchase and Funding Agreement dated as of September 1, 2025, among Borrower, Issuer and the Bond Owner (the "**Bond Purchase and Funding Agreement**"), to which Financing Agreement and Bond Purchase and Funding Agreement reference is hereby made for a statement of the terms and conditions governing this Note, including the terms and conditions under which this Note may be prepaid or its Maturity Date accelerated. This Note is evidenced by, secured and guaranteed pursuant to the Bond Loan Documents, all as more specifically described in the Bond Purchase and Funding Agreement, and reference is made thereto for a statement of the terms and provisions thereof. All capitalized terms used but not otherwise defined herein shall mean as defined in the Bond Purchase and Funding Agreement.

IN WITNESS WHEREOF, Borrower has executed and delivered this Note as of the day and year first above written.

5900 PLEASANT VALLEY, LP,
a Texas limited partnership

By: AHFC Pleasant Valley Non-Profit Corporation, a
Texas nonprofit corporation, its general partner

By: _____
James May
Secretary and Treasurer

ENDORSEMENT

Pay to the order of Zions Bancorporation, N.A., without representation, recourse, or warranty, as Trustee under the Indenture referred to in the within mentioned Bond Purchase and Funding Agreement, as security for the Bonds issued under the Indenture. This endorsement is given without any warranty as to the authority or genuineness of the signature of the maker of the Bond Loan Note.

AUSTIN HOUSING FINANCE CORPORATION

By: _____
Mandy DeMayo,
Treasurer

EXHIBIT A-1

PERMANENT TERM AMORTIZATION SCHEDULE

EXHIBIT B
[RESERVED]

EXHIBIT C

BUDGET

EXHIBIT D

**SIGNATURE AUTHORIZATION FORM
AND DISBURSEMENT INSTRUCTIONS**

Dated: _____

Re: (a) \$14,800,000 loan ("**Bond Loan**") relating to the Project designated in **Section 2** below to 5900 Pleasant Valley, LP ("**Borrower**") from AUSTIN HOUSING FINANCE CORPORATION ("**Issuer**"), to be funded from the proceeds of the Issuer's \$14,800,000 Multifamily Housing Revenue Bonds (Sycamores at Pleasant Valley Project), Series 2025 ("**Bonds**"), as provided for in the Bond Funding and Purchase Agreement dated as of September 1, 2025 ("**Bond Purchase and Funding Agreement**"), among Zions Bancorporation, N.A. dba Amegy Bank ("**Bond Owner**"), Issuer, and Borrower, and any and all agreements, documents and/or instruments executed in connection with the Bond Loan (collectively with the Bond Purchase and Funding Agreement, the "**Bond Loan Documents**").

(b) Onboarding of Built online construction draw platform ("**Built Platform**") for the Bond Loan.

Ladies and Gentlemen:

Notwithstanding anything to the contrary in the Bond Loan Documents, the individuals described below are hereby authorized by Borrower to request from Bond Owner Loan draws or advances made to Bond Owner through the Built construction draw platform. Borrower hereby authorizes any of the below-named individuals to act on behalf of Borrower for any authorizations, account set-up, or agreement of terms and conditions as may be required by Bond Owner or Built in connection with establishment of the Built Platform for the Bond Loan. Borrower further authorizes Bond Owner to communicate in writing with Borrower's below-designated representatives through the below-designated email addresses.

1. BORROWER'S NAME, MAILING ADDRESS, FEDERAL TAX ID NUMBER:

Borrower Name: 5900 Pleasant Valley, LP

Mailing Address: _____

Borrower TIN _____

Borrower email address for Built Account _____

2. **SUBJECT PROJECT ADDRESS:**

Project Address 5901 South Pleasant Valley, Austin, Texas 78744.

3. **DRAWS SHOULD BE REQUESTED ON BEHALF OF BORROWER BY THE FOLLOWING BORROWER REPRESENTATIVE(S) (attach corporate resolution, if applicable):**

_____ (PRINT NAME OF AUTHORIZED SIGNER)	_____ (SIGNATURE OF AUTHORIZED SIGNER)

EMAIL ADDRESS: _____	TELEPHONE NO: _____

_____ (PRINT NAME OF AUTHORIZED SIGNER)	_____ (SIGNATURE OF AUTHORIZED SIGNER)

EMAIL ADDRESS: _____	TELEPHONE NO: _____

_____ (PRINT NAME OF AUTHORIZED SIGNER)	_____ (SIGNATURE OF AUTHORIZED SIGNER)

EMAIL ADDRESS: _____	TELEPHONE NO: _____

4. **RATE NOTICES SHOULD BE SIGNED BY (attach corporate resolution, if applicable):**

_____ (PRINT NAME OF AUTHORIZED SIGNER)	_____ (SIGNATURE OF AUTHORIZED SIGNER)

_____ (PRINT NAME OF AUTHORIZED SIGNER)	_____ (SIGNATURE OF AUTHORIZED SIGNER)

_____ (PRINT NAME OF AUTHORIZED SIGNER)	_____ (SIGNATURE OF AUTHORIZED SIGNER)

5. **NAME, TELEPHONE NUMBER, AND EMAIL ADDRESS OF BORROWER REPRESENTATIVE(S) WHO PREPARES OR REQUESTS DRAWS THROUGH THE BUILT PLATFORM (BUILT ONBOARDING EMAIL FOR ACCOUNT SETUP WILL BE SENT TO THE BORROWER THROUGH AT THE BELOW EMAIL ADDRESSES):**

(NAME OF PERSON WHO PREPARES DRAWS) TELEPHONE NUMBER OF SAME

EMAIL ADDRESS

6. **NAME, TELEPHONE NUMBER AND EMAIL ADDRESS OF PROJECT MANAGER:**

(NAME OF PROJECT MANAGER) TELEPHONE NUMBER OF SAME

EMAIL ADDRESS

7. **DISBURSEMENTS TO BORROWER SHOULD BE MADE VIA THE FOLLOWING (indicate choice):**

If the owner of the below-described deposit account ("Account Holder") is different than the Borrower, a separate authorization form executed by the Account Holder must be provided.



If relating to the Funded first from Zions Bancorporation. N.A. dba Amegy Bank

(Affiliate)

Account Number: _____

In the name of 5900 Pleasant Valley, LP subject to the minimum balance requirement of:

\$ _____ established for this account. Funds shall then be disbursed by
(indicate choice below):



Deposit to Zions Bancorporation, N.A. dba _____

(Affiliate)

Account Number: _____ Account Holder: _____



Wire Transfer: _____

Bank Name: _____

Bank Address: _____

Attention: _____

Telephone Number: _____

Facsimile Number: _____

Account Type: _____

Account Number: _____

Transit Routing/ABA Number: _____

ACKNOWLEDGED AND AGREED BY
BORROWER:

5900 PLEASANT VALLEY, LP,
a Texas limited partnership

By: AHFC Pleasant Valley Non-Profit Corporation, a
Texas nonprofit corporation, its general partner

By: _____
James May
Secretary and Treasurer

FOR INTERNAL (WIRE INSTRUCTION) USE ONLY

Callback performed by: _____ Date: _____

Confirmed Company: _____ Phone: _____

Name: _____ Title: _____

E-Sign Authorization

I authorize Bond Owner to approve Requisitions of Bond Loan proceeds in the amount requested and disburse funds in accordance with the terms of the applicable loan documents, subject to any Bond Owner terms and conditions applicable to such Requisition or disbursement.

e-Signature Disclosure and Consent

Request for Construction Bond Loan Requisition

This e-Signature Disclosure and Consent ("**Consent**") applies to all draw requests ("**Draw Requests**") for Construction Bond Loan requisitions through the Built online platform ("**Requisition**"). Specifically, by agreeing to this Consent you are providing your consent: (i) to provide you the ability to make a Draw Request for a disbursement of the Bond Loan from the Project Fund in electronic rather than in paper form; and (ii) for you to provide your electronic signature to the draw request for approval of a Requisition.

If you would like to provide your consent, then please read through this Consent and click the acceptance button next to the words, "I have read and agree to the following e-Signature disclosure and consent." By consenting, you are agreeing and acknowledging: (i) to the terms and conditions of this Consent; (ii) that electronic execution and/or delivery, electronic communications, and electronic records shall have the same effect and authority as if hand signed by you and delivered on paper; and (iii) that electronic signatures shall have the same effect and authority as those hand-signed by the named signer.

If you do not want to provide your consent, then do not click the acceptance button. However, if you would like to still obtain and execute a Draw Request for a Requisition, but through non-electronic means, then email us as provided under the heading below entitled, "**How to Contact Us.**"

Definitions. For purposes of this Consent, the following terms shall have the meanings

"**Bank**," "we," "our" and other similar terms refers to Zions Bancorporation, N.A., including any Division.

"**Division**" refers to any one of the following divisions with trade names that the Bank operates through:

(i) Amegy Bank; (ii) California Bank & Trust; (iii) The Commerce Bank of Oregon; (iv) The Commerce Bank of Washington; (v) National Bank of Arizona; (vi) Nevada State Bank; (vii) Vectra Bank Colorado; and (viii) Zions Bank.

How to Withdraw Your Consent and the Effect of Doing So. This Consent applies to all Draw Requests that are made subsequent to your consent to this Consent. Therefore, once you provide your consent to this Consent, you cannot revoke your consent for subsequent Draw Requests. However, if you do not want to execute a Draw Request electronically, then do not electronically sign the Draw Request. You can execute a paper Draw Request by contacting us as provided under the heading below entitled, "How to Contact Us." *The consequences of withdrawing your consent for an electronic Draw Request is that it may take a longer time for the paper draw request to be processed by Bank and for you to receive a disbursement of the Bond Loan from the Project Fund.*

How to Update Your Records. It is your responsibility to provide us with an accurate, up to date and complete email address. Specifically, you must immediately contact us to update changes to your email address, mobile device telephone number and postal address related to this Consent. You can do so by emailing us as provided below under the heading entitled, “How to Contact Us.”

Requesting Paper Copies. You may request a paper copy of Draw Request by emailing us as provided under the heading below entitled, “How to Contact Us.” There are no fees for sending you a paper copy.

How to Contact Us. You may contact us by email:

Amegy Bank: abtconstructionloanfunding@zionsbancorp.com

California Bank & Trust: CA_CDA@zionsbancorp.com

The Commerce Bank of Oregon: CA_CDA@zionsbancorp.com

The Commerce Bank of Washington: CA_CDA@zionsbancorp.com

National Bank of Arizona: AZCDA@zionsbancorp.com

Nevada State Bank: nv_cdg@zionsbancorp.com

Vectra Bank Colorado: reservicing@vectrabank.com

Zions Bank: commercialreops@zionsbank.com

Communications in Writing. All information provided by us in electronic form will be considered a “writing.” You should print or download for your records a copy of this Consent.

Federal Law. You acknowledge and agree that your consent to receive and execute the Requisition and/or the Request for Loan Disbursement in electronic form is being provided in connection with a transaction affecting interstate commerce that is subject to the federal Electronic Signatures in Global and National Commerce Act (“**Act**”), and that you and we both intend that the Act to apply to the fullest extent possible to validate our ability to conduct business with you by electronic means.

Termination and Changes. We reserve the right, in our sole discretion, to discontinue the provision of an electronic Draw Request, or to terminate or change the terms and conditions on which we provide electronic documents. We will provide you with notice of any such termination or change as required by law.

1. **General Terms and Conditions.** All draws requested for disbursement and/or advance through this Built draw request platform (“**Draw Request**”) shall be subject to the applicable loan or credit agreement or analogous agreement for a particular transaction (“**Loan Agreement**”) between the borrower (“**Borrower**”) and the applicable banking division of Zions Bancorporation, N.A. (i.e., Amegy Bank, California Bank & Trust, The Commerce Bank of Washington, National Bank of Arizona, Nevada State Bank, Vectra Bank Colorado, or Zions First National Bank, as the case may be, hereinafter referred to as “**Bond Owner**”) governing the loan(s) (“**Loan**”) from which the draws are made for the construction of improvements on the real property which is collateral for the Loan (the “**Project**”). In the event of any conflict between these terms and conditions and the terms and conditions of the Loan Agreement, the terms and conditions of the Loan Agreement shall control. The Loan Agreement and any and all other agreements, documents and/or instruments entered into in connection with the Loan shall hereinafter be referred to as the “**Loan Documents**”. Any capitalized terms not expressly defined herein shall have the meanings attributed to them in the Loan Agreement.
2. **Draws.** All Draw Requests are subject to inspection and verification and authorization by Bond Owner and available proceeds of the Loan to be disbursed. Each Draw Request shall be accompanied by (i) invoices substantiating the amount of the applicable draw request, (ii) if requested by Bond Owner, a vendor payee listing showing the name and the amount currently due each party to whom Borrower is obligated for labor, material and/or services supplied with respect to the Project, and (iii) Bond Owner’s Request for Disbursement form (“**Bond Owner Request for Disbursement**”), which form shall be acceptable to Bond Owner in its sole and absolute discretion, executed by the authorized representative of Borrower as set forth in the Signature Authorization Form and Disbursement Instructions (“**Signature Authorization**”) executed and delivered by Borrower to Bond Owner in connection with the Loan. In the event draw amount in the Draw Request is greater than the draw amount in the Bond Owner Request for Disbursement, the Bond Owner Request for Disbursement amount shall control. Bond Owner reserves the right to refuse any draw request if any conditions set forth in the Loan Documents or in (i), (ii) or (iii) above are not satisfied.
3. **Conditions Precedent to Draw Request.** If Borrower submits a Draw Request and Bond Owner agrees to approve the corresponding Requisition without Bond Owner Request for Disbursement, Borrower covenants and agrees herewith that each of the conditions set forth below shall have been satisfied prior to the draw request. In the event of a conflict between the conditions set forth below and the terms and conditions of the Bond Owner Request for Disbursement submitted with a Draw Request, the terms of the Bond Owner Request for Disbursement shall control.
 - (a) Borrower has complied with all duties and obligations required to date to be carried out and performed by it pursuant to the terms of the Loan Agreement;

- (b) No Event of Default as defined in the Loan Agreement has occurred and/or is continuing;
- (c) All change orders or changes to the schedule of values, if applicable, have been submitted to and approved by Bond Owner;
- (d) All funds previously disbursed have been used for the purposes as set forth in the Loan Documents executed between Borrower and Bond Owner for the Project;
- (e) All outstanding claims for labor, materials and/or services furnished prior to the draw period have been paid;
- (f) All construction prior to the date of the Draw Request for a Requisition has been accomplished in accordance with the final plans and specifications for the Project;
- (g) All sums advanced by Bond Owner on account of the draw request will be used solely for the purpose of paying obligations owing as shown on the documentation attached to the draw request and for no other purpose;
- (h) There are no liens outstanding against the Project or any materials (or equipment that would give rise to mechanics and/or materialmen's liens under applicable law) used in connection with the Project except for Bond Owner's liens and security interests as agreed upon in the Loan Documents;
- (i) The amount of undisbursed Loan proceeds is sufficient to pay the cost of completing the Project in accordance with the plans and specifications for the Project originally submitted to the Bond Owner as modified by Bond Owner-approved change orders;

Disbursement of the Loan proceeds requested by Borrower may be subject to the receipt by Bond Owner of a certificate from the issuing title company stating that no claims have been filed of record which adversely affect the title of Borrower to the Project, subsequent to the filing of Bond Owner's mortgage or deed of trust on the Project.

4. **Draw Request Authority.** Borrower acknowledges and agrees that only authorized individuals designated in the Signature Request shall submit a Draw Request ("**Draw Request Submitter**"). However, Bond Owner shall not be obligated to confirm the identity or authority of a Draw Request Submitter and Bond Owner may advance Loan proceeds resulting from the Draw Request without any such confirmation. Borrower shall be bound by the Draw Request notwithstanding any lack of authority of the Draw Request Submitter and, if Bond Owner makes a Loan advance due to a Draw Request, Borrower shall be obligated to repay the Loan advance in accordance with the terms and conditions of the Loan Documents. Bond Owner may, in its sole and absolute discretion, refuse to make a Loan advance based a Draw Request which Bond Owner deems, in its sole and

absolute discretion, insufficient or the Draw Request Submitter lacks the authority to make the Draw Request under the Signature Authorization. Notwithstanding the foregoing or anything to the contrary herein, Borrower hereby releases, indemnifies and holds harmless Bond Owner from and against any and all claims, causes of action, liability, costs or damages which may result from the lack of authority or apparent lack of authority of any Draw Request Submitter and/or Bond Owner's issuance of a Loan advance based upon any Draw Request made by a Draw Request Submitter.

EXHIBIT E

[FORM]

FORM OF REQUEST FOR DISBURSEMENT

**Zions Bancorporation, N.A.
Dba Amegy Bank ("Bond Owner")**

4576 Research Forest Drive
The Woodlands, Texas 77381
Attn: Real Estate Loan Administration

Draw #: _____
Loan No.: _____
Project: Sycamores at Pleasant Valley

RE: Request for Bond Loan Disbursement in connection with a \$14,800,000.00 loan ("Bond Loan") to 5900 Pleasant Valley, LP ("Borrower")

1. Pursuant to the Bond Purchase and Funding Agreement (the "**Bond Purchase and Funding Agreement**") among Borrower, Bond Owner, and The Southeast Texas Finance Corporation, Borrower hereby requests a disbursement of the Funding Sources in the amount of \$_____ ("**Request for Disbursement**") of which \$_____ relates to a disbursement of proceeds of the Bond Loan, \$_____ relates to the Capital Contribution deposits, and \$_____ relates to deposits of AHFC Loan proceeds. Borrower acknowledges that this amount is subject to inspection, verification, and available funds. Borrower further acknowledges that no Loan funds shall be disbursed on any unit which has had a payoff amount quoted to a title company and Bond Owner may require a title search by a title company to confirm the existences of no liens on the Project.
2. The Borrower agrees to provide, if requested by Bond Owner, a vendor payee listing showing the name and the amount currently due each party to whom Borrower is obligated for labor, material and/or services supplied with respect to the Project, which shall be provided in support of the Request for Disbursement.
3. The Borrower also covenants and agrees herewith that each of the conditions set forth below have been satisfied prior to the Request for Disbursement:
 - (a) Borrower has complied with all duties and obligations required to date to be carried out and performed by it pursuant to the terms of the Bond Purchase and Funding Agreement;
 - (b) No Event of Default as defined in the Bond Purchase and Funding Agreement has occurred and/or is continuing;
 - (c) All change orders or changes to the schedule of values, if applicable, have been submitted to and approved by Bond Owner;

- (d) All funds previously disbursed have been used for the purposes as set forth in the Loan Documents for the Project;
- (e) All outstanding claims for labor, materials and/or services furnished prior to the draw period have been paid;
- (f) All construction prior to the date of the Request for Disbursement has been accomplished in accordance with the final plans and specifications for the Project;
- (g) All sums advanced by Bond Owner on account of Request for Disbursement will be used solely for the purpose of facilitating providing the paying of obligations owing as shown on the documentation attached to the Request for Disbursement and for no other purpose (whether with Bond funds or Loan funds as outlined in the Bond Purchase and Funding Agreement);
- (h) There are no liens outstanding against the Project or any materials (or equipment that would give rise to mechanics and/or materialmen's liens under applicable law) used in connection with the Project except for Bond Owner's liens and security interests as agreed upon in the Bond Loan Documents; and
- (i) The amount of undisbursed Bond Loan proceeds (combined with other Funding Sources) is sufficient to pay the cost of completing the Project in accordance with the plans and specifications for the Project originally submitted to the Bond Owner as modified by Bond Owner-approved change orders.

Disbursement of the Bond Loan proceeds hereby requested may be subject to the receipt by Bank of a certificate from the issuing title company stating that no claims have been filed of record which adversely affects the title of Borrower to the Project subsequent to the filing of Bond Owner's Deed of Trust or Mortgage, as applicable.

- 4. Capitalized terms not specifically defined herein have the same meanings attributed to them in the Bond Purchase and Funding Agreement.
- 5. Borrower certifies that the statements made in this Request for Disbursement and any documents submitted herewith and identified herein are true and has duly caused this Request for Disbursement to be signed on its behalf by its undersigned authorized representative.
- 6. Borrower acknowledges that the Loan Advance (as defined in Exhibit D hereof), if funded by Bond Owner, shall be funded through the Built online construction draw request platform:

EXECUTED this ____ day of _____ 20__

5900 PLEASANT VALLEY, LP,
a Texas limited partnership

By: AHFC Pleasant Valley Non-Profit
Corporation, a Texas nonprofit
corporation, its general partner

By: _____
James May
Secretary and Treasurer

EXHIBIT F

INSURANCE REQUIREMENTS

1. **Insurance.** Borrower shall obtain and maintain, in full force and effect at all times, the insurance required by the Ground Lease and the following insurance policies:
2. **Insurance Policy Requirements.**
 - a. **Form of Insurance Policies.** All such policies referred to herein must be written on an occurrence basis so as to provide blanket contractual liability, broad form property damage coverage, and coverage for products and completed operations. All property policies evidencing the required insurance shall name Bond Owner as first mortgagee and additional loss payee, with the proper insurance policy endorsements and ACORD form of Certificates being issued with respect thereto, including the ACORD 28. All liability policies evidencing the insurance required hereunder shall name Bond Owner as additional insured, with the proper insurance policy endorsements and ACORD form of Certificates being issued with respect thereto, including the ACORD 25. All policies required herein must be for a term of at least one (1) year. All policies shall provide for payment to Bond Owner of the net proceeds of insurance resulting from any claim for loss or damage thereunder (except in the case of liability insurance, in which case the net proceeds shall be paid directly to the aggrieved party), shall not be cancelable as to the interests of Bond Owner due to the acts of Borrower, and shall provide for at least thirty (30) days prior written notice of the cancellation, non-renewal or modification thereof (including reduction in coverage) thereof to Bond Owner. The insurance coverages provided for herein may, with the prior written consent of Bond Owner not to be unreasonably withheld or delayed, be provided under a blanket policy which specifically includes and identifies Borrower and/or the Project as a covered party and/or Project, has limits and deductibles attributable to Borrower and/or the Project consistent with the requirements set forth herein and is on terms and conditions otherwise acceptable to Bond Owner in its reasonable discretion.
 - b. **Insurance Company Qualifications.** All required insurance shall be procured and maintained in financially sound and generally recognized responsible insurance companies selected by Borrower accepted by Bond Owner, which consent shall not be unreasonably withheld or delayed so long as (i) such insurance companies are authorized to write such insurance in the state in which the subject Property is located and (ii) such insurance companies are rated "A-" or better by A.M. Best Co., in Best's Key Guide, or such other rating as may be accepted by Bond Owner.
 - c. **Evidence of Insurance.** All policies of insurance, endorsements and/or certificates of insurance evidencing that all insurance required hereunder

are in full force and effect, shall be delivered to Bond Owner. At least ten (10) days prior to the expiration, non-renewal or cancellation of any such policy, Borrower shall furnish Bond Owner with evidence that such policy has been renewed or replaced in the form of a certificate reflecting that there is in full force and effect, with a term covering the next succeeding calendar year, insurance of the types and in the amounts required.

- d. **No Separate Insurance.** Without Bond Owner's prior consent thereto, Borrower shall not carry any separate insurance on the Project concurrent in kind or form with any insurance required hereunder, or contributing in the event of loss, and any such policy shall have attached a standard non-contributing mortgagee clause, with loss payable to Bond Owner, and shall otherwise meet all other requirements set forth herein.

Borrower acknowledges that Bond Owner's insurance requirements may change from time to time.

Borrower acknowledges that any failure OF BORROWER to comply with THE REQUIREMENTS SET FORTH IN THIS **EXHIBIT "F"** shall permit BOND OWNER to purchase the applicable insurance at Borrower's cost. Such insurance may, but need not, protect Borrower's interests. The coverage that Bond Owner purchases may not pay any claim that Borrower makes or any claim that is made against Borrower in connection with the Project. If Bond Owner purchases insurance for the Project as permitted hereunder, Borrower will be responsible for the costs of that insurance, including interest at the Default Rate and any other charges Bond Owner 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 Bond Owner, but only after providing evidence that Borrower has obtained insurance as required by this Agreement and the other Bond Loan Documents.

TEXAS FINANCE CODE SECTION 307.052 COLLATERAL PROTECTION INSURANCE NOTICE: (A) BORROWER IS REQUIRED TO: (I) KEEP THE PROPERTY INSURED AGAINST DAMAGE IN THE AMOUNT BOND OWNER SPECIFIES; (II) PURCHASE THE INSURANCE FROM AN INSURER THAT IS AUTHORIZED TO DO BUSINESS IN THE STATE OF TEXAS OR AN ELIGIBLE SURPLUS LINES INSURER; AND (III) NAME BOND OWNER AS THE PERSON TO BE PAID UNDER THE POLICY IN THE EVENT OF A LOSS; (B) BORROWER MUST, IF REQUIRED BY BOND OWNER, DELIVER TO BOND OWNER A COPY OF THE POLICY AND PROOF OF THE PAYMENT OF PREMIUMS; AND (C) IF BORROWER FAILS TO MEET ANY REQUIREMENT LISTED IN PARAGRAPH (A) OR (B), BOND OWNER MAY OBTAIN COLLATERAL PROTECTION INSURANCE ON BEHALF OF BORROWER AT THE BORROWER'S EXPENSE.

EXHIBIT G-1

[FORM OF] REPORTING COMPLIANCE CERTIFICATE FOR BORROWER

Certificate Date: _____, 20__

Reporting Period: _____ through _____, 20__

Reference is made to that certain Bond Purchase and Funding Agreement dated as of September 1, 2025 (as amended, modified, supplemented, restated, or renewed, from time to time, referred to in the singular as the “**Bond Purchase and Funding Agreement**”), between 5900 PLEASANT VALLEY, LP (“**Borrower**”), THE SOUTHEAST HOUSING FINANCE CORPORATION, as issuer (“**Issuer**”), and ZIONS BANCORPORATION, N.A., dba Amegy Bank, as Bond Owner (“**Bond Owner**”). Capitalized terms used in this compliance certificate (including schedules and other attachments hereto, this “**Certificate**”) without definition have the meanings specified in the Bond Purchase and Funding Agreement.

Borrower hereby certifies, represents and warrants to Bond Owner that (a) the information furnished below and in the attached Financial Statements and/or reports, together with any included calculations, footnotes, schedules and addenda, for the above-referenced reporting period is true, correct and complete in all material respects as of the date hereof and (b) as follows:

1. Representations and Warranties. The representations and warranties of Borrower contained in the Bond Loan Documents continue to be true and correct in all material respects as of the date hereof (except to the extent any representation and warranty is made as of a specified date, in which case such representation and warranty shall have been true and correct in all material respects as of such specified date as if made on such date). *[or list any representations and warranties that are not, to Borrower’s knowledge, materially true and accurate]*

2. Covenants. During the above-referenced reporting period, Borrower has observed and performed all of the material respective covenants and other agreements under the Bond Purchase and Funding Agreement and the other Bond Loan Documents applicable to Borrower and has satisfied each of the material conditions contained therein to be observed, performed or satisfied by Borrower. *[or list any material covenants and agreements that Borrower has not, to its knowledge, observed and performed]*

3. No Defaults. No Event of Default is presently existing and, to reporting party’s knowledge, no Material Adverse Change presently exists. *[or list any existing Event of Default or Material Adverse Change]*

IN WITNESS WHEREOF, this Certificate is hereby executed and delivered to Bond Owner as of the Certificate Date first set forth above.

5900 PLEASANT VALLEY, LP,
a Texas limited partnership

By: AHFC Pleasant Valley Non-Profit
Corporation, a Texas nonprofit
corporation, its general partner

By: _____
James May
Secretary and Treasurer

EXHIBIT G-2

[FORM OF] REPORTING COMPLIANCE CERTIFICATE FOR LIMITED GUARANTORS

Certificate Date: _____, 20__

Reporting Period 5900 PLEASANT VALLEY, LP through _____, 20__

Reference is made to that certain Bond Purchase and Funding Agreement dated as of September 1, 2025 (as amended, modified, supplemented, restated, or renewed, from time to time, referred to in the singular as the “**Bond Purchase and Funding Agreement**”), among 5900 PLEASANT VALLEY, LP (“**Borrower**”), AUSTIN HOUSING FINANCE CORPORATION (“**Issuer**”), and ZIONS BANCORPORATION, N.A., dba Amegy Bank, as Bond Owner (“**Bond Owner**”), and to that certain Guaranty of Payment (the “**Guaranty**”) executed by JCM Ventures, LLC, East 43rd St., LLC, Jacob Mooney, and Sarah Andre (collectively, the “**Guarantor**”). Capitalized terms used in this compliance certificate (including schedules and other attachments hereto, this “**Certificate**”) not otherwise defined herein shall have the meaning set forth in the Bond Purchase and Funding Agreement and the Guaranty as applicable.

Guarantor hereby certifies, represents and warrants to Bond Owner that (a) the information furnished below and in the attached Financial Statements, together with any included calculations, footnotes, schedules and addenda, for the above-referenced reporting period is true, correct and complete in all material respects as of the date hereof and (b) as follows:

1. Representations and Warranties. The representations and warranties with respect to Guarantor set forth in **Article 2**, the Bond Loan Mortgage and the Guaranty, continue to be true and correct in all material respects as of the date hereof (except to the extent any representation and warranty is made as of a specified date, in which case such representation and warranty shall have been true and correct in all material respects as of such specified date as if made on such date). *[or list any representations and warranties that are not, to Guarantor’s knowledge, materially true and accurate]*

2. No Guarantor Events of Defaults. No Guarantor Event of Default (as defined in the Guaranty) is presently existing and, to reporting party’s knowledge, no or Material Adverse Change with respect to Guarantor presently exists. *[or list any existing Guarantor Event of Default or such existing Material Adverse Change]*

3. (Reserved)

IN WITNESS WHEREOF, this Certificate is hereby executed and delivered to Bond Owner as of the Certificate Date first set forth above.

GUARANTOR:

JCM VENTURES, LLC, a Texas limited liability company

By: _____

Name: _____

Title: _____

EAST 43rd St., LLC, a Texas limited liability company

By: _____

Name: _____

Title: _____

Jacob Mooney

Sarah Andre

EXHIBIT H-1

[FORM OF] U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to that certain Bond Purchase and Funding Agreement dated as of September 1, 2025 (as amended, modified, supplemented, restated, or renewed, from time to time, referred to in the singular as the “**Bond Purchase and Funding Agreement**”), among 5900 PLEASANT VALLEY, LP (“**Borrower**”), AUSTIN HOUSING FINANCE CORPORATION (“**Issuer**”) and ZIONS BANCORPORATION, N.A., dba Amegy Bank, as Bond Owner (“**Bond Owner**”). Pursuant to the provisions of the Bond Purchase and Funding Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Bond(s), (ii) it is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a “ten percent shareholder” of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a “controlled foreign corporation” related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Bond Owner and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform the Borrower and the Bond Owner, and (2) the undersigned shall have at all times furnished the Borrower and the Bond Owner with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Bond Purchase and Funding Agreement and used herein shall have the meanings given to them in the Bond Purchase and Funding Agreement.

[NAME OF BOND OWNER]

By: _____

Name:

Title:

Date: _____, 20[]

EXHIBIT H-2

[FORM OF] U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to that certain Bond Purchase and Funding Agreement dated as of _____, 1, 2025 (as amended, modified, supplemented, restated, or renewed, from time to time, referred to in the singular as the “**Bond Purchase and Funding Agreement**”), among 5900 PLEASANT VALLEY, LP (“**Borrower**”), AUSTIN HOUSING FINANCE CORPORATION (“**Issuer**”), and ZIONS BANCORPORATION, N.A., dba Amegy Bank, as Bond Owner (“**Bond Owner**”). Pursuant to the provisions of the Bond Purchase and Funding Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a “ten percent shareholder” of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a “controlled foreign corporation” related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Bond Owner with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform Bond Owner in writing, and (2) the undersigned shall have at all times furnished Bond Owner with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Bond Purchase and Funding Agreement and used herein shall have the meanings given to them in the Bond Purchase and Funding Agreement.

[NAME OF PARTICIPANT]

By: _____

Name:

Title:

Date: _____, 20[]

EXHIBIT H-3
[FORM OF] U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S.Federal Income Tax Purposes)

Reference is made to that certain Bond Purchase and Funding Agreement dated as of _____, 1, 2025 (as amended, modified, supplemented, restated, or renewed, from time to time, referred to in the singular as the “**Bond Purchase and Funding Agreement**”), among 5900 PLEASANT VALLEY, LP (“**Borrower**”), AUSTIN HOUSING FINANCE CORPORATION (“**Issuer**”), and ZIONS BANCORPORATION, N.A., dba Amegy Bank, as Bond Owner (“**Bond Owner**”). Pursuant to the provisions of the Bond Purchase and Funding Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a “bank” extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a “ten percent shareholder” of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a “controlled foreign corporation” related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Bond Owner with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner’s/member’s beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform Bond Owner and (2) the undersigned shall have at all times furnished Bond Owner with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Bond Purchase and Funding Agreement and used herein shall have the meanings given to them in the Bond Purchase and Funding Agreement.

[NAME OF PARTICIPANT]

By: _____

Name:

Title:

Date: _____, 20[]

EXHIBIT H-4

[FORM OF] U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Bond Owners That Are Partnerships For
U.S. Federal Income Tax Purposes)

Reference is made to that certain Bond Purchase and Funding Agreement dated as of September, 1, 2025 (as amended, modified, supplemented, restated, or renewed, from time to time, referred to in the singular as the “**Bond Purchase and Funding Agreement**”), among 5900 PLEASANT VALLEY, LP (“**Borrower**”), AUSTIN HOUSING FINANCE CORPORATION (“**Issuer**”), and ZIONS BANCORPORATION, N.A., dba Amegy Bank, as Bond Owner (“**Bond Owner**”). Pursuant to the provisions of the Bond Purchase and Funding Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Bond purchased by the undersigned, (ii) its direct or indirect partners/members are the sole beneficial owners of such Bond, (iii) with respect to the extension of credit pursuant to the Bond Purchase and Funding Agreement or any other Bond Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a “bank” extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a “ten percent shareholder” of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a “controlled foreign corporation” related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Bond Owner and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform the Borrower and the Bond Owner, and (2) the undersigned shall have at all times furnished the Borrower and the Bond Owner with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Bond Purchase and Funding Agreement and used herein shall have the meanings given to them in the Bond Purchase and Funding Agreement.

[NAME OF BOND OWNER]

By: _____

Name:

Title:

Date: _____, 20[]

[See Attached]

EXHIBIT "I"

WAIVER OF LIEN TO DATE

CONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT

Project _____

Job No. _____

On receipt by the signer of this document of a check from _____ (maker of check) in the sum of \$_____ payable to _____ (payee or payees of check) and when the check has been properly endorsed and has been paid by the bank on which it is drawn, this document becomes effective to release any mechanic's lien right, any right arising from a payment bond that complies with a state or federal statute, any common law payment bond right, any claim for payment, and any rights under any similar ordinance, rule, or statute related to claim or payment rights for persons in the signer's position that the signer has on the property of _____ (owner) located at _____ (location) to the following extent: _____ (job description).

This release covers the final payment to the signer for all labor, services, equipment, or materials furnished to the property or to _____ (person with whom signer contracted).

Before any recipient of this document relies on this document, the recipient should verify evidence of payment to the signer.

The signer warrants that the signer has already paid or will use the funds received from this final payment to promptly pay in full all of the signer's laborers, subcontractors, materialmen, and suppliers for all work, materials, equipment, or services provided for or to the above referenced project up to the date of this waiver and release.

Date _____

_____ (Company name)

By _____ (Signature)

_____ (Title)

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 20____, by _____ (name), _____ (job title) of _____ (company name).

NOTARY PUBLIC, STATE OF TEXAS

CONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT

Project _____

Job No. _____

On receipt by the signer of this document of a check from _____ (maker of check) in the sum of \$_____ payable to _____ (payee or payees of check) and when the check has been properly endorsed and has been paid by the bank on which it is drawn, this document becomes effective to release any mechanic's lien right, any right arising from a payment bond that complies with a state or federal statute, any common law payment bond right, any claim for payment, and any rights under any similar ordinance, rule, or statute related to claim or payment rights for persons in the signer's position that the signer has on the property of _____ (owner) located at _____ (location) to the following extent: _____ (job description).

This release covers a progress payment for all labor, services, equipment, or materials furnished to the property or to _____ (person with whom signer contracted) as indicated in the attached statement(s) or progress payment request(s), except for unpaid retention, pending modifications and changes, or other items furnished.

Before any recipient of this document relies on this document, the recipient should verify evidence of payment to the signer.

The signer warrants that the signer has already paid or will use the funds received from this progress payment to promptly pay in full all of the signer's laborers, subcontractors, materialmen, and suppliers for all work, materials, equipment, or services provided for or to the above referenced project in regard to the attached statement(s) or progress payment request(s).

Date _____

_____ (Company name)

By _____ (Signature)

_____ (Title)

STATE OF TEXAS §

 §
COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of _____, 20____, by _____ (name), _____ (job title) of _____ (company name).

NOTARY PUBLIC, STATE OF TEXAS

NOTICE:

This document waives rights unconditionally and states that you have been paid for giving up those rights. It is prohibited for a person to require you to sign this document if you have not been paid the payment amount set forth below. If you have not been paid, use a conditional release form.

UNCONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT

Project _____

Job No. _____

The signer of this document has been paid in full for all labor, services, equipment, or materials furnished to the property or to _____ (person with whom signer contracted) on the property of _____ (owner) located at _____ (location) to the following extent: _____ (job description). The signer therefore waives and releases any mechanic's lien right, any right arising from a payment bond that complies with a state or federal statute, any common law payment bond right, any claim for payment, and any rights under any similar ordinance, rule, or statute related to claim or payment rights for persons in the signer's position.

The signer warrants that the signer has already paid or will use the funds received from this final payment to promptly pay in full all of the signer's laborers, subcontractors, materialmen, and suppliers for all work, materials, equipment, or services provided for or to the above referenced project up to the date of this waiver and release.

Date _____

_____ (Company name)

By _____ (Signature)

_____ (Title)

STATE OF TEXAS §

§

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 20____, by _____ (name), _____ (job title) of _____ (company name).

NOTARY PUBLIC, STATE OF TEXAS

NOTICE:

This document waives rights unconditionally and states that you have been paid for giving up those rights. It is prohibited for a person to require you to sign this document if you have not been paid the payment amount set forth below. If you have not been paid, use a conditional release form.

UNCONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT

Project _____

Job No. _____

The signer of this document has been paid and has received a progress payment in the sum of \$ _____ for all labor, services, equipment, or materials furnished to the property or to _____ (person with whom signer contracted) on the property of _____ (owner) located at _____ (location) to the following extent: _____ (job description). The signer therefore waives and releases any mechanic's lien right, any right arising from a payment bond that complies with a state or federal statute, any common law payment bond right, any claim for payment, and any rights under any similar ordinance, rule, or statute related to claim or payment rights for persons in the signer's position that the signer has on the above referenced project to the following extent:

This release covers a progress payment for all labor, services, equipment, or materials furnished to the property or to _____ (person with whom signer contracted) as indicated in the attached statement(s) or progress payment request(s), except for unpaid retention, pending modifications and changes, or other items furnished.

The signer warrants that the signer has already paid or will use the funds received from this progress payment to promptly pay in full all of the signer's laborers, subcontractors, materialmen, and suppliers for all work, materials, equipment, or services provided for or to the above referenced project in regard to the attached statement(s) or progress payment request(s).

Date _____

_____ (Company name)

By _____ (Signature)

_____ (Title)

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 20____, by _____ (name), _____ (job title) of _____ (company name).

NOTARY PUBLIC, STATE OF TEXAS

EXHIBIT "J"

AFFIDAVIT OF COMMENCEMENT

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

BEFORE ME, the undersigned authority, on this day personally appeared James May, Secretary and Treasurer of AHFC Pleasant Valley Non-Profit Corporation, in its capacity as general partner of 5900 PLEASANT VALLEY, LP, a Texas limited partnership ("**Owner**"), and not individually, and HOUSTON ESPERANZA, a Texas 501(c)(3) nonprofit corporation ("**Contractor**"), known to me to be the persons whose names are subscribed below, and who, being by me first duly sworn, did each on his or her oath state as follows:

The Owner is the owner of the real property (the "**Land**") situated in Travis County, Texas, more particularly described in **Exhibit "A"**, attached hereto and made a part hereof for all purposes, on which building and other related improvements (the "**Improvements**") are being constructed or renovated.

i) The address of Owner is:

5900 PLEASANT VALLEY, LP
11705 Wenongo Circle
Leawood, KS 66211

ii) The address of Contractor is:

iii) Work on the Improvements (including the first delivery of materials and equipment to the Land in connection with the Improvements) actually commenced on _____, 20____, at _____ o'clock __.m.

iv) This affidavit has been jointly made by Owner and Contractor by and through an authorized representative of each, the same being the undersigned Affiants. This affidavit may be executed in identical counterparts, each of which shall be deemed an original, and all of which, collectively, shall constitute one affidavit.

EXECUTED this _____ day of _____, 20____.

5900 PLEASANT VALLEY, LP,
a Texas limited partnership

By: AHFC Pleasant Valley Non-Profit
Corporation, a Texas nonprofit
corporation, its general partner

By: _____
James May,
Secretary and Treasurer

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2025,
by James May, Secretary and Treasurer of AHFC Pleasant Valley Non-Profit Corporation,
Ron Williams, a Texas nonprofit corporation, on behalf of said corporation, in its capacity
as general partner of 5900 PLEASANT VALLEY, LP, a Texas limited partnership.

Notary Public, State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

(TO BE ADDED)

Notary Public, State of Texas

After recording return to:

EXHIBIT "K"

AFFIDAVIT AND CERTIFICATE OF COMPLETION

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

BEFORE US, the undersigned authorities, on this day personally appeared James May, Secretary and Treasurer of AHFC Pleasant Valley Non-Profit Corporation, in its capacity as general partner of 5900 PLEASANT VALLEY, LP, a Texas limited partnership ("**Owner**"), _____, _____ of _____ ("**Architect**"), _____, _____ of _____ ("**Original Contractor**"), and not individually, known by us to be the persons whose names are subscribed below, and who, being first duly sworn, did on their oath state and certify as follows:

1. Owner, whose address is 11705 Wenonga Circle, Leawood, KS 66211, is the owner of the real property situated in Travis County, Texas, more particularly described on **Exhibit "A"** (the "Land"), on which real property certain Improvements (herein so called) were constructed and furnished under the original contract with the Original Contractor, whose address is _____. The Land and Improvements shall be referred to collectively as the "**Premises.**"

2. The Improvements under the original contract between the Owner and the Original Contractor (including all on-site and off-site Improvements) have been completed in accordance with the approved Plans and Specifications listed on the attached **Exhibit "B"** in all material respects (in the case of Owner, this statement being made to Owner's current actual knowledge).

3. After reasonable investigation, to the best of their knowledge, (a) the Premises complies with all applicable restrictive covenants, building codes, permit requirements, and all other applicable laws, ordinances, codes, rules and regulations and (b) no hazardous or toxic substances or materials, as defined under any state, local or federal law have been used on-site in constructing the Improvements or incorporated into the Premises, other than in compliance with applicable law.

4. All utility services necessary for the proper operation of the Improvements for its intended purpose are connected to and in sufficient capacity at the Premises, including water supply, storm and sanitary sewer facilities and gas (if the Plans and Specifications require the Improvements to be served by gas), electricity and telephone facilities (in the case of Owner, this statement being made to the best of Owner's current actual knowledge).

5. After reasonable investigation, to the best of our knowledge, the condition of the soil of the Land is adequate to support the Improvements (in the case of Owner, this statement being made to Owner's current actual knowledge).

6. The Improvements are ready for immediate occupancy (in the case of Owner, this statement being made to Owner's current actual knowledge).

7. Architect did and does hereby additionally state and certify as follows:

(a) Design and as built conditions for the Premises are such that no drainage or surface or other water other than normal surface drainage will drain across or rest upon either the Land or land of others; and

(b) None of the Improvements creates or will create an encroachment over, across or upon any of the Land boundary lines, building liens, setbacks, rights-of-way or easements, and no buildings or other Improvements on adjoining land create such an encroachment.

Owner did and does hereby additionally state and certify as follows: All roads and rights-of-way necessary for the utilization of the Land for its intended purposes have been completed or acquired.

AFFIANT "**ARCHITECT**":

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this day personally appeared _____, _____ of _____, a Texas limited liability company, on behalf of said limited liability company.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the ____ day of _____, 202__.

Notary Public in and for The State of Texas

AFFIANT "**CONTRACTOR**":

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this day personally appeared _____, _____ of _____, a Texas limited liability company, on behalf of said limited liability company.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the ____ day of _____, 202__.

Notary Public in and for the State of Texas

AFFIANT: OWNER

5900 PLEASANT VALLEY, LP,
a Texas limited partnership

By: AHFC Pleasant Valley Non-Profit
Corporation, a Texas nonprofit
corporation, its general partner

By: _____
James May
Secretary and Treasurer

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2025,
by James May, Secretary and Treasurer of AHFC Pleasant Valley Non-Profit Corporation,
a Texas nonprofit corporation, on behalf of said corporation, in its capacity as general
partner of 5900 PLEASANT VALLEY, LP, a Texas limited partnership.

Notary Public, State of Texas

EXHIBIT "L"

[INVESTOR CAPITAL CONTRIBUTION SCHEDULE]

<u>INSTALLMENT</u>	<u>EVENT^{1/}</u>	<u>AMOUNT^{2/}</u>	<u>PURPOSE</u>
First	Investment Closing	\$ _____	Reimburse the Investor Member for up to \$40,000 for due diligence, then pay \$600,000 in developer fee, then pay items in accordance with Budget.
Second	Completion	\$ _____	Pay costs of construction subject to pending requests for disbursements, then pay \$_____ to apply to the outstanding balance of the Bond Loan Note, then pay developer fee of \$_____, then pay items in accordance with the Budget and Approved Flow of Funds
Third	Conversion to Permanent	\$ _____	Pay Bond Loan Note to a balance of not more than \$5,300,000 (or such lesser amount as needed to achieve Lease Stabilization), then to fund \$389,959 for the Operating Reserve and fund other reserves and costs required by the Partnership

¹ As further provided in the Partnership Agreement

² Subject to adjustment pursuant to the terms of the Partnership Agreement

			Agreement, then to pay developer fees of \$_____ as provided in the Partnership Agreement and to pay other items as otherwise provided for in the Partnership Agreement.
Fourth	Form 8609	\$ _____	Pay developer fees and other amounts as provided in the Partnership Agreement.
TOTAL CONTRIBUTION		\$ _____	

EXHIBIT "M"

SURVEY REQUIREMENTS

The purpose of this document is to provide information to the borrower, surveyor, and title company regarding survey requirements for loans originated by ZIONS BANCORPORATION, N.A., dba Amegy Bank ("**Bond Owner**") that are initially intended to be held in Bond Owner's own loan portfolio. Please note that Bond Owner requires a current survey on all commercial real estate loans. Since Bond Owner requires that the certification on the survey be addressed to the borrower, the title company and the Bond Owner, usually an existing survey is inadequate for loan purposes. Bond Owner will accept revised or updated surveys meeting the Survey Requirements as detailed in this document. Any questions concerning these requirements should be directed to Bond Owner's Closing Department. It is recommended that the borrower reference these requirements when obtaining bids and engaging qualified surveyors.

A satisfactory survey is required prior to closing of all Construction Bond Loans. An acceptable "slab" survey is required prior to application for the first construction disbursement for building foundations. An "as built" survey is typically required by the title company to obtain a completion endorsement and thus may be required at the sole discretion of Bond Owner upon completion of the improvements.

Surveys must be acceptable to the title insurance company insuring the lien of the Bond Loan Mortgage for purposes of insuring title free and clear of any survey exceptions. Surveys must either be prepared in accordance with the latest approved version of the Minimum Standard Detail Requirements for American Land Title Association ("**ALTA**") Land Title Surveys, jointly established and adopted by ALTA, ACSM and NSPS, and must meet the requirements of the Urban Survey thereunder, or if the subject property is located in the State of Texas, the survey may be prepared in accordance with the current Texas Society of Professional Surveyors Standards and Specifications for a Category 1A, Condition II Survey (Land Title, Urban). The legal description of the Bond Loan Mortgage property shown on the face of the survey must conform to the legal description shown in the title insurance commitment for the title insurance policy for the Bond Loan Mortgage property or the legal description shown in the title insurance commitment must be changed to conform to the survey. If the title insurance commitment refers to a recorded plat, then such plat with appropriate recording references must be indicated on the survey.

1. Field Note Description. Surveys should contain a certified metes and bounds description and should comply with the following requirements:
 - a. Survey should be of a scale of at least one inch equals fifty feet and should identify the scale used (example 1" = 50').
 - b. The beginning point should be established by a monument located at the beginning point, or by reference to a nearby monument and to the point of commencement.

- c. The sides of the property should be described by giving the distances and bearings of each. Instead of bearings, the interior angle method is acceptable if the beginning point is on a dedicated public street line or a fixed line on other property, or if the course of the first side can be otherwise properly fixed.
 - d. The distances, bearings, and angles should be taken from an instrument survey by a registered professional engineer or register public surveyor.
 - e. Curved courses should be described by data including: length of arc, radius of circle for the arc and chord distance and bearing.
 - f. The legal description should be a single perimeter description of the entire property. Division of the property with separate parcels is not acceptable unless it serves a special purpose of the Bond Loan Mortgage and is approved by in advance by Bond Owner. Division is necessary, however, if the plot is located on two sides of a public way. It is acceptable to describe an easement appurtenant to a fee parcel by using a separate parcel description.
 - g. The description should include a reference to all streets, alleys, and other rights-of-way that abut the property surveyed, and the width of all rights-of-way mentioned should be given the first time these rights-of-way are referenced to.
 - h. For each boundary line abutting a street, road, alley or other means of access, the description must, in calling the boundary line, state that the boundary line and the right-of-way line are the same.
 - i. If the property surveyed has been recorded on a map or plat as part of an abstract or subdivision, reference to such recording data should be made.
 - j. The total acreage and square footage of the land must be shown.
 - k. The metes and bounds description must return to the point of commencement.
2. Lot and Block Description. If the property is included within a properly established recorded subdivision or addition, then a lot and block description or reserve description will be an acceptable substitute for a metes and bounds description, provided that the lot and block description or reserve description completely and properly identifies the name or designation of the recorded subdivision or addition and gives the recording information therefor.
3. Map or Plat. Surveys should also contain a certified map or plat clearly showing the following:
- a. The property to be covered by the Bond Loan Mortgage.

- b. The point of beginning of said property and its relation to the monument from which it is fixed.
- c. Corners or boundary stakes, stating material (1/2" I.P., 4" x 4" Concrete, initials or markings) and whether found by surveyor or set by surveyor.
- d. All distances, angles and other calls shown in the legal description.
- e. Direction arrow (North).
- f. If the property has been recorded on a map or plat as part of an abstract or subdivision, all survey lines must be shown, and all lot, block lines (with distances and bearings), and numbers must be shown.
- g. All easements appurtenant to said property showing recording information therefor by volume and page, width thereof, and encroachments thereon. In the event easements affect the parcel, but cannot be shown with specificity, you should contact Bond Owner, as blanket easements are generally not permitted.
- h. The boundary lines of the street or streets abutting the property with the name and width of said streets and whether paved, blacktop, gravel or dirt.
- i. The distance from the nearest intersecting street or road to the property.
- j. All encroachments and protrusions if any, from or upon the land or any improvements thereon or upon any easement, building setback line or other restricted area, with exact measurements.
- k. Vicinity map showing the property surveyed in reference to nearby highway(s) or major street intersections(s).
- l. Flood zone designation (with property annotation based on Federal Flood Insurance Rate Maps on the State or local equivalent, by scaled map location and graphic plotting only).
- m. Identify and show, if possible, setback, height and bulk restrictions of record or disclosed by applicable restrictive covenant, recorded plat, zoning or building codes (identifying the source in each case, by volume and page reference, if applicable). If none, so state.
- n. The exterior dimensions of all buildings at ground level with horizontal lengths of all sides and the relation thereof by distances to (i) all boundary lines of the property, (ii) easements, (iii) established building lines and (iv) street lines.
- o. All street addresses of all improvements on the subject property.

- p. Substantial, visible improvements (in addition to buildings) such as signs, parking areas (showing number and striping) or structures, swimming pools, driveways, fences, sidewalks, stoops, landscaping, etc.
- q. Parking areas and, if striped, the striping and the type (e.g., handicapped, motorcycle, regular, etc.) and the number of parking spaces.
- r. Indication of access to a public way such as curb cuts, or driveways marked.
- s. Location of utilities serving or existing on the property including points of ingress to and egress as evidenced by on-site observation or as determined by records provided by client, utility companies and other appropriate sources (with reference as to the source of information).
- t. A legend of all symbols used in the survey.
- u. The scale of all distances and dimensions on the plat.
- v. The date of any revisions subsequent to the initial survey prepared pursuant to these requirements.
- w. Significant observations not otherwise disclosed, including, but not limited to visible evidence of unusual subsurface matters and general knowledge about the neighborhood (such as condemnation of the area by the US Environmental Protection Agency (EPA) or restricted building heights imposed by the Federal Aviation Administration (FAA).
- x. Areas devoted or restricted in reciprocal easement agreements, showing the limits of any off-site appurtenant easements and the outline of any buildings within the reciprocal easement.
- y. A note stating that the legal description describes the same property as the title commitment.
- z. Observable evidence of earth moving work, building construction or building additions within recent months.
- aa. Any changes in street right of way lines, either completed or proposed and available from the controlling jurisdiction, observable evidence of recent street or sidewalk construction or repairs.
- ab. Observable evidence of site use as a solid waste dump, sump or sanitary landfill.
- ac. The number of stories of all structures and the types of materials comprising the exterior walls and roofs of all buildings.

- ad. The mean highwater base line or other legal boundary of any bodies of water adjoining or located on the Project.
- ae. Observable evidence of cemeteries.

4. Surveyor's Certification.

- a. For properties located outside the State of Texas, the following "**ALTA Certification**" must appear on the survey:

To (insert name of Borrowing entity), ZIONS BANCORPORATION, N.A., dba Amegy Bank, and [insert name of title insurance company]:

This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes Items 1-4, 7(a), 7(b), 7(c), 8, 9, 11 and 16 of Table A thereof. The field work was completed on _____.

- b. For properties located in the State of Texas, either the ALTA Certification as shown above or the following Certification must appear on the survey:

"To [*insert name of Borrowing entity], ZIONS BANCORPORATION, N.A., dba Amegy Bank and [*insert name of title insurance company] that this survey was made on the ground of the property legally described hereon and correctly shows the boundary lines, dimensions and area of the land indicated hereon; that there are no discrepancies, conflicts, shortages in area, boundary line conflicts, encroachments, overlapping of improvements, easements or rights-of-way, except as shown hereon; the subject property has access to and from a dedicated public roadway; the subject property is not located in the 100-Year Flood Plain or in an identified flood hazard area according to Community-Panel No. _____ dated _____, of the Federal Emergency Management Agency; and that this survey conforms to the current Texas Society of Professional Surveyors Standards and Specifications for a Category 1A, Condition II Survey.

- 5. Seal and Date. Immediately below the certification must appear the signature, seal and registration number of the registered public surveyor who made the survey, or under whose supervision the survey was made, and the date of the survey must be dated within 90 days of the Bond Closing Date.

For closing review purposes, it is requested that copies of the survey be provided to the Bond Owner's Closing Department, Bond Owner's Counsel and the title company escrow officer as soon as available, but in any event at least three business days prior to the Bond Closing Date. Please contact Bond Owner's Closing Department for contact information regarding Bond Owner's Counsel and the title company. The Bond Owner's Closing Department contact information is as follows:

Zions Bancorporation, N.A. dba Amegy Bank
4576 Research Forest Drive
The Woodlands, Texas 77381
(281) 297-7840 (voice)
Joyce.eng@amegybank.com (email)

EXHIBIT "N"

TAX CREDIT ALLOCATION

EXHIBIT A

DETERMINATION NOTICE

EXHIBIT "O"

TITLE INSURANCE AND ESCROW CLOSING REQUIREMENTS

The purpose of this document is to provide information to the borrower and title company regarding title insurance requirements for loans originated by ZIONS BANCORPORATION, N.A., dba Amegy Bank ("**Bond Owner**") which are secured by properties located in the State of Texas and initially intended to be held in Bond Owner's own loan portfolio. If one or more of the properties securing the subject loan are in a state other than Texas, Bond Owner requires a title commitment rather than a preliminary title report and an ALTA Bank Policy (1970 or 1992) with comprehensive mechanic's lien coverage. For properties located outside the State of Texas, Bond Owner provides additional closing and title insurance requirements. For properties located in the State of Texas, this document provides requirements for the commitment to insure title ("**Title Commitment**"), the interim construction title binder ("**Title Binder**"), the Bond Loan Mortgage policy of title insurance ("**Title Policy**") and for the Bond Closing functions and procedures to be performed by the title company ("**Escrow Closing**"). Time constraints provided in these instructions are very important in order to prevent delays in closing and funding. Additional requirements for a particular loan shall be at the sole discretion of Bond Owner.

Title Commitment

The Title Commitment is required well in advance of closing, must be prepared using the Texas Land Title Association ("**TLTA**") form T-7 and meet the following requirements:

1. Each title insurance policy must be written by an insurer authorized to do business in the State of Texas, licensed by the Texas Insurance Commission and have an acceptable rating from at least one of the independent rating agencies as follows:
 - (a) "**Financial Stability Rating**" of "**S**" (Substantial) or better or a "**Statutory Accounting Rating**" of "**C**" (Average) or better from Demotech, Inc.;
 - (b) a "**BBB**" or better rating from Duff and Phelps Credit Rating Company;
 - (c) a "**C**" or better rating from LACE Financial Corporation;
 - (d) a "**BAA**" or better rating from Moody's Investor Service, or
 - (e) a "**BBB**" or better rating from Standard and Poor's, Inc.

Bond Owner reserves the right to approve the title insurance underwriter. Coinsurance will only be allowed with prior written approval of Bond Owner. Reinsurance may be required in certain cases. Bond Owner must be notified in advance if Coinsurance or Reinsurance is expected or being considered.

2. Name of Insured: The Insured in Schedule A shall be as follows: "ZIONS BANCORPORATION, N.A., dba Amegy Bank as Bond Owner, its successors and assigns".
3. Coverage shall be for the full amount of the Bond Loan;
4. The effective date must be within 90 days of the anticipated date of closing; and
5. The Title Commitment must include, as attachments, legible copies of all recorded instruments which are listed as exceptions (both Schedule B and C) to the coverage of the Title Commitment, including legible copies of recorded plats.

Title Binder

Acceptance of a Title Binder in lieu of a Title Policy on construction and development loans is an exception to Bond Owner's loan policy and must be approved by Bond Owner, which approval may be conditioned on satisfaction of additional loan covenants. In the event that the subject loan involves development or construction and Bond Owner has approved its usage, the Title Binder must be prepared using Form T-13 and meet the following requirements:

1. The "pre-start" exception on Item 1(a) of Schedule C must be deleted, and
2. Meet all of the requirements listed below for a Title Policy.

Title Policy

Bond Owner may require the title company to deliver a pro forma Title Policy in advance of the Bond Loan closing. The Title Policy must be prepared using TLTA form T-2 and meet the following requirements:

1. Name of Insured. The Insured in Schedule A, Paragraph 1, shall be as follows: "Zions Bancorporation, N.A., and each successor in ownership of the indebtedness secured by the insured mortgage, except a successor who is an obligor under the provisions of the Conditions and Stipulations."
2. Description of Mortgage. The description of the Bond Loan Mortgage appearing in Schedule A, Paragraph 3, must include the precise name of the security instrument (e.g. "Multifamily Construction and Permanent Leasehold Deed of Trust, Assignment of Rents and Security Agreement and Fixture Filing"); the names of the parties; the date of the Bond Loan Mortgage; the principal amount of the Bond Loan; and recording data, i.e. the recorder's office, the date of recordation and the book and page numbers and/or instrument number. If a separate Assignment of Leases is to be utilized, it should be included in Schedule A, in the same paragraph as the Bond Loan Mortgage as described above.

3. Legal Description. The legal description on the Title Policy must be identical to the legal description contained on the survey. Rights under access easements and off-site utility easements must also be insured.
4. Title Vesting. The name should include partnership/corporate status and state of organization.
5. Lien Status. The insured lien must be shown as a first and superior lien except as to current ad valorem taxes. Schedule B Exceptions must include the following:
 - (a) Recording information for each instrument to which it refers.
 - (b) A description of the UCC Financing Statements(s) that will be recorded in the appropriate governmental records, as instructed in the “**Escrow Closing Instruction Letter**” to be provided by Bond Owner’s Counsel, with clerk’s file numbers or other applicable identifying information, along with the date and place of recording.
6. Unacceptable Schedule B Exceptions. The following Schedule B exceptions are not permitted:
 - (a) Exception For Taxes Which Are Due And Payable. Any taxes which are due and payable must be paid prior to closing. An exception for future taxes and assessments not yet due and payable is permitted. An exception for taxes due for prior years because of a change in usage (i.e. agricultural exemption or open space exemption) is not permitted. The Tax Deletion Endorsement is required (TLTA form T-30).
 - (b) Survey Exception. A survey has been or will be prepared. A copy of the Title Commitment must be provided to the surveyor as soon as available, together with any documents listed as exceptions to the Title Commitment and describing easements located on or affecting the project. The Bond Owner’s Closing Department has contact information regarding the surveyor. The Survey Deletion Endorsement (i.e. area and boundary deletion) is required (Texas Rule P-2). If the title company takes exception to items shown on the survey, a Comprehensive Endorsement (TLTA form T-19) may be required.
 - (c) Blanket Exception. Blanket exceptions of any kind, including those for subordinate liens, are not permitted, except as required by the Texas Title Insurance Rate Rules.
 - (d) Maintenance fee liens not subordinated. Maintenance association fee liens must be subordinated to Bond Owner’s first lien. Unless waived in writing by Bond Owner, a subordination agreement will be required before closing for review and approval by Bond Owner’s Counsel if those liens are not already subordinated.

- (e) Mechanics' And Materialmen's Lien Exception. Except on construction or development loans, there will be no exception for mechanics' and materialmen's liens. On construction or development loans, it is permitted to have a blanket exception for mechanic's and materialmen's liens recorded after the date of recording of Bond Owner's deed of trust, and upon completion of improvements, a TLTA T-3 Endorsement Form must be issued deleting any mechanic's and materialmen's lien exceptions. If there are any special requirements (e.g., stipulations against liens, owner's affidavits, etc.) which must be met, Bond Owner must be notified immediately.
 - (f) All laundry leases and other commercial leases creating possessory rights must be subordinated to Bond Owner's first lien, and subordination/estoppel certificates must be signed for each. The seller/owner must be contacted regarding this requirement if the title search reveals any such lease(s). Subordination agreements must be approved by Bond Owner in advance.
 - (g) Bond Owner reserves the right to object to any title exception, including the preprinted exceptions contained in TLTA Form T-2.
7. UCC Searches. Except when waived by Bond Owner, UCC searches must be conducted at the expense of borrower, at both the state and county levels, of the appropriate UCC filing records for any filings in the name of the borrower, the owner(s) and the project name. If the borrower/owner is a corporation, the searches shall be in the name of the corporation; if the borrower/owner is a partnership, the searches shall be in the name of the partnership and in the name of each general partner or managing member thereof; and if the project is owned by one or more individuals, then the searches shall be in the names of such individuals and any trade name employed by them. Bond Owner's Closing Department must be contacted to verify names to search. Copies of items which create security interests against the named party must be ordered to determine if they affect the insured. Results of searches must be sent to Bond Owner's Closing Department as soon as they are available.
8. Tax Certificates. Tax certificates for ad valorem property taxes must be ordered from all applicable taxing authorities, including associations when applicable. Tax Certificates must be sent to Bond Owner's Closing Department as soon as they are available.
9. Required Endorsements and Policy Provisions. The following endorsements are typically required with the final Title Policy. The final determination of required endorsements will be provided in the Escrow Closing Instruction Letter prepared by Bond Owner's Counsel.
- (a) Any arbitration provisions of the Title Policy must be deleted.

- (b) The exception for parties in possession must be deleted upon satisfactory inspection by the Title Company.
 - (c) If the insured property is within a planned unit development, a Planned Unit Development Endorsement (TLTA form T-17).
 - (d) When required by Bond Owner at the time of conversion to the permanent financing, a Comprehensive Endorsement (TLTA form T-19)
 - (e) If access to the insured property is by easement, an Access Endorsement (TLTA form T-23) and the Title Policy must include the easement as part of the insured property on Schedule A.
 - (f) If the legal description of the insured property describes two or more adjacent tracts of property, a Contiguity Endorsement (TLTA form T-25).
 - (g) Tax Deletion Endorsement (TLTA form T-30).
 - (h) If the property is for residential usage, an Environmental Protection Lien Endorsement (TLTA form T-36).
 - (i) Bond Owner may require other endorsements or express insurance, including but not limited to the following: First Loss Endorsement (TLTA form T-14), Last Dollar Endorsement (TLTA form T-15), Aggregation Endorsement (TLTA form T-16), Adjustable Rate Endorsement (TLTA form T-33), Revolving Credit Endorsement (TLTA form T-35).
10. Required Delivery. The final Title Policy, with all required endorsements, must be in Bond Owner's office within seventy-two (72) hours of funding.

Escrow Closing

Bond Owner requires the title insurer or its affiliate or agent to act as escrow agent for the Bond Loan proceeds and to conduct the closing.

1. Disbursement and Insured Closing Letter. If the title company is an agent of the title insurer, it will be necessary to have the title insurance company provide Bond Owner with an insured closing protection letter from the title insurer prior to closing. The title company should contact the Bond Owner's Closing Department to determine if an insured closing letter is on file. The original letter should be addressed to Bond Owner. The insured closing protection letter must authorize the title company to close the Bond Loan and disburse the Bond Loan proceeds in accordance with an Escrow Closing Instruction Letter to be provided by Bond Owner or Bond Owner's Counsel prior to closing. A copy of the HUD- 1 Settlement Statement should be faxed to Bond Owner at least 24 hours prior to closing. Bond Owner must approve in advance any fee attorney to be utilized and will not disburse funds through a fee attorney.

2. Pay-off Estimates. Bond Owner does not obtain estimates of the pay-off figures for existing indebtedness secured by the project. It will be the responsibility of the title company to obtain in writing and verify the amount(s) required to retire any and all outstanding loans and, in cooperation with the borrower (or seller, if any), to arrange for satisfactory releases of existing mortgages and termination statements of existing financing statements.
3. Costs and Expenses. Bond Owner's Closing Department shall provide a separate letter prior to closing which details all Bond Owner related settlement charges. The services and costs of the escrow agent and title insurance company are to be performed without cost to the Bond Owner or Bond Owner's Counsel. Arrangements with the borrower should be made for the payment of all such costs. The escrow agent should collect adequate funds from the borrower to send the Financing Statements by overnight mail to a recording service to ensure the documents will be received back from the county and state to meet the delivery requirements listed in this document.
4. Title Policy. The Title Policy must be issued by the title insurance underwriter specified in the title commitment furnished for the Bond Loan closing.
5. Property Insurance. Bond Owner's Closing Department will be responsible for reviewing and approving the required insurance policies. The escrow agent will be required to verify with Bond Owner's Closing Department, prior to funding, that insurance coverages are adequate.
6. Bond Loan Documents and Closing. Bond Owner's Counsel prepares loan documents and an Escrow Closing Instruction Letter. Any changes made on legal documents at closing must be approved in advance by Bond Owner's Counsel. The title company is responsible for the completion, execution, attestation and notarization, where necessary of each of the Bond Loan documents in accordance with the Escrow Closing Instruction Letter. Mail out signings are discouraged and in any event must be conducted as a courtesy closing in the offices of a title company affiliate.
7. Disbursing Funds. Loan funds necessary for closing by Bond Owner are wired to the escrow agent. Funds may be disbursed only at such time as:
 - a. The Bond Loan documents are properly executed,
 - b. The escrow agent is in a position to deliver the Title Policy and required endorsements to the Bond Owner pursuant to the Title Commitment and in compliance with the terms of this document and the Escrow Closing Instruction Letter,
 - c. All water charges, sewer assessments, special assessments and real estate taxes currently due and payable are paid, or the escrow agent has arranged to pay, from loan proceeds or borrower funds, any of these items which are due and not yet paid,

- d. All prior financing statements filed in the name of the borrower, as debtor, with the office of the Secretary of State are satisfied and released or the escrow agent has arranged to pay, from loan proceeds, any item which has not yet been paid and shall obtain a release,
 - e. The required insurance coverages acceptable to Bond Owner are in place and have been paid for, and
 - f. The Bond Owner's Closing Department has provided instructions in person or by facsimile to disburse the Bond Loan funds in accordance with the approved Settlement Statement.
8. Document Recording. It is essential that recordation of the Bond Loan Mortgage and the Financing Statement (UCC-1) (the "**Recorded Documents**") take place on the same day as the Bond Loan funding whenever possible. Therefore, documents should be hand-carried to the county clerk's office. If documents are going out of town, including those to the Secretary of State's office, they should be sent by overnight delivery to a recording service or local agent of the title company in anticipation of the wire transfer being received, so that they will be in the recording office when the funding is to occur. Bond Owner must have one recorder-certified copy of each recorded document no later than seventy-two hours following the closing. All of the recorder-certified copies must reflect the recording date and be accompanied by the recorder's receipt reflecting the recording date.
9. Post-closing.
- a. **If not received by Bond Owner at closing, Bond Owner's Closing Department must receive the following within twenty four hours after closing:**
 - (1) One (1) original and one (1) certified copy of the Bond Loan Note.
 - (2) One (1) original and one (1) certified copy of each Guaranty (if more than one).
 - (3) One (1) original and one (1) certified copy of each of the Bond Loan documents.
 - (4) One (1) original and one (1) certified copy of the resolutions of the borrower.
 - (5) Two (2) certified copies of the HUD- 1 Settlement Statement.
 - (6) Payment for loan fees, preliminary interest and escrow reserves should be made out in separate checks, payable to Zions Bancorporation, N.A., dba Amegy Bank, as Bond Owner.

- b. Within seventy-two (72) hours after closing, Bond Owner must receive the following:**
- (1) One (1) original and one (1) certified copy of the Bond Owner's loan title insurance policy (or Title Binder) including "jackets", with all required endorsements.
 - (2) One (1) recorder certified copy of each of the Recorded Documents. All of the recorder-certified copies must reflect the recording date and be accompanied by the recorder's receipt reflecting the recording date.
 - (3) One (1) recorder-certified copy of each of the UCCs. All of the recorder-certified copies must reflect the recording date and be accompanied by the recorder's receipt reflecting the recording date.
- c. Within twenty-one (21) days after closing, Bond Owner must receive the following:**
- (1) The original Recorded Documents.
 - (2) The original UCCs.

Confirmation and Notification

Bond Owner must be notified immediately to confirm ability of title company and escrow agent to meet the above requirements and deadlines. For closing review purposes, the Title Commitment and title exception documents will be reviewed by Bond Owner's Counsel and Bond Owner's Closing Department. Please contact Bond Owner's Closing Department for contact information regarding Bond Owner's Counsel. The Bond Owner's Closing Department contact information is as follows:

Zions Bancorporation, N.A.
dba Amegy Bank
4576 Research Forest Drive
The Woodlands, Texas 77381
(281) 297-7840
Joyce.eng@amegybank.com

EXHIBIT "P"

CONVERSION CERTIFICATE

_____, 20__

AUSTIN HOUSING FINANCE CORPORATION

Attention: _____

Zions Bancorporation, N.A.

Attn: _____

Re: Bond Purchase and Funding Agreement (the "**Agreement**") dated as of September, 1, 2025, by and between 5900 Pleasant Valley, LP (the "**Borrower**") and Zions Bancorporation, N.A., dba Amegy Bank, as Bond Owner ("**Bond Owner**") and AUSTIN HOUSING FINANCE CORPORATION ("**Issuer**").

To whom it may concern:

All Conditions to Conversion under and as defined in the Agreement have been satisfied or waived effective as of the date of this Conversion Certificate.

ZIONS BANCORPORATION, N.A., doing
business as AMEGY BANK

By: _____

Title: _____

Name: _____

EXHIBIT "Q"

CONTRACTOR

FINAL BILLS PAID AFFIDAVIT AND RELEASE

THE STATE OF TEXAS §

§

COUNTY OF TRAVIS §

WHEREAS, _____ ("**Contractor**") has entered into a contract (the "**Contract**") calling for the construction of certain improvements (the "**Project**") on a tract of land located at 5901 South Pleasant Valley, Austin, Texas 78744 (the "**Property**"), more particularly described as follows:

[TO BE ADDED]

WHEREAS, the undersigned has submitted a request for payment for labor and/or materials supplied for the Project.

NOW THEREFORE, in consideration of the payment of Ten Dollars and No/100 (\$10.00) and other good and valuable consideration to the Contractor made simultaneous with the execution and delivery hereof, the undersigned Contractor states, represents and warrants to 5900 PLEASANT VALLEY, LP, as owner ("**Owner**") and Zions Bancorporation, N.A., dba Amegy Bank, as lienholder on the Project ("**Bank**") as follows:

1. Contractor has performed labor or supplied materials or both, for improvements upon the Property as part of the Project.

2. Contractor has performed labor or supplied materials or both in a good and workmanlike manner upon the Property to the extent that Contractor is now due \$ _____ as of the date hereof as the final payment under the Contract. Contractor acknowledges full payment of this sum.

3. All sums now due from Contractor to any subcontractors or vendors for labor or materials have been paid in full.

4. The undersigned Contractor further certifies that all labor, material, taxes and/or insurance costs incurred by the Contractor in completing its portion of the Project have been paid, and the Contractor hereby indemnifies and agrees to hold the Owner of the Property and the Bank harmless from any claims, causes of action, damages or losses incurred by any of them, including reasonable attorney's fees, in defense thereof, for and on account of any breach hereof by the Contractor;

5. This is a final lien waiver and release. Contractor hereby waives, releases and relinquishes any and all claims, demands, rights and liens heretofore or currently existing that Contractor may have, whether those claims or liens are contractual, statutory or constitutional, and whether they are perfected or unperfected, in whole or in part, upon

the Property or against Contractor. The sum paid as specified under paragraph 2 hereof is in full and final payment of the Contract.

6. Contractor is the sole owner of all claims for the sums now due and no portion has been assigned, pledged or otherwise disposed of or hypothecated, and Contractor has the full power and right to execute this Affidavit and Release.

7. Contractor represents that the person signing this document on behalf of Contractor is duly authorized to do so on behalf of the undersigned Contractor. All of the provisions of this document shall bind the undersigned Contractor and the Contractor's heirs, legal representatives, successors and assigns and shall inure to the benefit of the Owner of the Property and Bank and their respective heirs, legal representatives, successors, assigns and sureties.

EXECUTED this the _____ day of _____, 20__.

By: _____
Name:
Title:

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, _____, of _____, a Texas nonprofit corporation, on behalf of said corporation.

Notary Public in and for
The State of T E X A S
My commission expires:_____

EXHIBIT "R"

OWNER'S AFFIDAVIT OF BILLS PAID

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

BEFORE ME, the undersigned authority, on this day personally appeared the person whose name is subscribed hereto, being by me first duly sworn upon his or her oath deposes and says (in her capacity as set forth in the signature block, and not individually):

THAT the undersigned ("**Affiant**") is acting on behalf of and as the duly authorized representative of 5900 PLEASANT VALLEY, LP, a Texas limited liability company ("**Owner**"), whether one or more, and not individually. Owner contracted with one or more original contractors (collectively the "**Contractors**", whether one or more) who performed labor, built or provided specially fabricated materials, and/or furnished labor or material in the construction of the Improvements upon certain real property (the "**Property**") described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ALL PURPOSES.

AFFIANT further says that all improvements contracted by Owner with the Contractors to be constructed have been completed and that all bills from contractors, laborers and suppliers and others contracting with Owner for materials and labor used in construction of said improvements have been paid in full.

AFFIANT acknowledges and agrees that **ZIONS BANCORPORATION, N.A., dba Amegy Bank** (the "**Bond Owner**") and Charter Title Company (the "**Title Company**") are each specifically and materially relying upon the facts herein stated by Affiant to be true in connection with a loan disbursement by Bond Owner to or on behalf of Owner and for the purpose of inducing the Title Company to issue a T-3 endorsement to the existing Mortgage Title Policy issued to Bond Owner.

AFFIANT further acknowledges and understands that there are criminal penalties for making any false or misleading statement in this Affidavit, provided however, notwithstanding anything to the contrary set forth in this Affidavit, Affiant shall not have any personal liability, civil, criminal or otherwise, in connection with his/her execution of this Affidavit.

AFFIANTS:
(TO BE ADDED)

CONTRACTOR:

By:_____

Name:_____

Title:_____

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

(TO BE ADDED)

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the ____ day of
_____, 202__.

Notary Public in and for the STATE of

EXHIBIT "S"

OWNER INTEREST CERTIFICATION



Certification Regarding Beneficial Owner (s) and Controlling Person of Legal Entity Customers

1. General Instructions

What is this form?

To help the government fight financial crime, federal regulation requires certain financial institutions to obtain, verify, and record information about the beneficial owners of legal entity customers. Legal entities can be abused to disguise involvement in terrorist financing, money laundering, tax evasion, corruption, fraud, and other financial crimes. Requiring the disclosure of key individuals who ultimately own or control a legal entity (i.e., the beneficial owners) helps law enforcement investigate and prosecute these crimes.

Who must complete this form?

This form must be completed by the person opening a new account on behalf of a legal entity with any of the following U.S. financial institutions: (i) a bank or credit union; (ii) a broker or dealer in securities; (iii) a mutual fund; (iv) a futures commission merchant; or (v) an introducing broker in commodities. In some cases, a financial institution may request beneficial ownership information from existing customers.

For the purposes of this form, a legal entity includes a corporation, limited liability company, or other entity that is created by a filing of a public document with a Secretary of State or similar office, a general partnership, and any similar business entity formed in the United States or a foreign country. Legal entity *does not* include sole proprietorships, unincorporated associations, or natural persons opening accounts on their own behalf.

What information do I have to provide?

This form requires you to provide the name, address, date of birth and social security number (or passport number or other similar information, in the case of Non-U.S. Persons) for the following individuals (i.e., the **beneficial owners**):

- I. Each individual, *if any*, who owns, directly or indirectly, 20 percent or more of the equity interests of the legal entity customer (e.g., each natural person that owns 20 percent or more of the shares of a corporation);
- II. An individual with significant responsibility for managing the legal entity customer (e.g., a Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President or Treasurer).

Amegy Bank will ask to see a copy of a driver's license or other identifying document for each beneficial owner listed on this form.

Control Prong

Complete the following information for one individual with significant responsibility for managing the legal entity listed above, such as:

- An executive officer or senior manager (e.g., Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, Treasurer); or
- Any other individual who regularly performs similar functions.

(If appropriate, an individual listed under the section above may also be listed in this section.)

Name	Date of Birth	Address (Residential or Business Street Address)	For U.S. Persons: Social Security Number ¹

ID Type _____ State/Country of Issuance _____

ID Number _____ Date of Issuance _____ Expiration Date _____

Ownership Prong

Complete the following information for each individual, if any, who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, owns 20 percent or more of the equity interests of the legal entity listed above:

(If no individual meets this definition, please write "Not Applicable.")

Owner #1

Name	Date of Birth	Address (Residential or Business Street Address)	For U.S. Persons: Social Security Number ¹	Ownership Percentage

ID Type _____ State/Country of Issuance _____

ID Number _____ Date of Issuance _____ Expiration Date _____

¹ In lieu of a passport number, Non-U.S. Persons may also provide an Individual Taxpayer Identification Number (ITIN), an alien identification card number, or number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard.

Owner #2

Name	Date of Birth	Address (Residential or Business Street Address)	For U.S. Persons: Social Security Number ¹	Ownership Percentage

ID Type _____ State/Country of Issuance _____

ID Number _____ Date of Issuance _____ Expiration Date _____

Owner #3

Name	Date of Birth	Address (Residential or Business Street Address)	For U.S. Persons: Social Security Number ¹	Ownership Percentage

ID Type _____ State/Country of Issuance _____

ID Number _____ Date of Issuance _____ Expiration Date _____

Owner #4

Name	Date of Birth	Address (Residential or Business Street Address)	For U.S. Persons: Social Security Number ¹	Ownership Percentage

ID Type _____ State/Country of Issuance _____

ID Number _____ Date of Issuance _____ Expiration Date _____

Owner #5

Name	Date of Birth	Address (Residential or Business Street Address)	For U.S. Persons: Social Security Number ¹	Ownership Percentage

ID Type _____ State/Country of Issuance _____

ID Number _____ Date of Issuance _____ Expiration Date _____

¹ In lieu of a passport number, Non-U.S. Persons may also provide an Individual Taxpayer Identification Number (ITIN), an alien Identification card number, or number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard.

I, _____ (name of natural person opening account), hereby certify, to the best of my knowledge, that the information provided above is complete and correct. In addition, the above-listed legal entity hereby agrees to promptly notify the bank upon any change in the information provided above.

Signature: _____ Date: _____

EXHIBIT "T"

CONDITIONS RELATING TO RESERVE ACCOUNTS

(a) **Establishment of Reserve Accounts.** On or before the Conversion Date, the Borrower shall establish with Bond Owner (i) a replacement reserve (the "**Replacement Reserve Account**"); (ii) a real estate taxes and insurance reserve account (the "**Real Estate Taxes and Insurance Reserve Account**"); and (iii) the Operating Reserve (the "**Operating Reserve Account**") (each, a "**Reserve Account**," and collectively, the "**Reserve Accounts**"). Each of the Reserve Accounts shall be under the sole dominion and control of the Bond Owner for collateral purposes (but, notwithstanding anything herein to the contrary, the administration of the Reserve Accounts, including withdrawals therefrom, in each case, shall be subject to the terms and provisions of the Partnership Agreement, and in connection therewith, Bond Owner will make withdrawals from Reserve Accounts as provided for in this Agreement and as provided for in the Partnership Agreement). The foregoing shall be the same reserves as required by the Partnership Agreement.

(b) **Timing of Reserve Deposits.**

(A) **[intentionally omitted].**

(B) **Initial Reserve Deposits.** On or before the Conversion Date, the Borrower shall pay to the Bond Owner for deposit, as provided for in the Indenture, into each of the below Reserve Accounts maintained by Bond Owner (each an "Initial Reserve Deposit"), the following:

(i) **Real Estate Taxes and Insurance Reserve Account.** The Borrower shall pay to the Bond Owner for deposit into the Real Estate Taxes and Insurance Reserve Account the Initial Reserve Deposit equal to a prorated amount for property taxes, if any, owed with respect to the Project, as determined by the Bond Owner in its reasonable discretion, whether or not such property taxes are due and payable, for the period from the first day of the applicable tax period through and including the Conversion Date.

(ii) **Operating Reserve Account.** There shall be a deposit of an amount of at least \$389,959.00 into the Operating Reserve Account (the "**O.R. Initial Deposit**") (which will be funded from the third installment of the Capital Contribution listed in **Exhibit "L"** payable in accordance with the terms of the Partnership Agreement (and in any event on or before the Conversion Date).

(c) **Reserve Deposits.** On each date that a deposit into a Reserve Account (each, a "**Reserve Deposit**") is due, the Borrower shall pay or transfer existing Borrower Sources (to the extent available for that purpose) or Project Net Operating Income to fund such Reserve Deposit to the Bond Owner for deposit into the applicable Reserve Account. The Bond Owner may, upon written request from the Borrower, waive any requirement for the payment of a Reserve Deposit by written notice to the Borrower and the Trustee;

provided, however, that any such waiver by the Bond Owner of a requirement that the Borrower pay such Reserve Deposit may be revoked by the Bond Owner, in the Bond Owner's sole and absolute discretion, at any time upon notice in writing to the Borrower and the Bond Owner. The Borrower shall make the following Reserve Deposits:

(i) **Real Estate Taxes and Insurance Reserve Account.** On and after the Conversion Date (and prior to the Conversion Date if and to the extent required by the Bond Owner prior to the Conversion Date, which shall only be required during the continuance of an Event of Default), the Borrower shall make monthly deposits on each Payment Date (each, a "**Monthly T&I Deposit**") into the Real Estate Taxes and Insurance Reserve Account each in an amount equal to (a) the sum of (i) the aggregate anticipated annual premiums, for all insurance policies required to be maintained pursuant to the Bond Loan Documents, due in the next succeeding twelve (12) months; and (ii) the sum of the anticipated annual real property taxes, personal property taxes, intangibles taxes, and assessments for the Project due in the next succeeding twelve (12) months (if any), divided by (b) twelve (12).

(ii) **Replacement Reserve Account.** The Borrower shall make monthly deposits of \$1,562.00 each, into the Replacement Reserve Account (each, a "**Monthly Replacement Reserve Deposit**") within fifteen (15) days after the end of each month in an amount equal to one-twelfth of the amounts set forth in **Exhibit T-1** attached hereto, as such amounts may be adjusted from time to time in accordance with the terms of this Agreement.

(iii) **Auto-Debit.** Without limiting any other term of this Agreement, Borrower authorizes Bond Owner to auto-debit each Reserve Account for the purposes set forth in this Agreement on the 10th day of each calendar month.

(d) **Replacement Reserve Account.** On a monthly basis, on each Payment Date, beginning with the first Payment Date occurring after the Conversion Date (or such earlier date as may be required by the Partnership Agreement), the Borrower shall transfer to the Bond Owner for deposit into the Monthly Replacement Reserve Account the Monthly Replacement Reserve Deposit (as such amounts may be adjusted from time to time in accordance with the terms of this Agreement). The Bond Owner may, in the Bond Owner's reasonable discretion, by written notice to the Borrower, adjust the amount of the Monthly Replacement Reserve Deposit, from time to time, to an amount sufficient, in the Bond Owner's reasonable judgment, to maintain adequate balances to pay for all Eligible Replacement Items (as such term is defined below) necessary to keep the Project in good order and repair. Notwithstanding the foregoing, in the event the Bond Owner shall at any time increase the Monthly Replacement Reserve Deposit to an amount exceeding the then existing Monthly Replacement Reserve Deposit amount, the Borrower may, at its election, request that the Bond Owner obtain, at the Borrower's sole cost and expense, an Engineering Report from an engineer to be selected by the Bond Owner in

its reasonable discretion, in which case the deposit to the Replacement Reserve Account shall be adjusted by the Bond Owner based on such Engineering Report; provided, however, that in no event shall the Reserve Deposit to the Replacement Reserve Account be decreased below the amount set forth above in (B)(ii). For purposes hereof, **“Engineering Report”** means an engineering report of the Property from an engineer approved by the Bond Owner and dated as of a date acceptable to the Bond Owner, which report shall, among other things, (i) conform to all requirements of the Bond Owner and (ii) certify that the Property is in compliance with all applicable requirements of the Americans with Disabilities Act of 1990, as amended from time to time.

(e) **Permitted Investments, Earnings, Charges, and Annual Accounting.**

(i) **Investment in Permitted Investments.** Moneys held by the Bond Owner in a Reserve Account based on its normal and customary procedure and with the agreement of the Investor Limited Partner shall be invested by the Trustee in accordance with the Partnership Agreement. The Borrower agrees that it shall include all interest, earnings, or profits on Permitted Investments of funds on deposit in any Reserve Account as its income (and, if the Borrower is a partnership or other pass-through entity, the partners, members, or beneficiaries of the Borrower, as the case may be), and shall be the owner of such accounts for federal and applicable state and local tax purposes, except to the extent that the Bond Owner retains such interest, earnings, or profits for its own account in accordance with the provisions of this Agreement. The Borrower shall have no right whatsoever to direct the investment of the proceeds in any Reserve Account, except as provided for in the Indenture.

(ii) **Earnings.** All interest, earnings, or profits on the Permitted Investments of funds in any of the Reserve Accounts shall be deposited into the applicable Reserve Account, provided that Bond Owner may retain for the account of any of the Owners, pursuant to the Indenture, any such interest, earnings, or profits on any or all of the Reserve Accounts during the occurrence and continuance of an Event of Default.

(f) **Assignment to Issuer of Reserve Accounts and Rights and Claims.**

(i) **Assignment of Reserve Accounts.** The Borrower hereby assigns to the Issuer and grants to the Issuer a security interest in the Reserve Accounts as additional security for all of the Borrower’s obligations under this Agreement and the other Bond Loan Documents.

(ii) **Assignment of Rights and Claims.** The Borrower assigns to the Issuer all rights and claims the Borrower may have against (1) all persons or entities claiming amounts due for taxes, utilities, rent or insurance, or (2) all persons or entities supplying labor or materials in connection with any Repair; provided, however, that the Bond Owner may

not pursue any such right or claim unless an Event of Default exists under any of the Bond Loan Documents.

(g) **Application of Reserve Accounts Upon an Event of Default.** If any Event of Default occurs (subject to applicable notice and cure periods), then the Borrower shall immediately lose all of its rights to receive disbursements from the Reserve Accounts unless and until the date on which such Event of Default is cured or all amounts secured by the Bond Loan Mortgage and the other Bond Loan Documents have been paid in full and the lien of the Bond Loan Mortgage and the other Bond Loan Documents, as appropriate, have been released. Upon the occurrence of any Event of Default (subject to applicable notice and cure periods), the Bond Owner may use the Reserve Accounts (or any portion thereof) for any purpose, including but not limited to (i) repayment of any indebtedness secured by the Bond Loan Mortgage and the other Bond Loan Documents, including but not limited to principal prepayments and the prepayment premium applicable to such full or partial prepayment (as applicable); provided, however, that such application of funds shall not cure or be deemed to cure any Event of Default, (ii) reimbursement of the Bond Owner for all reasonable losses, fees, costs, and expenses (including, without limitation, reasonable legal fees) suffered or incurred by the Bond Owner as a result of such Event of Default, (iii) payment of any reasonable amount expended in exercising all rights and remedies available to the Bond Owner at law or in equity or under this Agreement or under any of the other Bond Loan Documents, or (iv) to the payment of any item for which payment is required or permitted from any of the Reserve Accounts pursuant to the terms of this Agreement. Nothing in this Agreement shall obligate the Bond Owner to apply all or any portion of the Reserve Accounts on account of any Event of Default by the Borrower or to pay the indebtedness secured by the Bond Loan Mortgage or any of the other Bond Loan Documents or in any specific order of priority.

(h) **[Reserved].**

(i) **Additional Amounts.** The Bond Owner may require the Borrower to pay to the Bond Owner in advance, additional amounts for taxes, if any, charges, premiums, assessments, if any, and Impositions in connection with the Borrower or the Project which the Bond Owner shall reasonably deem necessary. Unless otherwise provided by applicable law, the Bond Owner may require payments for such other amounts to be paid by the Borrower in a lump sum or periodic installments, at the Bond Owner's option.

(j) **[RESERVED].**

(k) **[RESERVED].**

(l) **Disbursements from the Replacement Reserve Account.**

(i) **Disbursements for Replacements.** Upon written request from the Borrower and satisfaction of the requirements set forth in this Agreement, including all Replacement Reserve Disbursement Conditions (as such term is defined below), the Bond Owner shall disburse amounts

from the Replacement Reserve Account, subject to the Bond Owner's approval as set forth below, to pay for the actual costs of replacing Eligible Replacement Items in connection with the Improvements. For purposes hereof, "**Eligible Replacement Items**" means Capital Improvement Items and other substantial items approved by the Bond Owner in its reasonable judgment, but does not include maintenance and repairs made during the normal course of business, including broken windows, roof repairs and maintenance, landscaping, office equipment, interior painting, fire-damaged equipment, building additions, and any repair or maintenance item. For purposes hereof, "**Capital Improvement Items**" means items recognized as capital improvements in accordance with generally accepted accounting practices that require an outlay of funds for acquisition or improvement of a fixed asset which can be depreciated over its useful life and extends the life or increases the productivity of the Improvements (including without limitation, the items listed in **Exhibit T-2**).

(ii) **The Bond Owner's Approval:** Replacement Reserve Disbursement Conditions. Any disbursement from the Replacement Reserve Account for costs incurred by the Borrower for Eligible Replacement Items is subject to the Bond Owner's prior written approval (except as otherwise expressly provided in **Section 5.4** of the Agreement), provided that the Bond Owner shall have no obligation to approve the Bond Owner's disbursement of any such amounts to the Borrower unless all of the following conditions (the "**Replacement Reserve Disbursement Conditions**") have been satisfied as determined by the Bond Owner in its reasonable discretion (or have been waived in writing by the Bond Owner):

(1) The Bond Owner shall have received a written request signed by the Borrower together with such documentation and information as the Bond Owner may require. Each such request shall be in form and substance acceptable to the Bond Owner, and shall include such items of information and documentation, including invoices, canceled checks, lien waivers and other evidence as the Bond Owner may require to show (a) that the requested funds are for Eligible Replacement Items; (b) the cost of all Eligible Replacement Items requested, and (c) that the Borrower is in compliance with the Bond Loan Documents.

(2) The Improvements shall not have been materially damaged.

(3) The Land and Improvements or any interest therein shall not have been materially affected by eminent domain or condemnation proceedings.

(4) The Borrower shall have provided such title insurance policy endorsements as the Bond Owner may reasonably require to

insure first lien priority of the Bond Loan, as well as such other matters relating to the Eligible Replacement Items as the Bond Owner may specify.

(5) No Default or Event of Default shall exist.

(iii) **No Acknowledgment.** The Bond Owner's approval of disbursements from the Replacement Reserve Account or other acknowledgment of completion of any repair or replacement in any manner satisfactory to the Bond Owner shall not be deemed an acknowledgment that the repair or replacement has been completed in accordance with applicable building, zoning, or other codes, ordinances, statutes, laws, regulations, or requirements of any governmental or quasi-governmental agency.

(iv) **No Disbursements for Routine Maintenance.** The Bond Owner shall not be obligated to make, and the Bond Owner shall not be obligated to approve disbursements from the Replacement Reserve Account to reimburse the Borrower for the costs of routine maintenance to the Project or leasing commissions.

(v) **Use Upon Event of Default.** Upon any Event of Default which continues beyond any applicable cure period, the Bond Owner may in its sole and absolute discretion, use funds in the Replacement Reserve Account for any purpose, including but not limited to (i) repayment of any indebtedness secured by the Bond Loan Mortgage, including but not limited to principal prepayments and the prepayment premium applicable (if any) to such full or partial prepayment (as applicable); provided, however, that such application of funds shall not cure or be deemed to cure any Default or Event of Default; (ii) reimbursement of the Bond Owner for all losses (excluding consequential damages) and reasonable expenses (including, without limitation, reasonable legal fees) suffered or incurred by the Bond Owner as a result of such Default or Event of Default; (iii) repair or replacement of Capital Improvements; or (iv) payment of any amount expended in exercising (and exercise) all rights and remedies available to Bond Owner at law or in equity or under this Agreement or under any of the other Bond Loan Documents.

(vi) **Remaining Deposits.** Upon payment in full of all amounts owed by the Borrower under or otherwise secured by any of the Bond Loan Documents, all amounts remaining on deposit, if any, in the Replacement Reserve Account shall be distributed to the Borrower.

(m) **Disbursements from Operating Reserve.** Amounts on deposit in the Operating Reserve shall be disbursed subject to and in accordance with the terms of the Partnership Agreement and only with the prior written authorization of the Investor Member and the consent and authorization of the Bond Owner shall not be required if no

Event of Default is then continuing (provided that if the Investor Member's interest in the Borrower is repurchased after the end of the tax credit compliance period, in that event if any amounts are in the Operating Reserve, those amounts will be disbursed with the consent and authorization of the Bond Owner on terms satisfactory to Borrower and the Bond Owner).

(i) **Balance in the Operating Reserve.** The insufficiency of any balance in the Operating Reserve Account shall not abrogate the Borrower's agreement to fulfill all preservation, maintenance, and operational covenants in the Bond Loan Documents.

(ii) **Definitions.** In addition to the terms defined elsewhere herein, with respect to the Operating Reserve Account, the following terms shall have the definitions assigned to them:

"Cash Flow Deficiency" shall mean an amount equal to the negative number (if any) obtained by subtracting Operating Expenses from Operating Income.

"Debt Service" shall mean any amounts payable with respect to the Loan (including without limitation, payments due at maturity of the Bond Loan or upon acceleration of the Bond Loan in accordance with the terms of the Bond Loan Documents).

"Operating Expenses" shall mean, with respect to any period of time, the total of all expenses actually paid or payable, computed in accordance with GAAP, of whatever kind relating to the operation, maintenance and management of the Project, including without limitation, Debt Service, utilities, ordinary repairs and maintenance, insurance premiums, license fees, taxes and other charges, advertising expenses, payroll and related taxes, computer processing charges, the management fees actually paid under a management agreement, operational equipment or other lease payments as approved by Bond Owner, and deposits into the Replacement Reserve Account due in connection with the Bond Loan but specifically excluding deposits into the Operating Reserve Account, depreciation and amortization, income taxes, any incentive fees due under the management agreement, any item of expense that in accordance with GAAP should be capitalized but only to the extent the same would qualify for funding from the reserve accounts, any item of expense that would otherwise be covered by the provisions hereof but which is paid by any tenant under such tenant's lease or other agreement.

"Operating Income" shall mean, with respect to any period of time, all income, computed in accordance with GAAP, derived from the ownership and operation of the Property from whatever source, including, but not limited to, rents, utility charges, escalations, forfeited security deposits, interest on credit accounts, service fees or charges, license fees, parking

fees, rent concessions or credits, and other required pass-throughs but excluding sales, use and occupancy or other taxes on receipts required to be accounted for by Borrower to any governmental authority, refunds and uncollectible accounts, sales of furniture, fixtures and equipment, interest income from any source other than the escrow accounts, reserve accounts or other accounts required pursuant to the Bond Loan Documents, insurance proceeds (other than business interruption or other loss of income insurance), awards, unforfeited security deposits, utility and other similar deposits, income from tenants not paying rent, income from tenants in bankruptcy, non-recurring or extraordinary income, including, without limitation lease termination payments, and any disbursements to Borrower from any reserve fund required pursuant to the Bond Loan Documents.

“Operating Reserve” shall include for purposes hereof amounts on deposit in the Operating Reserve Account and interest earned thereon.

(iii) **Disbursements from Operating Reserve.**

(A) Upon the occurrence of a Cash Flow Deficiency, Borrower may request in writing that Bond Owner disburse amounts from the Operating Reserve which such request shall be accompanied by (i) an officer’s certificate from an officer of Borrower certifying that a Cash Flow Deficiency exists, (ii) a detailed calculation of the Cash Flow Deficiency, and (iii) such other information as Bond Owner may require in its sole and reasonable discretion. Upon any such request, Bond Owner, at the written direction of the Special Member, shall disburse amounts from the Operating Reserve.

(B) Borrower shall not make a request for, nor shall Bond Owner have any obligation to make any disbursement from, the Operating Reserve Account more frequently than monthly.

(C) Borrower may be required, in writing by Bond Owner, to make a deposit to the Operating Reserve Account sufficient to bring the total on deposit in the Operating Reserve back to the amount of the O.R. Initial Deposit (an **“O.R. Replenishment Deposit”**). Borrower will have ten (10) business days after receipt of written notice from Bond Owner requesting a O.R. Replenishment Deposit to make such O.R. Replenishment Deposit.

(n) **Indemnification.** THE BORROWER HEREBY INDEMNIFIES, DEFENDS, AND HOLDS THE BOND OWNER, AND ITS RESPECTIVE AFFILIATES, AND THE OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS OF EACH OF THEM, HARMLESS FOR, FROM AND AGAINST ANY AND ALL ACTUAL OR THREATENED LIABILITIES, CLAIMS, ACTIONS, CAUSES OF ACTION, JUDGMENTS, ORDERS, DAMAGES (EXCLUDING CONSEQUENTIAL DAMAGES), COSTS, EXPENSES,

FINES, PENALTIES AND REASONABLE LOSSES (INCLUDING SUMS PAID IN SETTLEMENT OF CLAIMS AND ALL REASONABLE CONSULTANT, EXPERT AND LEGAL FEES AND EXPENSES OF THE BOND OWNER'S COUNSEL), AND ANY RESULTING DAMAGES, HARM OR INJURIES TO THE PERSON OR PROPERTY OF ANY THIRD PARTIES (COLLECTIVELY, "**CLAIMS**"), DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM, OR IN ANY WAY CONNECTED WITH (A) ANY REPAIRS OR REPLACEMENTS MADE BY THE BORROWER OR THE PERFORMANCE OF ELIGIBLE REPLACEMENT ITEMS, (B) UNPAID TAXES, UTILITY BILLS, RENT, OR INSURANCE PREMIUMS OWED BY THE BORROWER, AND/OR (C) THE HOLDING OR INVESTMENT OF THE RESERVE ACCOUNTS, EXCEPTING THOSE FINALLY ADJUDICATED BY A COURT OF COMPETENT JURISDICTION AS DIRECTLY RESULTING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE BOND OWNER, AS APPLICABLE.

THE INDEMNIFICATION OF THE BOND OWNER AS PROVIDED IN THIS SECTION (N) SHALL REMAIN IN FULL FORCE AND EFFECT IF ANY SUCH CLAIMS DIRECTLY OR INDIRECTLY RESULT FROM, ARISE OUT OF, OR RELATE TO, OR IS ASSERTED TO HAVE RESULTED FROM ARISEN OUT OF OR RELATED TO, THE SOLE OR CONTRIBUTORY NEGLIGENCE OF ANY OF THE TRUSTEE AND/OR THE BOND OWNER.

(o) No Impairment. Nothing in this Schedule "T" shall, in any manner whatsoever, alter, impair, or affect the obligations of the Borrower or relieve the Borrower of any of its obligations to make payments and perform all of its obligations required under the Bond Loan Documents.

(p) No Withdrawals. Notwithstanding anything herein or on the Partnership Agreement to the contrary, except to fund a cash flow deficiency in accordance with the Partnership Agreement (or as otherwise expressly permitted by the Partnership Agreement), no withdrawals will be made from the Operating Reserve unless and until the Bond Loan is fully and finally paid.

(q) Reserve Accounts. To the extent the Indenture shall require any of the Reserve Accounts, the Reserve Accounts shall be the Reserve Accounts under and for purposes of the Indenture and other Bond Documents (as well as the Partnership Agreement, as the case may be).

EXHIBIT T-1

RESERVE DEPOSIT REQUIREMENTS

\$46,000 annually (\$250.00 per unit per year), payable in monthly deposits of \$1,562.00 each

(adjusting by increasing 3% per year)

EXHIBIT T-2

REPLACEMENTS

Carpeting/floor coverings

HVAC units

Roofs

Hot water heaters

Furnaces

Parking lot paving (excluding patching)

Appliances (except to the extent appliance replacement is the obligation of the residents per the terms of the resident lease)

Window Coverings

Exterior Painting/Ceiling and Tuck Pointing

Doors

Windows

Plumbing fixtures

Tubs

Sinks

Fencing

Cabinets

Light Fixtures

Furniture

Exterior Railing

Floor Sealant

SUCH OTHER ITEMS AS REASONABLY REQUIRED BY BORROWER.