

This instrument prepared by and
when recorded return to:

Greenberg Traurig, LLP
2700 Two Commerce Square
2001 Market Street
Philadelphia, Pennsylvania 19103
Attention: Dianne Coady Fisher

INTERCREDITOR AGREEMENT

by and among

AUSTIN HOUSING FINANCE CORPORATION,

BOKF, NA, as Series 2017A Trustee,

BOKF, NA, as Series 2017B Trustee,

RED STONE SERVICER, LLC,

and

JPMORGAN CHASE BANK, N.A.

Dated as of March 1, 2017

Relating to:

\$15,800,000

**Austin Housing Finance Corporation
Multifamily Housing Revenue Bonds
(Villages at Fiskville Apartments) Series 2017A**

and

\$4,200,000

**Austin Housing Finance Corporation
Subordinate Multifamily Housing Revenue Bonds
(Villages at Fiskville Apartments) Series 2017B**

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INTERCREDITOR AGREEMENT

This INTERCREDITOR AGREEMENT (as amended, modified or supplemented from time to time, this “Agreement”), dated as of March 1, 2017, by and among AUSTIN HOUSING FINANCE CORPORATION, a public non-profit housing finance corporation, duly organized and validly existing under the laws of the State of Texas (together with its successors and assigns, the “Issuer”), BOKF, NA, a national banking association organized and existing under the laws of the United States of America, in its capacity as trustee for the holders of the Series A Bonds (the “Series 2017A Trustee”) and Series B Bonds (the “Series 2017B Trustee”), as each is hereinafter defined (together with any successor trustee and their respective successors and assigns, the Series 2017A Trustee and Series 2017B Trustee, collectively, the “Trustee”), RED STONE SERVICER, LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware, in its capacity as “Majority Owner Representative” on behalf of the Majority Owner of the hereinafter described Series A Bonds (together with any successor “Majority Owner Representative” under the Series A Indenture described below and their respective successors and assigns, the “Majority Owner Representative”), and JPMORGAN CHASE BANK, N.A., a national banking association organized and existing under the laws of the United States of America, (together with its successors and assigns, the “Bank”),

W I T N E S S E T H :

WHEREAS, the Issuer is authorized by the provisions of the Chapter 394 of the Texas Local Government Code, as amended (the “Act”) 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 facilities to provide housing for persons of low and moderate income;

WHEREAS, by proceedings adopted pursuant to and in accordance with the provisions of the Act, the Issuer has authorized the issuance of its Multifamily Housing Revenue Bonds (Villages at Fiskville Apartments) Series 2017A in the original aggregate principal amount of \$15,800,000 (the “Series A Bonds”) pursuant to an Indenture of Trust between the Issuer and the Series 2017A Trustee dated as of March 1, 2017 (as the same may be modified, amended or supplemented from time to time, the “Series A Indenture”); and

WHEREAS, by proceedings adopted pursuant to and in accordance with the provisions of the Act, the Issuer has authorized the issuance of its Subordinate Multifamily Housing Revenue Bonds (Villages at Fiskville Apartments) Series 2017B in the original aggregate principal amount of \$4,200,000 (the “Series B Bonds” and, together with the Series A Bonds, collectively, the “Bonds”) pursuant to an Indenture of Trust between the Issuer and the Series 2017B Trustee dated as of March 1, 2017 (as the same may be modified, amended or supplemented from time to time, the “Series B Indenture” and, together with the Series A Indenture, collectively, the “Indentures”); and

WHEREAS, pursuant to a Loan Agreement dated as of March 1, 2017 (as the same may be amended, modified or supplemented from time to time, the “Series A Loan Agreement”), between the Issuer and Villages at Fiskville, LP, a limited partnership duly organized and validly existing under the laws of the State of Texas (together with its permitted successors and assigns, the “Borrower”), the proceeds of the Series A Bonds were loaned to the Borrower (the “Series A Loan”) to be applied to finance a portion of the costs of acquiring, constructing and equipping a 172-unit residential rental development (the “Project Facilities”) on land located in Austin, Travis County, Texas and described in Exhibit A hereto; and

WHEREAS, pursuant to that certain Loan Agreement dated as of March 1, 2017 (as the same may be amended, modified or supplemented from time to time, the “Series B Loan Agreement”), between the Issuer and Borrower, the proceeds of the Series B Bonds shall be loaned to the Borrower (the “Series B Loan”) to be applied to finance a portion of the costs of acquiring, constructing and equipping the Project Facilities; and

WHEREAS, under the Series B Loan Agreement, the Borrower is obligated to make payments to the Trustee in accordance with a subordinate promissory note dated March __, 2017 (as amended, modified, supplemented or endorsed from time to time, the “Series B Note”) in the amounts and at the times corresponding to the debt service and other payments required in respect of the Series B Loan; and

WHEREAS, the Series B Note and Series B Loan Agreement are secured by, among other things, a Subordinate Fee and Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (with Power of Sale) dated as of March 1, 2017 (as amended, modified or supplemented from time to time, the “Series B Mortgage”, and, together with the Series B Loan Agreement, the Series B Note, and all other documents evidencing and securing the obligations of the Borrower to repay the Series B Loan, the “Series B Bond Documents”); and

WHEREAS, under the Series A Loan Agreement, the Borrower is obligated to make payments to the Trustee in accordance with a promissory note dated March __, 2017 (as amended, modified or supplemented from time to time, the “Series A Note”) in the amounts and at the times corresponding to the debt service and other payments required in respect of the Series A Loan; and

WHEREAS, the Series A Note and the Series A Loan Agreement are secured by, among other things, a First Fee and Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (with Power of Sale) dated as of March 1, 2017 (as amended, modified or supplemented from time to time, the “Series A Mortgage”, and, together with the Series A Loan Agreement, the Series A Note, and all other documents evidencing and securing the obligations of the Borrower to repay the Loan, the “Series A Bond Documents” and together with the Series B Bond Documents, collectively, the “Bond Documents”); and

WHEREAS, the Borrower has entered into that certain Letter of Credit Reimbursement Agreement dated as of March 1, 2017 with the Bank (as the same may be amended, modified or supplemented from time to time, the “Reimbursement Agreement”) and that certain Construction Disbursement Agreement dated as of March 1, 2017 with the Bank and the Trustee (as the same may be amended, modified or supplemented from time to time, the “Disbursement Agreement”) in connection with the issuance by Bank of its irrevocable standby letter of credit in the stated amount of \$ _____ (the “Letter of Credit”) for the benefit of the Trustee; and

WHEREAS, the Borrower’s obligations under the Reimbursement Agreement are secured by, among other things, a Fee and Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (with Power of Sale) dated as of March 1, 2017 (as the same may be amended, modified or supplemented from time to time, the “Reimbursement Mortgage” and, together with the Reimbursement Agreement, the Disbursement Agreement and all other documents evidencing and securing the obligations of the Borrower to Bank under the Reimbursement Agreement and the Disbursement Agreement are collectively referred to herein as the “Reimbursement Documents”); and

WHEREAS, the parties are entering into this Agreement with respect to the priority of the liens described above and their exercise of certain rights, remedies and options under the above-described documents.

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

Section 1. Definitions. All capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Reimbursement Agreement or the Indenture, as applicable. All capitalized terms used herein and defined in the foregoing recitals shall have the meanings ascribed thereto in the foregoing recitals.

Section 2. Series B Bonds Subordination.

(a) The Bank, as holder of the Series B Bonds, hereby agrees, on its own behalf and on behalf of the future holders from time to time of the Series B Bonds, that the following provisions shall be applicable to the Series B Bonds during the Series B Bonds Subordination Period (as hereinafter defined);

(i) the Series B Bonds shall be subordinate and junior in all respects in right of payment and in any interest and lien priority in any collateral pledged to the payment thereof to the Series A Bonds and the claims of the holders from time to time of the Series A Bonds;

(ii) notwithstanding any contrary terms of the Series B Indenture or any Series B Bond Documents, during the Series B Bonds Subordination Period, the Trustee shall apply all moneys received by the Trustee pursuant to any right given or action taken under the provisions of the Series A Indenture or the Series B Indenture first to the payment of the Series A Bonds and then, after payment of the Series A Bonds in full, to the payment of the Series B Bonds;

(iii) notwithstanding the provisions of Section 6.4(b) of the Series B Indenture, except for the optional redemption of Series B Bonds permitted under Section 2(b) below, no person or entity in its capacity as holder or Owner of the Series B Bonds shall have the right to enforce the payment of the Series B Bonds during the Series B Bonds Subordination Period unless and until the Series A Bonds shall have been paid in full; and

(iv) in the event of any mandatory redemption of Bonds during the Series B Bonds Subordination Period, the Trustee shall apply all funds available for payment of the applicable redemption price first to the redemption of the Series A Bonds until the same shall be paid in full and then to the redemption of the Series B Bonds.

(b) Notwithstanding anything to the contrary in the Reimbursement Documents or Series B Bond Documents, during the Series B Bonds Subordination Period, the Bank shall not take or direct the Series B Trustee to take any Remedial Action under the Series B Bond Documents with respect to any amounts due in respect of the Series B Loan. The foregoing shall not limit the Bank's right to enforce the completion guaranty. The Series B Bonds may be optionally redeemed on or before their Maturity Date in accordance with the provisions of Section 2.12(a) of the Series B Indenture from and to the extent of the deposit with the Series B Trustee of the proceeds of the ____ installment of Required Equity Funds for such purpose, so long as no Event of Default shall have occurred and be than continuing in respect of the Series A Bonds.

(c) In the event of irreconcilable conflict between the administration, servicing, consents and approvals, determination of Final Completion and Stabilization and application of insurance and condemnation proceeds made under the terms of the Series B Bond Documents and under the terms

of this Agreement during the Series B Bond Subordination Period, the provisions of Section 6, 7, 8, 9, 10 and 18 hereof shall control as to administration, servicing, consents and approvals, determination of Final Completion and Stabilization and application of insurance and condemnation proceeds. In exercising its discretion under the provisions of Section 6, 7, 8, 9, 10 and 18 hereof with respect to the administration, servicing, consents and approvals, determination of Final Completion and Stabilization and application of insurance and condemnation proceeds, the Majority Owner Representative shall have no obligation to take into account the interests of the Bank as holder of the Series B Bonds

(d) For all purposes of this Agreement, the “Series B Bonds Subordination Period” shall begin on the Issue Date and end on the earlier of (i) the date, if any, on which the Series A Bonds are delivered to the Bank following a drawing upon the Letter of Credit, and (ii) the payment in full of the Series A Bonds.

Section 3. Remedial Action. During the term of this Agreement, provided the Letter of Credit is outstanding and the Bank has not dishonored a properly presented and conforming draw thereunder and is in compliance with its obligations under this Agreement in all material respects, neither the Issuer nor the Series A Trustee shall take any Remedial Action under the Series A Bond Documents, nor shall the Majority Owner Representative direct the Series A Trustee to take any Remedial Action under the Series A Bond Documents, without the prior written consent of the Bank, and the Issuer and the Series A Trustee shall take such Remedial Action under the Series A Bond Documents as the Bank shall direct from time to time during the term of this Agreement (without the necessity of any joinder or acknowledgement of the Majority Owner); provided that (i) the Issuer may institute and prosecute an action for specific performance of the Reserved Rights; (ii) upon the occurrence of a Regulatory Agreement Default, the provisions of Section 5 hereof shall govern; (iii) the provisions of Section 9(a) shall govern the exercise of the rights of the Majority Owner Representative under the Series A Bond Documents; and (iv) the provisions of Section 12(b) shall govern the rights of the Series A Trustee to take certain actions at the direction of the Majority Owner and/or the Majority Owner Representative prior to release of the Letter of Credit.

Section 4. Exercise of the Bank’s Rights. During the term of this Agreement, provided the Letter of Credit is outstanding and the Bank has not dishonored a properly presented and conforming draw thereunder and is in compliance with its obligations under this Agreement in all material respects, upon the occurrence of an Event of Default under any of the Reimbursement Documents, the Bank shall be permitted and is hereby authorized, subject to the terms of Sections 2 and 3 hereof, to take any and all actions and to exercise any and all rights, remedies and options which it may have under the Reimbursement Documents or at law to cause such default to be cured, or to foreclose the Reimbursement Mortgage and, subject to Section 14 hereof, sell the Project Facilities or any part thereof (or accept a deed thereof in lieu of foreclosure), to sell or otherwise realize upon the property mortgaged, pledged or assigned to or for the benefit of the Bank, to cause a mandatory redemption of the Series A Bonds pursuant to the Series A Indenture, or to purchase the Series A Bonds in lieu of a mandatory redemption pursuant to the Series A Indenture and Section 11(d) hereof, without objection or interference by the Issuer, the Series A Trustee or the Majority Owner Representative, so long as the lien of the Series A Mortgage and the other Series A Bond Documents and the payment and performance obligations owed to the Issuer, the Holders of the Series A Bonds and the Series A Trustee thereunder shall not be discharged or impaired thereby and the provisions of Section 14 are satisfied.

Section 5. Regulatory Agreement Default.

(a) If there shall have occurred and be then continuing a Regulatory Agreement Default, and such Regulatory Agreement Default remains uncured for a period of sixty (60) days after the Borrower, the Majority Owner Representative and the Bank receive written notice from the Series A

Trustee or the Issuer stating that a Regulatory Agreement Default has occurred and specifying the nature of such default, then, if authorized by the Series A Bond Documents and Section 5(b) hereof, the Issuer may, without the Bank's consent, exercise the remedy of pursuing specific performance of the Series A Bond Documents on account of such default, unless:

(i) The Series A Trustee and the Majority Owner Representative, prior to the end of such sixty (60) day period, are provided with an opinion of Bond Counsel to the effect that the failure to cure such default will not have an adverse effect on the exclusion from gross income for federal income tax purposes of interest on the Bonds (which opinion may be requested and obtained by the Bank);

(ii) The Bank or the Borrower institutes action to cure such default within such sixty (60) day period and diligently pursues such action thereafter until such default is cured; or

(iii) If such default is not reasonably curable by the Bank without first securing possession of the Project Facilities, the Bank (subject to extension during any stay on account of the bankruptcy of the Borrower) (x) institutes, within such sixty (60) day period, foreclosure proceedings or other action for the purpose of obtaining such possession pursuant to the Reimbursement Mortgage; (y) thereafter diligently pursues such proceedings until such possession is obtained; and (z) diligently pursues action to cure such default after it obtains possession of the Project Facilities, until such default is cured; provided, however, that any extension, pursuant to paragraph (i) or (ii) above, of the period within which a Regulatory Agreement Default must be cured shall only be effective if and to the extent that, in the opinion of Bond Counsel provided to the Series A Trustee, the Majority Owner Representative and the Issuer, such extension will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds; and provided further, that the Series A Trustee, upon five (5) business days' prior written notice to the Bank following any such Regulatory Agreement Default, may reduce the 60-day period provided above to such shorter period of time as is specified in such notice (but in no event less than fifteen (15) business days), but only if the Series A Trustee, the Majority Owner Representative and the Issuer have received an opinion of Bond Counsel to the effect that such reduction of such period is necessary to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds.

(b) In the event of a Regulatory Agreement Default which remains uncured after written notice thereof to the Borrower, the Majority Owner Representative, the Bank and the Controlling Person, nothing in this Section 5 shall restrict or in any way limit the right of the Issuer or the Series A Trustee to take any action for specific performance available under the Regulatory Agreement or at law or in equity in order to enforce the terms of the Regulatory Agreement, so long as neither the Issuer nor the Series A Trustee takes any action to declare the outstanding balance of the Series A Bonds or the Series A Bond Documents to be due on account of such default, and so long as neither the Series A Trustee nor the Issuer takes any action to foreclose any liens upon or security interests or to enforce any other similar remedy against any of the property described in the Series A Mortgage or to enforce any other similar remedy which would cause such liens or security interests to be discharged or materially impaired thereby.

Section 6. Bank Administration. During the term of this Agreement, provided the Letter of Credit is outstanding and the Bank has not dishonored a properly presented and conforming draw thereunder and is in compliance with its obligations under this Agreement in all material respects, and subject to the provisions of Section 2 hereof during the Series B Bonds Subordination Period, the Bank shall make all decisions in connection with the day-to-day administration of the Construction Matters

without the requirement of any further approval of or consent to such decisions by the Majority Owner Representative; provided, however, that the Majority Owner Representative shall retain all rights to approve or provide any determination of Final Completion and Stabilization. Notwithstanding the foregoing, the Bank shall not, without the prior written consent of the Majority Owner Representative, which shall not be unreasonably withheld, conditioned or delayed:

(a) approve any Material Change Orders, [any changes to the Amenities and Resident Services Schedule,] any amendments to the Construction Budget or the Plans and Specifications, any Permitted Encumbrances, any transfers of ownership of the Project Facilities, of the Borrower or of the General Partner (except as permitted under Section 14 hereof), any changes to the General Contractor, the Major Subcontractor, the Architect or the Engineering Consultant or the incurrence of any additional Indebtedness;

(b) approve any extension of the Completion Date or the deadline for achievement of Stabilization (except as set forth in Section 7 below);

(c) permit the disbursement or reallocation of funds earmarked in the Construction Budget for payment of the principal of or interest on the Series A Loan or the Series B Loan or for the redemption of the Series A Bonds or the Series B Bonds;

(d) take or approve any action that would affect the excludability of interest on the Bonds from gross income for federal income tax purposes; or

(e) declare, or consent to the declaration of, or waive, an Event of Default or take, or consent to taking of, any Remedial Action under the Series A Bond Documents.

Section 7. Extension of Stabilization Date. Notwithstanding any provisions in this Agreement to the contrary, the Bank may extend the Stabilization Date for up to an additional six (6) months, so long as:

(a) (1) the Letter of Credit is outstanding and the Bank has not dishonored a properly presented and conforming draw thereunder and is in compliance with its obligations under this Agreement in all material respects, and (2) the expiration date of the Letter of Credit is extended by the same number of days as is the Stabilization Date and to a date which is not less than sixty (60) days after the extended Stabilization Date;

(b) the extended Stabilization Date is no later than six (6) months from the original Stabilization Date; and

(c) an extension fee equal to 0.25% times the principal amount of Series A Bonds Outstanding at the date of extension is paid by the Borrower to the Majority Owner Representative.

Section 8. Servicing. As provided in Article 9 of the Series A Indenture, the Majority Owner Representative is entrusted with the servicing of the Series A Note and as provided in Article 9 of the Series B Indenture, the Bank shall be entrusted with the servicing of the Series B Note, each in accordance with its usual practices and in substantial conformity with the Bond Documents. Notwithstanding the foregoing, (i) as long as the Letter of Credit is outstanding and the Bank has not dishonored a properly presented and conforming draw thereunder and is in compliance with its obligations under this Agreement in all material respects, the Majority Owner Representative agrees that the Bank shall administer the disbursement of the Series A Loan to the Borrower for the construction of the Project Facilities and other budgeted items subject to the applicable Requisition as provided for in the

Disbursement Agreement, and (ii) the Bank shall not, and for as long as the Letter of Credit is outstanding and the Bank has not dishonored a properly presented and conforming draw thereunder and is in compliance with its obligations under this Agreement in all material respects, the Majority Owner Representative shall not, in each case, without the prior written consent of the other party, do, or direct the Series A Trustee to do, any of the following:

- (a) increase, decrease, defer or waive any scheduled payment of principal of or interest on the Series A Bonds;
- (b) release or permit substitution of any Collateral for the Series A Bonds;
- (c) release any Guarantor; or
- (d) take or approve any action that could affect the excludability of interest on the Bonds from gross income for federal income tax purposes.

Section 9. Consents and Approvals.

(a) The parties acknowledge and agree that so long as the Bank has not dishonored a properly presented and conforming draw under the Letter of Credit and is in compliance with its obligations under this Agreement in all material respects, the rights of the Controlling Person under the Series A Bond Documents shall be exercised by the Bank, provided however that the Bank shall not take any of the actions set forth in Section 6 hereof, nor any of the following actions in its capacity as Controlling Person without the prior written consent of the Majority Owner Representative, which consent will not be unreasonably withheld, conditioned or delayed:

- (i) (A) amend or consent to the amendment of the Series A Indenture, the Series A Bonds or any Series A Bond Documents; or (B) waive or consent to the waiver of an obligation or agreement of any party under any of the Series A Bond Documents or Material Contracts;
- (ii) consent to the transfer or encumbrance of the Project Facilities or waive any provision of Section 6.12 of the Series A Loan Agreement;
- (iii) consent to, direct or approve the change in Manager of the Project Facilities or the modification of any Management Agreement;
- (iv) change the Monthly Tax and Insurance Amount or Replacement Reserve Fund deposit, the required deposit to the Operating Reserve Fund, the required deposit in the Earnout Collateral Fund or the criteria for disbursement or permitted application of funds held in the Earnout Collateral Fund;
- (v) specify the amount of or otherwise make determinations with respect to the redemption of Series A Bonds under Section 2.12(b) of the Series A Indenture or the application of moneys under Section 6.7 of the Series A Indenture;
- (vi) release money to the Borrower pursuant to Section 4.3(g) or 4.5 of the Series A Indenture;
- (vii) direct the transfer of money or redemption of Series A Bonds pursuant to Section 4.4 or 4.5 of the Series A Indenture;

(viii) remove or replace the Series A Trustee as permitted under Article VII of the Series A Indenture; or

(ix) give any direction or consent under Article VI of the Series A Indenture, Article 7 of the Series A Loan Agreement or the Series A Mortgage.

(b) If any party requests in writing another party's consent or approval to any of the matters set forth in this Section 9, the party from whom such consent or approval is requested shall respond in writing and shall grant or withhold the consent or approval within five (5) Business Days after such request. In the case of any consent or approval required from the Series A Trustee, the Series A Trustee shall grant, withhold or condition such consent or approval in accordance with the direction of the Majority Owner Representative, and any request to the Series A Trustee for such consent or approval shall be sent simultaneously to the Majority Owner Representative. If any party does not so respond within the required time, such party shall be deemed to have denied such request.

Section 10. Determination of Final Completion and Stabilization.

(a) The determination that Final Completion has occurred must be made by the Majority Owner Representative in accordance with the Series A Bond Documents and on the basis of satisfaction, in the determination of the Majority Owner Representative of the criteria for Final Completion set forth in the Series A Bond Documents. Upon receipt of all of a certificate of completion from the Borrower as required by the Series A Loan Agreement in the form attached as Schedule 5 thereto, accompanied by the required backup and exhibits thereto and the items referenced in the definition of "Final Completion", the Bank shall cause to be provided a copy of such documentation to the Majority Owner Representative and within ten (10) Business Days of the Majority Owner Representative's receipt thereof, the Majority Owner Representative shall notify the Bank in writing whether or not the Majority Owner Representative has determined that Final Completion has occurred. If the Majority Owner Representative determines that Final Completion has not occurred, the Majority Owner Representative shall notify the Bank in writing of the reason(s) for such determination and, if applicable, specify the additional information, documentation or time in order to complete its review.

(b) The determination that Stabilization has occurred is to be made by the Majority Owner Representative in accordance with the Series A Bond Documents and on the basis of the satisfaction, in the determination of the Majority Owner Representative, of the criteria for Stabilization set forth in the Series A Bond Documents. Upon receipt of a stabilization certificate from the Borrower as required by the Series A Loan Agreement in the form attached as Schedule 7 thereto, and accompanied by the required backup and exhibits thereto, which asserts that Stabilization has occurred, the Bank will cause to be provided a copy of such stabilization certificate and accompanying backup and exhibits to the Majority Owner Representative. Within ten (10) Business Days of the Majority Owner Representative's receipt thereof, the Majority Owner Representative shall notify the Bank in writing whether or not the Majority Owner Representative has determined that Stabilization has occurred. If the Majority Owner Representative determines that Stabilization has not occurred, the Majority Owner Representative shall notify the Bank in writing of the reason(s) for such determination, and, if applicable specify the additional information, documentation or time in order to complete its review.

(c) If the Majority Owner Representative has determined in accordance with the terms of the Series A Bond Documents that Stabilization has occurred on or prior to the Stabilization Date, the Majority Owner Representative shall direct the Majority Owner to direct the Trustee to release the Letter of Credit and return it to the Bank in accordance with Section 3.8(g)(ii) of the Series A Indenture.

Section 11. Standard of Care; Exculpation. None of the Issuer, the Majority Owner Representative, the Bank or the Trustee, nor any of their officers, directors, employees, agents or attorneys, shall be liable for any action taken or omitted to be taken by it or any of them under this Agreement, any of the Reimbursement Documents, any of the Series A Bond Documents or any of the Series B Bond Documents, except for actions or omissions (i) taken in violation of the express terms of this Agreement, or (ii) arising from such party's gross negligence or willful misconduct. Any party may (but it need not in any particular instance) consult with legal counsel or other experts and shall not be responsible for any action taken or not taken in good faith in accordance with the opinion of such counsel or expert.

Section 12. Administration After Default.

(a) The Majority Owner Representative and the Bank shall consult with one another concerning actions to be taken in response to an Event of Default under the Series A Bond Documents, the Series B Bond Documents and the Reimbursement Documents arising while the Letter of Credit is outstanding.

(b) In the event of an Event of Default under the Series A Bond Documents arising while the Letter of Credit is outstanding, the Majority Owner Representative agrees not to take or direct the Trustee to take any Remedial Action without the Bank's prior written consent unless: (i) the Bank dishonors a properly presented and conforming draw upon the Letter of Credit or fails to be in compliance with its obligations under this Agreement in any material respect, in which case, the Majority Owner Representative may take, or direct the Trustee to take any Remedial Action or exercise any other right or remedy available to it under the Series A Bond Documents, at law or in equity, or (ii) such Event of Default consists of (A) failure to pay any interest on or principal of, or redemption or purchase price for, the Series A Bonds when and as the same shall be due and payable, (B) the failure of the Project Facilities to attain Final Completion on or before the Completion Date, or (C) the failure of the Project Facilities to achieve Stabilization on or before the Stabilization Date, in each of which cases, the Majority Owner may direct the Series A Trustee to draw upon the Letter of Credit in accordance with Section 3.8(e) of the Series A Indenture and may direct the Series A Trustee to accelerate the outstanding principal amount of the Series A Bonds.

(c) Notwithstanding anything in Section 12(b) to the contrary, and provided the Bank has not dishonored a properly presented and conforming draw upon the Letter of Credit and is in compliance with its obligations hereunder, the Majority Owner Representative agrees that it shall not take, or direct the Trustee to take, any Remedial Action if the Bank cures such Event of Default or causes such Event of Default to be cured within five (5) days after the date notice is provided to the Bank by the Majority Owner Representative of any monetary default, or for any non-monetary default, within a period after the date notice is provided to the Bank by the Majority Owner Representative equal to the amount of time, if any, provided to the Borrower in the Series A Bond Documents in which to effect a cure. Notwithstanding the foregoing, the cure period afforded the Bank for any Event of Default or Default shall not extend, in the event of a monetary default consisting of a failure to pay interest under the Series A Bond Documents, beyond the number of days for which the interest component of the Letter of Credit has been provided, and in no case shall the Majority Owner Representative be obligated to notify the Bank of an Event of Default consisting of the Project Facilities' failure to attain Final Completion on or before the Completion Date or Stabilization on or before the Stabilization Date, nor shall the cure period afforded under this Section 12(c) extend beyond the expiration date of the Letter of Credit.

(d) In the event of a draw on the Letter of Credit in accordance with Section 3.8(e) of the Series A Indenture, the Bank shall have the unconditional right, but not the obligation, to purchase the Series A Bonds in lieu of redemption as set forth in Section 2.12(h) of the Series A Indenture.

Section 13. Furnishing Information. For so long as the Letter of Credit remains outstanding, the Bank shall furnish or cause to be furnished to the Majority Owner Representative copies of all Draw Requests received from the Borrower immediately upon receipt thereof. In addition, each of the Bank and the Majority Owner Representative shall furnish to the other, upon request:

(a) all information such party shall receive from or on behalf of, or furnish to, the Borrower, the Tax Credit Investor or the Guarantors pursuant to the Reimbursement Documents, the Series B Bond Documents or the Series A Bond Documents;

(b) such other supporting documents received by, or furnished to, such party pursuant to the Reimbursement Documents, the Series B Bond Documents or the Series A Bond Documents (including external reports or third party appraisals) concerning the Project Facilities and any Collateral; and

(c) such other documents or information (including appraisals and inspection reports) as either party may request the other to obtain in accordance with the terms of the Reimbursement Documents, the Series B Bond Documents or the Series A Bond Documents.

Any and all documents or information furnished by either the Bank or the Majority Owner Representative to the other shall be furnished without any warranty as to accuracy, sufficiency, authenticity or validity.

Section 14. Notices of Default. The Bank and the Majority Owner Representative shall each, promptly after having actual knowledge, notify the other of:

(a) any Event of Default or Default under the Series A Bond Documents, the Series B Bond Documents or the Reimbursement Documents, any such notice to be given simultaneously with the notice concerning such Event of Default or Default given to the Borrower;

(b) any event or fact which could, in such party's reasonable judgment adversely affect the value of the Project Facilities or any other Collateral; or

(c) any event or condition which could, in such party's reasonable judgment, adversely affect the ability of the Borrower to discharge its obligations under the Reimbursement Documents, the Series B Bond Documents or the Series A Bond Documents.

Notwithstanding the foregoing, the Majority Owner Representative shall not be required to notify the Bank of any Event of Default resulting from the Project Facilities' failing to attain Final Completion on or before the Completion Date or Stabilization on or before the Stabilization Date; provided, however, that nothing contained herein shall be construed so as to change the notices required under the Indenture and/or the Letter of Credit as conditions to a draw thereon.

Section 15. Transfer of Project to Permitted Transferee. Subject to Section 4 hereof, the Bank or an Affiliate of the Bank or other designee may become the legal or beneficial owner of the Project Facilities by foreclosure under the Reimbursement Mortgage, deed in lieu of foreclosure, or other similar proceeding, whereupon:

(a) The Issuer and the Series A Trustee shall, for all intents and purposes, deem the Bank or such Affiliate or designee (the "Permitted Transferee") to be the "Borrower" under the Series A Bond Documents, as substitute obligor thereunder, so long as such Permitted Transferee delivers to the Issuer, the Series A Trustee and the Majority Owner Representative, concurrently with such transfer, (i) written notice of such substitution, (ii) a written instrument assuming and agreeing to perform the

Borrower's obligations under the Series A Bond Documents accruing from and after the date of such transfer, (iii) an opinion of counsel to the Permitted Transferee that the Permitted Transferee has duly assumed the obligations of the Borrower under the Series A Bond Documents and that such obligations and the Series A Bond Documents are binding on and enforceable against the Permitted Transferee, and (iv) an opinion of Bond Counsel that such transfer is permitted by the Series A Bond Documents and will not adversely affect the exclusion from gross income for purposes of federal income taxation of interest on the Series A Bonds; provided, however, that the Issuer, the Series A Trustee and the Majority Owner Representative agree (and such assumption agreement shall provide) that the Permitted Transferee shall have the full benefit of any and all non-recourse provisions contained in the Series A Bond Documents. If the Permitted Transferee (or an Affiliate thereof) is still the owner of the Project at the time the conditions to Stabilization are satisfied, then concurrently with Stabilization and as an additional condition to the release of the Letter of Credit, such Permitted Transferee shall deliver to the Series A Trustee a replacement nonrecourse guaranty and a replacement environmental indemnity agreement, substantially in the form of those delivered on the Issue Date, and provided by an entity or entities satisfactory to the Majority Owner Representative in its reasonable discretion.

(b) The Permitted Transferee may thereafter (or in lieu of becoming the owner of the Project pursuant to subsection (a)) transfer its interest in the Project Facilities to a third party who shall thereupon be deemed to be the "Borrower" under the Series A Bond Documents, as substitute obligor thereunder, provided that the Majority Owner Representative consents in writing prior to such transfer and the transferee delivers to the Issuer, the Series A Trustee and the Majority Owner Representative, concurrently with such transfer (i) a written notice of such substitution; (ii) a written instrument assuming and agreeing to perform all obligations of the Borrower under the Series A Bond Documents accruing from and after the date of such transfer, with the benefit, however, of any non-recourse provisions contained in the Series A Bond Documents; (iii) an opinion of counsel to the transferee that such transferee has duly assumed the obligations of the Borrower under the Series A Bond Documents and that such obligations and the Series A Bond Documents are binding on and enforceable against the transferee; (iv) an opinion of Bond Counsel that such transfer is permitted by the Series A Bond Documents and will not adversely affect the exclusion from gross income for purposes of federal income taxation of interest on the Bonds; and (v) a replacement nonrecourse guaranty and a replacement environmental indemnity agreement, substantially in the form of those delivered on the Issue Date, and provided by an entity or entities satisfactory to the Majority Owner Representative in its reasonable discretion. Upon completion of any transfer to a third party in accordance with this Section 15(b), the Permitted Transferee shall thereafter be relieved of any further liability for the Borrower's obligations under the Series A Bond Documents accruing from and after the date of such transfer.

(c) Subject to satisfaction of the foregoing conditions, the Issuer and the Trustee shall be deemed to have approved the transfer of title to the Project to the Permitted Transferee, or by Permitted Transferee to its affiliate or to a third party, in each case notwithstanding any other transfer restrictions contained in the Series A Bond Documents and without requiring compliance therewith.

Section 16. Enforcement of Remedies. The Issuer, the Series A Trustee and the Majority Owner Representative will cooperate with the Bank and take any lawful action, including joining in such proceedings at law or in equity and executing such documents as the Bank may request and direct, to enforce the obligations of the Borrower under the Reimbursement Documents, and in order that the rents, issues, profits, revenues and other income from the Project Facilities (including any proceeds of rent insurance) that are mortgaged, pledged or assigned to the Bank shall be available to satisfy the Borrower's obligations under the Reimbursement Documents, in such order and manner as the Bank shall determine, provided that any such action shall not impair or discharge the lien of the Series A Mortgage or the other Series A Bond Documents, nor any of the payment and performance obligations owed thereunder. The Bank, in consideration for the foregoing agreement by the Issuer, the Series A Trustee

and the Majority Owner Representative, agrees to pay, and to indemnify the Issuer, the Series A Trustee and the Majority Owner Representative against, all reasonable costs, fees and expenses (including reasonable attorneys' fees and expenses) incurred by the Issuer, the Series A Trustee and the Majority Owner Representative in connection with any action taken by any of them at the request and direction of the Bank; provided, however, that the Bank shall not be obligated (i) to pay any costs, fees or expenses ("Losses") which the Issuer may suffer or incur by reason of its willful misconduct, bad faith or fraud, or which, the Series A Trustee or the Majority Owner Representative may suffer or incur by reason of the grossly negligent or willful failure of such party to perform the duties imposed upon it under the Series A Bond Documents, or (ii) to pay any costs, fees or expenses which the Issuer, the Series A Trustee or the Majority Owner Representative may incur by reason of such party's exercise or failure to exercise any power or discretion other than at the Bank's direction. **The indemnification of the Controlling Person and the Series A Trustee as provided in this Section 8 shall remain in full force and effect if Losses directly or indirectly result from, arise out of, or relate to, or are asserted to have resulted from, arisen out of, or related to, the sole or contributory negligence of any of the Controlling Person, the Series A Trustee or other Person.**

Section 17. Notice of Default. The Issuer, the Series A Trustee and the Majority Owner Representative shall each give the Bank a copy of any written notice or other communication given by it to the Borrower with respect to any Event of Default (as defined in the applicable Series A Bond Documents), or with respect to any other occurrence that would give the Majority Owner Representative the right to direct the Series A Trustee to accelerate the maturity or require prepayment of all or any portion of the Series A Note, or with respect to any event which, with notice or the lapse of time or both, would constitute such an Event of Default or would permit such acceleration (collectively, a "Significant Event"). Such copy shall in each case be given to the Bank in the same manner and at the same time as the corresponding notice or communication is given to the Borrower under the applicable Bond Document, and before the Majority Owner Representative exercises or directs the Series A Trustee to exercise any right or remedy available to it either under any Series A Bond Document or at law. If a Significant Event occurs for which no notice is required to be given to the Borrower, the Majority Owner Representative or the Bank, as applicable, shall nonetheless use all reasonable efforts to deliver a notice of such Significant Event to the Bank or the Majority Owner Representative, as applicable, immediately upon learning of its occurrence (but shall not be liable for failure to do so).

Notwithstanding the foregoing, except as required under the Indenture in connection with a drawing under the Letter of Credit, the Majority Owner Representative shall not be required to notify the Bank of any Event of Default resulting from the Project Facilities' failing to attain Final Completion on or before the Completion Date or Stabilization on or before the Stabilization Date; provided, further, however, that nothing contained herein shall be construed so as to change the notices required under the Indenture and/or the Letter of Credit as conditions to a draw thereon.

Section 18. Application of Insurance or Condemnation Proceeds. For so long as the Reimbursement Documents remain outstanding and the Bank has not dishonored a properly presented and conforming draw upon the Letter of Credit and is in compliance with its obligations under this Agreement in all material respects, all proceeds of any property or casualty insurance or condemnation award shall be applied in accordance with the provisions of the Reimbursement Mortgage, no parties other than the Bank and the Borrower shall have the right to participate in the adjustment of any such insurance claims or condemnation awards or to participate in any manner whatsoever in activities relating to restoration or reconstruction, and the Bank shall have the exclusive right to receive, administer and apply all such proceeds as set forth in the Reimbursement Mortgage; provided, however, that such amounts shall not be applied to any purpose other than restoration or reconstruction of the Project Facilities or redemption of the Series A Bonds without the prior written consent of the Issuer and the Majority Owner Representative, which consent shall not be unreasonably withheld, conditioned or delayed.

Section 19. Amendment of Documents. Except as otherwise may be provided for in Section 9 hereof, each of the Issuer, the Series A Trustee and the Majority Owner Representative agrees that it will not enter into or consent to any amendment, change or modification of any of the Series A Indenture or the other Series A Bond Documents that would adversely affect the Bank without the express prior written consent to such amendment, change or modification by the Bank. Each of the Issuer, the Series B Trustee and the Bank agrees that it will not enter into or consent to any amendment, change or modification of the Letter of Credit, the Reimbursement Documents or the Series B Bond Documents that would affect the Issuer, the Series A Trustee, the Majority Owner Representative or the holders of the Series A Bonds without the prior written consent of the Majority Owner Representative.

Section 20. Records. The Bank may at any reasonable time examine or copy any letter, account, or other documentation or information in the possession or control of the Issuer, the Trustee or the Majority Owner Representative relating to or connected with the Project Facilities, the Series A Bonds or collections under the Series A Note and the Series A Bond Documents, as applicable, and the Majority Owner Representative shall have the same examination rights with respect to documentation or information in the possession or control of the Bank. The Series A Trustee, the Majority Owner Representative and the Issuer shall, at the request of the Bank, cooperate with the Bank in obtaining any information or documents in the possession of any third party relating to or in connection with the Project Facilities or the Series A Bonds and the Bank shall provide the same cooperation at the request of the Issuer, the Series A Trustee or the Majority Owner Representative in connection with the Project Facilities, the Series A Bonds, the Series B Bonds or the Reimbursement Documents.

Section 21. Direction to Trustee. The Majority Owner Representative, for and on behalf of the holders of the Series A Bonds, hereby consents to the terms of this Agreement and authorizes and directs the Series A Trustee to execute this Agreement and to comply with the terms and provisions hereof. The Bank, for and on behalf of the holders of the Series B Bonds, hereby consents to the terms of this Agreement and authorizes and directs the Series B Trustee to execute this Agreement and to comply with the terms and provisions hereof.

Section 22. Severability. If one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect, the remaining provisions shall not in any way be affected or impaired.

Section 23. Notices. All notices, certificates or other communications hereunder shall be in writing and shall be hand delivered or sent by Federal Express or other reputable courier service, or by first class mail, postage prepaid, and shall be deemed given (a) when received if hand delivered or sent by Federal Express or other reputable courier service, and (b) three (3) Business Days after being postmarked with proper addresses indicated below. Each party may, by written notice given to the other parties, designate any other address or addresses to which notices, certificates or other communications to them shall be sent when required as contemplated by this Agreement. Until otherwise so provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

If to Issuer:

Austin Housing Finance Corporation
100 East 11th Street, 2nd Floor
Austin, Texas 78702
Attention: Neighborhood Development Program Manager

With a copy to:

McCall Parkhurst & Horton LLP
717 North Harwood, Suite 900
Dallas, Texas 75201
Attention: Mark Malveaux

If to Trustee:

BOKF, NA
801 Cherry Street, Suite 3325
Unit 27
Fort Worth, Texas 76102
Attention: Corporation Trust Department

If to Majority Owner Representative:

Red Stone Servicer, LLC
666 Old Country Road, Suite 603
Garden City, New York 11530
Attention: Kiki Mastorakis

If to Bank:

JPMorgan Chase Bank, N.A.
Community Development Banking
50 S. Main Street, 3rd Floor
Mail Code: OH2-5164
Akron, Ohio 44308-1828
Attention: Chet Shedloski, Vice President

With a copy to:

JPMorgan Chase Bank, N.A.
Legal Department
4 New York Plaza, 21st Floor
Mail Code: NY1-E089
New York, New York 10004-2413
Attention: Michael R. Zients, Executive Director and Assistant General Counsel

Section 24. Successors and Assigns. Whenever in this Agreement any of the parties hereto is named or referred to, the successors and assigns of such party shall be deemed to be included and all covenants, promises and agreements in this Agreement contained by and on behalf of the respective parties hereto shall bind and inure to the benefit of the respective successors and assigns of such parties, whether so expressed or not.

Section 25. Counterparts; Electronic Signatures. This Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all counterparts together constituting only one instrument. To the fullest extent permitted by applicable law, facsimile or electronically transmitted signatures shall constitute original signatures for all purposes under this Agreement.

Section 26. Governing Law. This Agreement and the rights and obligations of the parties shall be governed by and construed and enforced in accordance with the laws of the State of Texas, without giving effect to conflict of laws principles.

Section 27. No Impairments of Other Rights.

(a) Except as expressly provided in this Agreement, nothing herein is intended or shall be construed to impair, diminish or otherwise adversely affect the rights and remedies of the Issuer, the Series A Trustee or the Majority Owner Representative under the Series A Bond Documents or of the Issuer, the Series B Trustee or the Bank under the Reimbursement Documents and/or the Series B Bond Documents, as applicable, or to modify the obligations of the Borrower under any of the foregoing.

(b) The covenants and agreements of the Issuer, the Majority Owner Representative, the Bank, the Series A Trustee and the Series B Trustee under this Agreement are intended exclusively for the benefit of such parties and the holders of the Series A Bonds, and no covenant, warranty, representation or undertaking of the Issuer, the Series A Trustee, the Series B Trustee, the Majority Owner Representative or the Bank, or any of them, under this Agreement shall be deemed to create any duty or obligation on the part of such party for the benefit of any other party, including the Borrower and the Guarantors, except for the Issuer, the Series A Trustee, the Series B Trustee, the Majority Owner Representative or the Bank, respectively; and no act or omission on the part of the Trustee, the Issuer, the Majority Owner Representative, the holders of the Series A Bonds or the Bank under this Agreement shall create any liability on the part of such party to or be the basis for a claim against such party by, through or under the Borrower, the Guarantors or any of them. The Trustee shall not have a fiduciary relationship in respect of any other party to this Agreement by reason of this Agreement.

Section 28. Remedies. The Issuer, the Trustee, the Majority Owner Representative and the Bank shall each have full right and power to enforce the undertakings, covenants and agreements of the other parties hereto directly against such other parties by suit for specific performance or claims for damages or a combination of the foregoing. In the event of any dispute between any of the parties hereto arising out of this Agreement, the prevailing party or parties shall be entitled to recover from the losing party or parties, all fees, costs, and expenses, including, without limitation, attorneys' fees, incurred by such prevailing party or parties in connection with such dispute.

Section 29. Headings. Headings herein are for convenience only and shall not be relied upon in interpreting or enforcing this Agreement.

Section 30. Termination.

(a) This Agreement shall terminate upon the earliest to occur of (i) full payment and performance of all of the Borrower's obligations to the Bank under the Reimbursement Documents in the event the Letter of Credit has been drawn on, (ii) the return of the Letter of Credit without its having been drawn, (iii) full payment and performance of all of the Borrower's obligations under the Series A Bond Documents, payment in full of the Series A Loan and satisfaction and discharge of the lien of the Series A Mortgage, or (iv) the Bank defaults in the performance of its obligations under the Letter of Credit. Notwithstanding the foregoing, the provisions of Section 2 hereof with respect to subordination of the Series B Bonds shall survive termination of this Agreement under the circumstances described in clause (iv) above and shall remain in effect until the end of the Series B Bonds Subordination Period.

(b) The Majority Owner Representative agrees that (i) so long as the Series B Bonds are outstanding, it shall not cause an optional redemption of the Series A Bonds, and (ii) upon Stabilization it shall direct the Majority Owner to direct the Trustee to release the Letter of Credit and return it to the Bank in accordance with Section 2.8(g)(ii) of the Series A Indenture.

Section 31. Issuer and Trustee Not to Expend Funds. No provision of this Agreement shall require the Issuer or the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, unless repayment of such funds or adequate indemnity against such risk or liability is assured to it.

Section 32. Inconsistent Provisions. Any inconsistency or conflict between the terms of this Agreement and the terms of the Series A Bond Documents, Reimbursement Documents or the Series B Bond Documents shall be governed and controlled by the terms of this Agreement, provided, however, nothing in this Section 32 shall be deemed to modify the Issuer's Reserved Rights.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Issuer, the Trustee, the Majority Owner Representative and the Bank have caused this Intercreditor Agreement to be executed, all as of the day and year first above written.

AUSTIN HOUSING FINANCE CORPORATION

By: _____
Name:
Title:

STATE OF TEXAS)
)
COUNTY OF _____)

On this ____ day of March, 2017, before me, _____, personally appeared _____, known to me or proven on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged to me that he/she executed the same in his/her authorized capacity as the _____ of Austin Housing Finance Corporation, and that by his/her signature on the instrument the entity on behalf of which he/she acted executed the instrument.

WITNESS my hand and official seal.

Notary Public

My Commission expires:

(SEAL)

EXHIBIT A

LEGAL DESCRIPTION OF REAL ESTATE