
FUNDING LOAN AGREEMENT

by and among

**AUSTIN HOUSING FINANCE CORPORATION,
WILMINGTON TRUST, NATIONAL ASSOCIATION
DEUTSCHE BANK AG, NEW YORK BRANCH (TAXABLE NOTE)**

and

DEUTSCHE BANK SECURITIES INC.

Dated as of March 1, 2023

Relating to:

\$36,640,000

**Austin Housing Finance Corporation
Multifamily Housing Revenue Note
(Woodway Square),
Series 2023A (Tax-Exempt)**

And

\$3,360,000

**Austin Housing Finance Corporation
Taxable Multifamily Housing Revenue Note
(Woodway Square),
Series 2023B (Taxable)**

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FUNDING LOAN AGREEMENT

This **FUNDING LOAN AGREEMENT** (as amended, modified or supplemented from time to time, this "Funding Loan Agreement"), dated as of _____ 1, 2023, is made and entered into by and among **AUSTIN HOUSING FINANCE CORPORATION** a public nonprofit housing finance corporation, duly organized and validly existing under the laws of the State of Texas (together with its successors and assigns, the "Governmental Lender"), **WILMINGTON TRUST, NATIONAL ASSOCIATION**, a national banking association (together with its successors and assigns, the "Fiscal Agent") and **DEUTSCHE BANK SECURITIES INC.**, a Delaware corporation, as Funding Lender (together with any successor hereunder and their respective successors and assigns (the "Funding Lender")), and **DEUTSCHE BANK AG, NEW YORK BRANCH**, a New York corporation, as Taxable Funding Lender (together with its successors and assigns, the "Taxable Funding Lender").

WITNESSETH:

WHEREAS, the Governmental Lender is authorized under Chapter 394 of the Texas Local Government Code, as amended (the "Act"), to provide financing with respect to one or more projects authorized under the Act for such payments and upon such terms and conditions as the Governmental Lender may deem advisable in accordance with the provisions of the Act; and

WHEREAS, Austin Leased Housing Associates VI, Limited Partnership, a Texas limited partnership (the "Borrower") has applied to the Governmental Lender for a loan or loans (collectively, the "Borrower Loan"), to finance the acquisition, rehabilitation, improvement and equipping of a multifamily apartment housing facility consisting of a total of 240-units and related personal property and equipment, located in Austin, Travis County, Texas and to be known as "Woodway Square" (the "Project"); and

WHEREAS, the Borrower has requested the Governmental Lender to enter into this Funding Loan Agreement under which the Funding Lender will make a loan or loans (collectively, the "Funding Loan") to the Governmental Lender, the proceeds of which will be loaned pursuant to a Borrower Loan Agreement of even date herewith (as it may be supplemented or amended, the "Borrower Loan Agreement") to finance the acquisition, rehabilitation, improvement and equipping of the Project; and;

WHEREAS, pursuant to the Borrower Loan Agreement, the Borrower agrees to make loan payments to the Governmental Lender in an amount which, when added to other funds available under this Funding Loan Agreement, will be sufficient to enable the Governmental Lender to repay the Funding Loan and to pay all costs and expenses related thereto when due; and

WHEREAS, to evidence its payment obligations under the Borrower Loan Agreement, the Borrower will execute and deliver to the Governmental Lender its Borrower Notes (as defined herein) and the obligations of the Borrower under the Borrower Notes will be secured by a lien on and security interest in the Project pursuant to a Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing of even date herewith (the "**Security Instrument**"), made by the Borrower in favor of the Governmental Lender, as assigned to the Fiscal Agent, to secure the performance by the Governmental Lender of its obligations under the Funding Loan; and

WHEREAS, the Governmental Lender has executed and delivered to the Funding Lender the Governmental Lender Notes evidencing its obligation to make the payments due to the Funding Lender as provided in this Funding Loan Agreement, all things necessary to make the Governmental Lender Notes the legal, valid, and binding limited obligations of the Governmental Lender, have been done and performed and the execution and delivery of this Funding Loan Agreement and the execution and delivery of the Governmental Lender Notes, subject to the terms hereof, have in all respects been duly authorized; and

WHEREAS, the obligations of the Borrower under the Borrower Loan Agreement and the Borrower Note will be secured by the “Security” established hereunder; and

WHEREAS, all acts, conditions and things required to happen, exist, and be performed precedent to, the delivery of the Governmental Note and the execution and delivery of this Funding Loan Agreement have happened, exist and have been performed in order to make the Governmental Note, when delivered, a valid obligation of the Governmental Lender in accordance with the terms thereof and hereof; and

WHEREAS, the Fiscal Agent has accepted the trusts created hereby and has accepted its obligations hereunder, and in evidence thereof, this Funding Loan Agreement has been executed and delivered by the Fiscal Agent.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE COVENANTS AND UNDERTAKINGS HEREIN EXPRESSED, AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE ADEQUACY AND RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO AGREE AS FOLLOWS:

ARTICLE I DEFINITIONS

Section 1.1 Defined Terms. In addition to terms defined elsewhere in this Funding Loan Agreement, the following words and terms as used in this Funding Loan Agreement and the preambles hereto shall have the following meanings unless the context or use clearly indicates another or different meaning or intent.

“Acceleration Premium” means the greater of the greater of (i) Yield Maintenance or (ii) one percent (1.00%) of the principal amount of the Borrower Note being prepaid.

“Accountant” means Baker Tilly, Novogradac, Cohn Reznick and Tidwell Group, or such other accounting firm approved in writing by the Funding Lender.

“Accounts” means all funds, accounts and subaccounts established under this Funding Loan Agreement, including the Funding Loan Fund, the Operating Reserve Fund, the Rebate Fund, the Project Fund, the Tax and Insurance Escrow Fund, the Replacement Reserve Fund and the Prepayment Fund.

“Act” shall have the meaning given to such term in the first paragraph of this Funding Loan Agreement.

“Advance” means any disbursement from the Project Fund established under this Funding Loan Agreement made or to be made by the Fiscal Agent, and approved by the Funding Lender pursuant to the terms of the Borrower Loan Agreement.

“Affiliate” means, with respect to any designated Person, each Person who directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another designated Person, pursuant to the organizational document(s) of an entity or by other express, written agreement.

“Annual Budget” means, for any Fiscal Year, the capital and operating budget adopted by the Borrower and approved by the Servicer, or deemed approved, pursuant to Section 6.24 of the Borrower Loan Agreement.

“Anti-Terrorism Regulations” shall have the meaning ascribed to such term in Section 6.23 of the Borrower Loan Agreement.

“Approved Transferee” means (i) a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act, as in effect on the date hereof, (ii) an “accredited investor” as defined in Regulation D promulgated under the Securities Act, (iii) an Affiliate of the Funding Lender, (iv) a trust or custodial arrangement established by the Funding Lender or one of its affiliates or any state or local government or any agency or entity which is a political subdivision of a federal, state or local government (a “Governmental Entity”), in each case (A) the beneficial interests in which will be owned only by qualified institutional buyers or accredited investors or (B) the beneficial interests in which will be rated in the “BBB” category or higher without regard to modifier (or the equivalent investment grade category) by at least one nationally recognized rating agency, or (v) a Governmental Entity.

“Approving Opinion of Tax Counsel” means any opinion of Tax Counsel delivered pursuant to this Funding Loan Agreement with respect to the excludability of interest on the [Tax-Exempt] Governmental Note from gross income of the Noteowners thereof for federal income tax purposes or other matters specified in this Funding Loan Agreement. Each such opinion shall be addressed to the Funding Lender, the Servicer and the Governmental Lender.

“Architect” means Ebersoldt & Associates Architecture.

“Architect’s Agreement” means the contract dated [DATE] between the Borrower and the Architect, providing for the design of the Improvements and the supervision of the renovation, improvement and equipping thereof, including ongoing monthly inspection of the Improvements, certification of Requisitions and certification of Final Completion, among other things, as the same may be amended, modified or supplemented from time to time.

“Assignment of Capital Contributions” means the Assignment of Capital Contributions dated as of the date hereof, by the Borrower in favor of the Funding Lender.

“Assignment of HAP Contract” means the Assignment of Housing Assistance Payments dated as of the date hereof, made by the Borrower to the Funding Lender for the HAP Contract(s) in effect for the Project, and consented to by HUD.]

“Assignment of Management Agreement and Consent” means the Assignment of Management Agreement dated as of the date hereof, by the Borrower in favor of the Funding Lender, and consented to by the Manager.

“Assignment of Prime Subcontract” means the Assignment of Prime Subcontract dated as of the date hereof, made by the Borrower and the Contractor in favor of the Funding Lender.]

“Assignment of Project Documents” means the Assignment of Project Documents dated as of the date hereof, made by the Borrower in favor of the Funding Lender.

“Authorized Amount” means, collectively, (i) \$36,640,000, the maximum principal amount of the tax-exempt portion of the Funding Loan permitted under this Funding Loan Agreement, and (ii) \$3,360,000, the maximum principal amount of the taxable portion of the Funding Loan permitted under this Funding Loan Agreement.

“Authorized Person” means one or more individuals duly authorized to bind the Borrower in connection with the administration of the Project. The initial Authorized Persons of the Borrower are _____ and _____.

“Bankruptcy Code” means Title 11 of the United States Code, as amended, and any successor statute or statutes having substantially the same function.

“Bond Year” has the meaning set forth in the Tax Certificate.

“Borrower” shall have the meaning given to such term in the recitals to this Funding Loan Agreement.

“Borrower Loan” shall have the meaning given to such term in the recitals to this Funding Loan Agreement.

“Borrower Loan Agreement” shall have the meaning given to such term in the recitals to this Funding Loan Agreement.

“Borrower Note” shall have the meaning given to such term in the recitals to this Funding Loan Agreement.

“Business Day” means any day on which the offices of the Fiscal Agent are open for business and on which The New York Stock Exchange is not closed.

“Capital Expenditures” means the capital expenditures relating to any construction, renovation, rehabilitation, repair and replacement of the Improvements or made pursuant to the recommendations of the Engineering Consultant.

“Capitalized Interest Account” means the account of that name within the Project Fund created pursuant to Section 4.2 hereof.

“Change Order” means a change made to the Plans and Specifications relating to the Project, as evidenced by a written change order request made in accordance with the terms of the Construction Contract.

“Class B Limited Partner” means Austin Leased Housing Associates LP VI, LLC, a Minnesota limited liability company.

“Closing Date” means March __, 2023, the date on which the initial Funding Loan proceeds are disbursed hereunder.

“Closing Memorandum” means the Closing Memorandum signed by the Servicer, the Borrower and the Fiscal Agent with respect to the initial disbursement of Funding Loan proceeds and other amounts specified therein.

“Code” means the Internal Revenue Code of 1986, as amended, and in force and effect on the date hereof with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

“Collateral” means all property of the Borrower in which the Fiscal Agent or Funding Lender is granted a security interest to secure payment of the Borrower Note or Governmental Note, as applicable.

“Completion Date” means the date by which the renovation of the Improvements must achieve Final Completion, which is initially [DATE], which date may be extended with the prior written consent of the Funding Lender, to be granted or withheld in its sole discretion.

“Computation Date” has the meaning set forth in Section 1.148-1(b) of the Regulations. Unless otherwise directed in writing by the Borrower, the Computation Date shall be each fifth anniversary of the Closing Date, and upon final payment of the Governmental Note.

“Condemnation Award” means the total condemnation proceeds actually paid by the condemnor as a result of the condemnation of all or any part of the property subject to the Mortgage less the actual costs incurred, including attorneys’ fees, in obtaining such award.

“Construction Contract” means the contract dated [DATE], between the Borrower and the Contractor, providing for the renovation, improvement and equipping of the Improvements and certification of Requisitions, among other things, as the same may be amended, modified or supplemented from time to time.

“Contamination” means the uncontained release, discharge or disposal of any Hazardous Substances at, on, upon or beneath the Project, whether or not originating at the Project, or arising from the Project into or upon any land or water or air, or otherwise into the environment, which may require remediation under any applicable Legal Requirements.

“Contractor” means Dominion Construction and Architectural Services, LLC, a Minnesota limited liability company.

“Control” (including, with the correlative meanings, the terms “controlling”, “controlled by” and “under common control with”) means, as used with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such other Person, or of the Person, whether through contract, stock ownership, partnership interests, membership, voting rights, governing boards, committees, divisions or other bodies with one or more common members, directors, trustees or other managers, or otherwise.

“Cost of Delivery Account” means the account of that name within the Project Fund created pursuant to Section 4.2 hereof.

“Counsel” means an attorney, or firm of attorneys, admitted to practice law before the highest court of any state in the United States of America or the District of Columbia, including any Tax Counsel.

“Debt Service Schedule” means the schedule of debt service payments with respect to the Borrower Note, together with any replacement thereof, each as delivered by the Servicer pursuant to Section 8.3 of the Borrower Loan Agreement.

“Default” means an event or condition which is, or which after giving notice or lapse of time or both would be, an Event of Default.

“Default Interest” means interest payable at the Default Rate.

“Default Rate” means a rate per annum equal to ten percent (10%) per annum; provided that such rate shall in no event exceed the maximum rate allowed by law.

“Determination of Taxability” means a determination that the interest accrued or paid on the Tax-Exempt Governmental Note is included in gross income of the Noteowners or former Noteowners for federal income tax purposes, which determination shall be deemed to have been made upon the occurrence of the first to occur of the following:

(i) the day on which the Borrower, the Governmental Lender, the Funding Lender or any Noteowner is advised in writing by the Commissioner or any District Director of the Internal Revenue Service that the interest on the Tax-Exempt Governmental Note is included in the gross income of any Noteowner or former Noteowner thereof for federal income tax purposes;

(ii) the day on which the Borrower receives notice from the Funding Lender in writing that the Funding Lender has received (1) a notice in writing by any Noteowner or former Noteowner that the Internal Revenue Service has issued a statutory notice of deficiency or similar notice to such Noteowner or former Noteowner that asserts in effect that the interest on the Tax-Exempt Governmental Note received by such Noteowner or former Noteowner is included in the gross income of such Noteowner or former Noteowner for federal income tax purposes, or (2) an Approving Opinion of Tax Counsel that concludes in effect that the interest on the Tax-Exempt Governmental Note is included in the gross income of any Noteowner or former Noteowner thereof for federal income tax purposes;

(iii) the day on which the Borrower, the Governmental Lender, the Funding Lender or any Noteowner is advised in writing by the Commissioner or any District Director of the Internal Revenue Service that there has been issued a public or private ruling of the Internal Revenue Service or a technical advice memorandum issued by the national office of the Internal Revenue Service that the interest on the Tax-Exempt Governmental Note is included in the gross income of any Noteowner or former Noteowner thereof for federal income tax purposes; or

(iv) the day on which the Borrower, the Governmental Lender, the Funding Lender or any Noteowner is advised in writing by Counsel that a final determination, from which no further right of appeal exists, has been made by a court of competent jurisdiction in the United States of America in a proceeding with respect to which the Borrower has been given written notice and an opportunity to participate and defend that the interest on the Tax-Exempt Governmental Note is included in the gross income of any Noteowner or former Noteowner thereof for federal income tax purposes;

provided, however, no Determination of Taxability shall occur to the extent that the interest on the Tax-Exempt Governmental Note is included in the gross income of any Noteowner or former Noteowner for federal income tax purposes solely because the Tax-Exempt Governmental Note was held by a Person who is a Substantial User or a Related Person.

“Developer” means Dominium, a [Texas limited liability company].

“Developer Fee Pledge” means the Developer Limited Guaranty, Pledge and Security Agreement dated as of the date hereof, from the Developer in favor of the Funding Lender.

“Development Agreement” means that certain [Development Services Agreement] dated [as of the date hereof], between the Borrower and the Developer.

“Development Budget” means the budget for the implementation and completion of the acquisition, renovation, improvement and equipping of the Project, initially as attached to the Borrower Loan Agreement as Schedule 4, together with any modifications or amendments thereto made in accordance with the Borrower Loan Agreement and with the prior written consent of the Funding Lender, if required.

“Effective Gross Revenues” of the Borrower means, for the three (3) month period prior to the determination of Stabilized NOI, the annualized aggregate revenues during such period generated from all tenants and others occupying or having a right to occupy or use the Project or any portion thereof pursuant to leases, including (at the Servicer’s reasonable discretion, taking into account whether such income is recurring and is appropriate for a stabilized property), vending machine income, cable TV revenues, laundry service and parking income, as adjusted in the Servicer’s judgment for factors including but not limited to: (i) seasonal fluctuation in the rental rate in the market in which the Project are located; (ii) evidence of rent deterioration; (iii) concessions, reductions, inducements or forbearances (such as any cash reduction in monthly rent during the term of a lease, any free rent before, during or after the term of a lease, any rent coupons, gift certificates and tangible goods or any other form of rent reduction or forbearance); (iv) economic vacancy at the higher of: (1) [TBD] percent ([TBD]%), or (2) actual economic vacancy based on the annualized vacancies of the Project; (v) 30-day or more delinquencies; (vi) low-income restrictions required by any applicable federal, state or local subsidy program, or any restrictive covenant or regulatory agreement; and (vii) other applicable adjustments as reasonably determined by the Servicer; Effective Gross Revenues shall exclude revenues from Section 8 vouchers to the extent such revenues cause the rent on any unit to exceed the maximum allowable tax credit rent designated for such unit.

“Electronic Means” means an email or facsimile transmission, or any other electronic means of communication approved in writing by an authorized representative of the Governmental Lender Representative and an Authorized Person of the Borrower (and if to the Fiscal Agent as approved by the Fiscal Agent); provided, that if a sender receives notice that the email or facsimile transmission is undeliverable, notice must be sent as otherwise required by Section 9.4 hereof.

“Engineering Consultant” means [ENGINEERING CONSULTANT’S NAME] or any other engineer licensed to practice in the State and chosen by the Funding Lender or the Servicer.

“Environmental Audit” means the written Phase I Environmental Site Assessment for the Project prepared by [ENGINEERING CONSULTANT’S/ ENGINEERING FIRM’S NAME], dated [DATE].

“Environmental Completion Conditions” shall mean [TBD].

“Environmental Indemnity” means the Environmental Indemnity Agreement dated as of the date hereof, by the Borrower and the Guarantor in favor of the Funding Lender.

“Environmental Laws” means all Legal Requirements governing or relating to the protection of the environment, natural resources or human health concerning (i) Contamination, (ii) activities at any of the Project, (iii) repairs or renovation of any Improvements, (iv) handling of any materials at any of the Project, (v) releases into or upon the air, soil, surface water or ground water from any of the Project, and (vi) storage, distribution, use, treatment, transport or disposal of any waste at or connected with any activity at any of the Project, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 42 U.S.C. §§ 9601 et seq., as amended from time to time; the Hazardous Materials Transportation Act 49 U.S.C. §§ 5101 et seq., as amended from time to time; the Resource Conservation and Recovery Act 42 U.S.C. §§ 6901 et seq., as amended from time to time; the Federal Water Pollution Control Act 33 U.S.C. §§ 1251 et seq., as amended from time to time; and comparable State statutes.

“Environmentally Sensitive Area” means (i) a wetland or other “water of the United States” for purposes of Section 404 of the federal Clean Water Act or any similar area regulated under any State or local Legal Requirements, (ii) any other natural resources, (iii) a floodplain or other flood hazard area as defined pursuant to any applicable state Legal Requirements, (iv) a portion of the coastal zone for purposes of the federal Coastal Zone Management Act, or (v) any other area development of which is specifically restricted under applicable Legal Requirements by reason of its physical characteristics or prior use.

“EPA” shall have the meaning ascribed to such term in Section 6.14(c) of the Borrower Loan Agreement.

“Equity Account” means the account of that name within the Project Fund created pursuant to Section 4.2 hereof.

“ERISA” shall have the meaning ascribed to such term in Section 5.11 of the Borrower Loan Agreement.

“ERISA Affiliate” shall have the meaning ascribed to such term in Section 5.11 of the Borrower Loan Agreement.

“Event of Default” means, with respect to this Funding Loan Agreement, any of the events specified in Section 5.1 hereof, or with respect to the Borrower Loan Agreement, any of the events specified in Section 7.1 thereof.

“Expenses” means the aggregate annualized operating expenses (including replacement reserves) of the Project as reasonably determined by the Servicer. In determining Expenses, the Servicer will take into account: (i) for purposes of Stabilization, the actual amount of aggregate annualized Expenses for the three (3) month period prior to the determination of Stabilized NOI, provided that such actual expenses reflect normalized/stabilized operations as reasonably determined by the Servicer; and (ii) the annual Expenses that the Servicer used in the original underwriting of the Project as set forth on Schedule 11 of the Borrower Loan Agreement. Any expense adjustment as reasonably determined by the Servicer may result in a line item which may be more or less than the actual annual expense for that line item for the period covered by the financial statements submitted by the Borrower to the Servicer.

“Favorable Opinion of Tax Counsel” means an opinion of Tax Counsel, addressed to the Governmental Lender and the Funding Lender, with a copy to the Servicer, to the effect that a proposed action, event or circumstance (i) does not affect the exclusion from gross income of interest on the Tax-Exempt Governmental Note for federal income tax purposes, and (ii) does not affect the treatment of interest on the Tax-Exempt Governmental Note as not being an item of tax preference for purposes of the federal alternative minimum tax, which opinion may be subject to customary assumptions and exclusions.

“Final Completion” means, with respect to the Project, that each of the following conditions has been satisfied:

- (i) the Funding Lender and the Servicer shall have received a copy of the final Plans and Specifications containing all Change Orders and there shall have been no Material Change Orders other than Material Change Orders approved by the Funding Lender;
- (ii) the Borrower shall have obtained the Governmental Actions, if any, required by the Legal Requirements and all Governmental Authorities associated with the Project, including use and occupancy permits (if any are required), and shall have furnished true copies of all such Governmental Actions to the Funding Lender and the Servicer. Temporary certificates of

occupancy, as opposed to final certificates of occupancy or their equivalent, shall be acceptable provided (A) that the Punchlist Items do not have a total cost to complete exceeding two percent (2%) of the contract price of the Work, nor an estimated time to complete, as reasonably determined by the Engineering Consultant, exceeding forty-five (45) days (except for items such as landscaping, the completion of which is subject to seasonal conditions), (B) such Punchlist Items do not substantially interfere with or prevent the use and occupancy of the Project, (C) such Punchlist Items do not include major appliances or materially affect the systems (including plumbing, electrical, HVAC, mechanical, roofing and sprinklers) serving the Project or major structural components of the Project, and (D) adequate reserves, in amounts equal to 110% of the cost of completion of such items as estimated by the Architect and approved by the Engineering Consultant (or 125%, with respect to the items described in subsection (A) as being subject to seasonal conditions) have been deposited into the Equity Account;

(iii) as to all such Governmental Actions, no appeal or other action or proceeding challenging any such Governmental Actions shall have been filed or, if filed and decided, there shall have been no appeal (or further appeal) taken and all other statutory appeal periods must have expired, and there shall be no claim, litigation or governmental proceeding pending against the Borrower or the Project challenging the validity or the issuance of any zoning, subdivision or other land use ordinance, variance, permit or approval, or any Governmental Action of the kind described in this subparagraph (iii); in addition, as to all of such permits, approvals and certificates having statutory, regulatory or otherwise expressly specified and determinable appeal periods, such periods, if any, must have expired without an appeal having been taken (or any such appeal shall have been denied or shall have affirmed the granting of such Governmental Action);

(iv) the Funding Lender and the Servicer shall have received from the Architect, and the Engineering Consultant shall have approved, a certificate of the Architect in the form customary for projects of the scope of the Work for the Project with respect to completion of the Work at the Project;

(v) all Work set forth in the Plans and Specifications for the Project shall have been incorporated into the Improvements at the Project;

(vi) except for Permitted Encumbrances and Impositions not then due and payable, the Project shall be free of any and all private or governmental charges, claims or Liens (filed or not) of any nature, excepting only the liens and security interests in favor of the Funding Lender or the Fiscal Agent, as applicable, and any other encumbrances approved by the Funding Lender in writing;

(vii) with respect to all contractors and subcontractors and materialmen (for contracts less than \$50,000, only as required by the Title Company; provided that the Title Company insures over any mechanics' and materialmen's liens arising from such excepted contractors, subcontractors or materialmen), either (i) the Borrower shall have obtained an unconditional waiver and release upon final payment of mechanics' and materialmen's liens if there are no Punchlist Items, or (ii) if there are Punchlist Items, the Borrower shall have obtained an unconditional waiver and release upon progress payment of mechanics' and materialmen's liens for all of the Improvements at the Project except for the Punchlist Items, and true copies thereof have been delivered to the Funding Lender and the Servicer;

(viii) [Reserved];

(ix) if construction work resulted in new structures or the expansion of foot prints of the existing structures, the Funding Lender shall have received an as-built ALTA/ACSM Urban Class Survey certified to the Funding Lender and the Servicer;

(x) and an endorsement down dating the Title Policy insuring the Mortgage as a first lien, subject to Permitted Encumbrances; and

(x) the Borrower has, in form and substance acceptable to the Servicer, completed the Environmental Completion Conditions, if any.

“Financing Statements” means any and all financing statements (including amendments and continuation statements) or other instruments filed or recorded to perfect the Security Interest created in this Funding Loan Agreement.

“First Interest Payment Date” shall have the meaning set forth in the Borrower Note.

“First Principal Payment Date” shall have the meaning set forth in the Borrower Note

“Fiscal Agent” shall have the meaning given to such term in the first paragraph of this Funding Loan Agreement.

“Fiscal Agent Fee” shall mean the ongoing compensation and expenses payable to the Fiscal Agent as follows:

(a) an acceptance fee of \$2,000 and the annual administration fees of the Fiscal Agent, for the ordinary services of the Fiscal Agent rendered under this Funding Loan Agreement during each twelve month period and shall be equal to an annual minimum fee of \$4,500, payable annually in advance on the Closing Date and thereafter on each [November 1, commencing November 1, 2023] until the Governmental Lender Note is paid in full;

(b) the reasonable fees and charges of the Fiscal Agent for necessary extraordinary services rendered by it and/or reimbursement for extraordinary expenses incurred by it under this Funding Loan Agreement as and when the same become due, including reasonable fees and expenses of legal counsel and internal default administrators (including fees prior to litigation, at trial or for appellate proceedings); provided, however, that the Fiscal Agent shall not be required to undertake any such extraordinary services unless provision for payment of extraordinary expenses satisfactory to the Fiscal Agent shall have been made; and

(c) for purposes of the Borrower Loan Agreement, indemnification of the Fiscal Agent by the Borrower as more particularly set forth in the Borrower Loan Agreement..

“Fiscal Year” means the annual accounting year of the Borrower, which currently begins on [January 1] of each calendar year.

“Fitch” means Fitch Ratings, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Funding Lender, by notice to the Servicer, the Borrower and the Governmental Lender.

“Fixed Rate” has the meaning set forth in the Borrower Note.

“Force Majeure” means any acts of God, strikes, walkouts or other labor disputes, riots, civil strife, war, a declared pandemic, or similar designation, impacting the ability to construct the Project, acts of a public enemy, lightning, fires, explosions, storms or floods or shortages of labor or materials or other causes of a like nature beyond the control of the Borrower; provided, however, that the unavailability of sources of financing, the insufficiency of funds, the loss of a tenant or changes in market conditions shall not constitute Force Majeure.

“Funding Lender” shall have the meaning given to such term in the first paragraph of this Funding Loan Agreement; provided, however, for purposes of this Funding Loan Agreement and the other Funding Loan Documents, all references herein and therein to the Funding Lender shall mean Deutsche Bank Securities Inc., as lender of the tax-exempt portion of the Funding Loan and the initial owner of the Tax-Exempt Governmental Note.

“Funding Loan” shall have the meaning given to such term in the first paragraph of this Funding Loan Agreement.

“Funding Loan Agreement” shall have the meaning given to such term in the first paragraph hereof.

“Funding Loan Documents” means, collectively, the Governmental Note, this Funding Loan Agreement, the Borrower Loan Agreement, the Borrower Note, the Regulatory and Land Use Restriction Agreement, the Tax Certificate, the Mortgage, the Environmental Indemnity, the Assignment of Management Agreement and Consent, the Governmental Lender Assignment, [the Assignment of HAP Contract], the Ground Lease, the Replacement Reserve Agreement, the Assignment of Project Documents, the General Partner Pledge, the Developer Fee Pledge, the Assignment of Capital Contributions, the Subordination Agreement, [the Assignment of HAP Contract], the Guaranty of Recourse Obligations, the Guaranty of Debt Service and Stabilization and the Guaranty of Completion, and all other agreements or instruments relating to, or executed in connection with the execution and delivery of the Governmental Note and the Borrower Note, including all modifications, amendments or supplements thereto.

“Funding Loan Fund” means the fund of that name created pursuant to Section 4.2 hereof.

“Funding Loan Proceeds Account” means the account of that name within the Project Fund created pursuant to Section 4.2 hereof.

“GAAP” means generally accepted accounting principles in effect in the United States from time to time, consistently applied.

“General Partner” means OTM Woodway Square GP, LLC, a Texas limited liability company authorized to conduct its business in the State, the general partner of the Borrower, together with its successors and assigns, as permitted by the Funding Lender and the restrictions described in the definition of “Permitted Transfer” herein.

“General Partner Pledge” means the Limited Guaranty, Pledge of Partnership Interests and Security Agreement dated as of the date hereof, by the General Partner in favor of the Funding Lender.

“Governmental Action” means all permits, authorizations, registrations, consents, certifications, approvals, waivers, exceptions, variances, claims, orders, judgments and decrees, licenses, exemptions, publications, filings, and notices to and declarations of or with any Governmental Authority and shall include all permits and licenses required to renovate, use, operate and maintain any of the Project.

“Governmental Authority” means any federal, state, or local governmental or quasi - governmental subdivision, authority, or other instrumentality thereof and any entity asserting or exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and having jurisdiction over the Borrower and/or the Project.

“Governmental Lender” shall have the meaning set forth in the first paragraph of this Funding Loan Agreement.

“Governmental Lender Assignment” means that certain Assignment of Mortgage Documents dated as of the date hereof, from the Governmental Lender in favor of the Fiscal Agent, for the benefit of the Funding Lender, and acknowledged by the Borrower, as the same may be amended, modified or supplemented from time to time.

“Governmental Lender Fee” shall mean (i) the Governmental Lender’s issuance fee in the amount of .50% of the original principal amount of the Governmental Lender Notes, payable by the Fiscal Agent to the Governmental Lender on or before the Closing Date from amounts in the Closing Costs Fund, or otherwise by the Borrower, and (ii) the annual fee of the Governmental Lender equal to greatest of (x) \$1,200 or (y) \$12 per Project rental unit or (z) .03% of the principal balance of the Governmental Lender Notes outstanding. The annual fee shall be paid in advance, initially at closing for the two years ending 2025, and thereafter on [November] 1 of each year until the Governmental Lender Notes are no longer outstanding (but not before 15 years after the commencement of the Qualified Project Period).

“Governmental Note” shall have the meaning given to such term in the recitals to this Funding Loan Agreement.

“Government Obligations” means (i) noncallable, nonredeemable direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged, and (ii) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the full and timely payment of the principal of, premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (i) or (ii) issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par at the option of anyone other than the holder thereof.

“Ground Lease” means that certain ground lease dated as of _____, 2023 between the Borrower and _____, pursuant to which the Borrower holds a leasehold interest in the real property upon which the Project is situated, as the same may be amended, modified or supplemented from time to time.

“Gross Proceeds” means any proceeds, as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds, as defined in Section 1.148-1(c) of the Regulations, of the Tax-Exempt Governmental Note.

“Guarantor” means, collectively, jointly and severally, Dominion Holdings I, LLC (Recourse Guarantor), and Dominion Holdings II, LLC (Non-Recourse Guarantor), a Texas, a limited liability company together with its/their respective heirs, executors, personal and legal representatives and permitted successors and assigns.

“Guaranty of Completion” means the Guaranty of Completion dated as of the date hereof, made by the Guarantor in favor of the Funding Lender.

“Guaranty of Debt Service and Stabilization” means the Guaranty of Debt Service and Stabilization dated as of the date hereof, made by the Guarantor in favor of the Funding Lender.

“Guaranty of Recourse Obligations” means the Guaranty of Recourse Obligations dated as of the date hereof, made by the Guarantor in favor of the Funding Lender.

“HAP Contract” means the Housing Assistance Payments Contract # _____, between HUD and the Borrower, providing for housing assistance payments to be made to the Borrower.]

“Hazardous Substances” means any petroleum or petroleum products and their by-products, flammable explosives, radioactive materials, toxic chemicals and substances, radon, asbestos in any form that is or could become friable, urea formaldehyde foam insulation and polychlorinated biphenyls (PCB), asbestos-containing materials (ACMs), lead-containing or lead-based paint (LBP), Mold, medical waste and other bio-hazardous materials and any chemicals, pollutants, materials or substances defined as or included in the definition of “hazardous substances” as defined pursuant to the federal Comprehensive Environmental Response, Compensation and Liability Act, “regulated substances” within the meaning of subtitle I of the federal Resource Conservation and Recovery Act and words of similar import under applicable Environmental Laws. Hazardous Substances shall not include items which are products that are commonly used consumer household items.

“HUD” means the United States Department of Housing and Urban Development.]

“Impositions” means, with respect to the Project, all taxes including, without limitation, all real and personal property taxes, water charges and sewer rents, any special assessments, charges or claims and any other item which at any time may be or become a lien upon the Project.

“Improvements” means all buildings and other improvements included in the Project.

“Indebtedness” means, collectively, and includes all present and future indebtedness, liabilities and obligations of any kind or nature whatsoever of the Borrower to the Governmental Lender, the Servicer, the Funding Lender, the Fiscal Agent or to the Noteowners from time to time, now existing and hereafter arising, under or in connection with this Funding Loan Agreement or any of the other Funding Loan Documents [or any of the Subordinate Debt Documents], including future advances, principal, interest, indemnities, other fees, late charges, enforcement costs and other costs and expenses whether direct or contingent, matured or unmatured and all other obligations of the Borrower to the Servicer, the Funding Lender, the Governmental Lender, the Fiscal Agent or the Noteowners from time to time of the Governmental Note.

“Indemnified Parties” shall have the meaning given to such term in Section 2.5 of the Borrower Loan Agreement.

“Insurance and Condemnation Proceeds Account” means the account within the Project Fund created pursuant to Section 4.2 hereof.

“Insurance Proceeds” means the total proceeds of insurance actually paid or payable by an insurance company in respect of the required insurance on the Project, less the actual costs incurred, including attorneys’ fees, in the collection of such proceeds.

“Investor Letter” means that certain Investor Letter, substantially in the form attached hereto as **Exhibit B**.

“Lease” shall have the meaning assigned to such term in the Mortgage.

“Legal Requirements” means all statutes, codes, laws, ordinances, regulations, rules, policies, or other federal, state, local and municipal requirements of any Governmental Authority whether now or hereafter enacted or adopted, and all judgments, decrees, injunctions, writs, orders or like action of an arbitrator or a court or other Governmental Authority of competent jurisdiction (including those pertaining to health, safety or the environment).

“Lien” means any lien, mortgage, security interest, tax lien, pledge, encumbrance, title exception, conditional sale or title retention arrangement, or any other interest in property designed to secure the repayment of indebtedness, whether arising by agreement or under any statute or law, or otherwise.

“Loan Payment Date” shall have the meaning set forth in the Borrower Note.

“Major Contract” shall mean any subcontract for labor or materials, or both, in connection with the Improvements which is for an aggregate contract price equal to or greater than \$250,000, whether pursuant to one contract or agreement or multiple contracts or agreements, after taking into account all change orders.

“Management Agreement” shall have the meaning ascribed to such term in Section 6.19 of the Borrower Loan Agreement.

“Manager” means Dominion Texas Management Services, LLC, a Texas limited liability company, together with any successor manager of the Project approved by the Funding Lender and their respective successors and assigns.

“Material Change Order” means, with respect to the Project, a Change Order which (i) would result in an increase or decrease of \$50,000 in the aggregate contract price of the Work to be performed on the Project; (ii) when aggregated with other Change Orders previously effected, would result in an increase or decrease in excess of \$250,000 in the aggregate contract price for the Work to be performed on the Project; (iii) would reduce the number of apartment units in the Project; (iv) would materially reduce the aggregate useable square footage of the apartment units or the parking areas in the Project; (v) would change the number of one, two and three bedroom apartments in the Project; (vi) would alter the scope of the recreational facilities or ancillary facilities of the Project; (vii) would alter the number of apartment units in the Project designated for occupancy by low and moderate income tenants; (viii) makes a substitution for any material or product that is of lesser quality, in the Funding Lender’s determination, than that specified in the Plans and Specifications relating to the Project; or (ix) would materially adversely impair the value of the Project once the Work is completed.

“Material Contract” means each indenture, mortgage, agreement or other written instrument or contract to which the Borrower is a party or by which any of its assets are bound (including, without limitation, any employment or executive compensation agreement, collective bargaining agreement, agreement relating to an Obligation, agreement for the acquisition, renovation, repair or disposition of real or personal property, agreement for the purchasing or furnishing of services, operating lease, joint venture agreement, agreement relating to the acquisition or disposition of an Affiliate or agreement of merger or consolidation) which (i) evidences, secures or governs any outstanding obligation of the Borrower of \$100,000 or more per annum, or (ii) if canceled, breached or not renewed by any party thereto, would have a material adverse effect on the business operations, assets, condition (financial or otherwise) or prospects of the Borrower.

“Maturity Date” shall have the meaning set forth in the Borrower Note.

“Minimum Beneficial Ownership Amount” means an amount of no less than ten percent (10%) of the outstanding principal amount of the Funding Loan.

“Moisture Management Program” shall have the meaning ascribed to such term in Section 6.14(e) of the Borrower Loan Agreement.

“Mold” shall have the meaning ascribed to such term in Section 6.14(e) of the Borrower Loan Agreement.

“Monthly Tax and Insurance Amount” means, after the Stabilization Date, an amount equal to the sum of (i) one-twelfth (1/12th) of the annual Impositions, if any, plus (ii) one-twelfth (1/12th) of the annual insurance premiums for the insurance coverages for the Project required by Section 6.4 of the Borrower Loan Agreement, as any such amounts may be increased if the Funding Lender or the Servicer determines that funds in the Tax and Insurance Escrow Fund will be insufficient to pay Impositions and insurance premiums when due.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Funding Lender, by notice to the Servicer, the Borrower and the Governmental Lender.

“Mortgage” shall have the meaning given to such term in the recitals to this Funding Loan Agreement.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Nonpurpose Investment” means any investment property (as defined in Section 148(b) of the Code) that is acquired with the Gross Proceeds of the Tax-Exempt Governmental Note and which is not acquired to carry out the governmental purpose of the Tax-Exempt Governmental Note.

“Noteowner” or **“owner of the Governmental Note”** means the owner, or as applicable, collectively the owners, of the Governmental Note as shown on the registration books maintained by the Fiscal Agent pursuant to Section 2.6(e) of this Funding Loan Agreement.

“Obligations” means any and all obligations of the Borrower for the payment of money including without limitation any and all (i) obligations for money borrowed, (ii) the Indebtedness and all other obligations evidenced by bonds, debentures, notes, guaranties or other similar instruments, (iii) construction contracts, installment sale agreements and other purchase money obligations in connection with the performance of work, sale of property or rendering of services, (iv) leases evidencing the acquisition of capital assets, (v) obligations under the Ground Lease, (vi) reimbursement obligations in connection with letters of credit and other credit enhancement facilities, (vii) obligations for unfunded pension liabilities, (viii) guaranties of any such obligation of a third party, and (ix) any such obligations of third parties secured by assets of the Borrower; but excluding obligations under contracts for supplies, services and pensions allocable to current Expenses during the current or future Fiscal Years in which the supplies are to be delivered, the services rendered or the pension paid.

“OFAC Violation” shall have the meanings ascribed to such term in Section 6.23 of the Borrower Loan Agreement.

“Official Intent Date” means May 6, 2021.

“Operating Reserve Fund” means the fund of that name created pursuant to Section 4.2 hereof.

“Operating Reserve Fund Requirement” means \$[_____].

“Par Call Date” shall have the meaning set forth in the Borrower Note.

“Partnership [Operating] Agreement” means the [Amended and Restated] Agreement of Limited Partnership [Operating Agreement] of the Borrower dated as of [DATE], as the same may be amended, modified or supplemented from time to time.

“Payment and Performance Bonds” shall mean dual-obligee payment and performance bonds (or a letter of credit in lieu of such bonds) relating to the Contractor (or, if required by the Servicer, each contractor that enters into a Major Contract with the Borrower), issued by a surety company or companies authorized to do business in the State and acceptable to Servicer, and in form and content reasonably acceptable to Servicer, in each case in an amount not less than the full contract price; together with a dual obligee and modification rider naming the Funding Lender and the Servicer and in the form and substance acceptable to the Servicer which shall be attached thereto.

“PBGC” shall have the meaning ascribed to such term in Section 5.11 of the Borrower Loan Agreement.

“Permitted Encumbrances” means only:

- (i) the Regulatory and Land Use Restriction Agreement;
- (ii) the Mortgage;
- (iii) the Ground Lease;
- (iv) documents evidencing liens securing the Subordinate Debt, including the Subordination Agreement;
- (v) Impositions not yet due and payable or being contested in good faith and by appropriate proceedings promptly initiated and diligently conducted if such proceedings do not in the opinion of the Funding Lender involve the risk of the sale, forfeiture or loss of the property subject to such lien or interfere with the operation of the Project, and provided that the Borrower shall have established a reserve or made other appropriate provision, if any, as shall be required by the Funding Lender, and any foreclosure, distraint, sale or other similar proceedings shall have been effectively stayed;
- (vi) statutory liens of landlords and liens of carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due or being contested by appropriate proceedings promptly initiated and diligently conducted if (1) such proceedings do not in the opinion of the Funding Lender involve the risk of the sale, forfeiture or loss of the property subject to such lien or interfere with the operation of the Project, and provided (2) such liens have been bonded or the Borrower shall have established a reserve or made other appropriate provision, if any, as shall be required by the Funding Lender; and

(vii) the exceptions listed in the Title Policy and any other matters affecting title which are approved in writing by the Funding Lender.

“Permitted Investments” means any one or more of the following investments, if and to the extent the same are then legal investments under the applicable laws of the State for moneys proposed to be invested therein:

- (i) Government Obligations;
- (ii) Bonds or other obligations, the payment of the principal and interest of which is unconditionally guaranteed by the United States;
- (iii) Direct obligations issued by the United States or obligations guaranteed in full as to principal and interest by the United States or repurchase agreements with a qualified depository bank or securities dealers fully collateralized by such obligations, maturing on or before the date when such funds will be required for disbursement;
- (iv) Obligations of state and local government and municipal bond issuers, which are rated investment-grade by either S&P or Moody’s or other non-rated obligations of such issuers guaranteed or credit enhanced by a Person whose long-term debt or long-term deposits or other obligations are rated investment-grade by either S&P or Moody’s;
- (v) Prime commercial paper rated either “A-1” by S&P or “P-1” by Moody’s and, if rated by both, not less than “A-1” by S&P and “P-1” by Moody’s;
- (vi) Bankers’ acceptances drawn on and accepted by commercial banks (including the Fiscal Agent or any of its Affiliates);
- (vii) Money market funds registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, and having a rating by S&P of AAAm-G; AAA-m; or AA-m and if rated by Moody’s rated Aaa, Aa1 or Aa2;
- (viii) Repurchase agreements or collateralized investment agreements with respect to and secured by obligations listed below, which agreements may be entered into, with the prior written consent of the Funding Lender, with a bank, trust company, insurance company, financial services firm or broker dealer which is a member of the Securities Investors Protection Corporation; repurchase securities or collateral shall consist of any Government Obligation or bond, debenture, note, participation certificate or other obligations issued by a government sponsored agency (such as the Federal National Mortgage Association, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation or the Federal Farm Credit Bank); and
- (ix) Such other investments selected by the Borrower as may be authorized by applicable law and consented to by the Funding Lender, provided that the Fiscal Agent may require as a condition to the investment of funds under this clause (ix) there having first been delivered to the Fiscal Agent an opinion from Tax Counsel to the effect that investment is permitted under any applicable laws of the State.

The Fiscal Agent is not obligated to verify whether an investment is a legal investment under the applicable laws of the State.

“Permitted Transfer” means (i) a transfer by devise or descent or by operation of law upon the death of a direct or indirect owner in the Borrower, so long as such transfer does not result in a change of management or control of the affected entity, (ii) the transfer of a direct or indirect ownership interest in the General Partner for estate planning purposes, so long as such transfer does not result in a change of management or control of the General Partner, (iii) a transfer of partnership interests in the Borrower to the Tax Credit Investor [and/or the Special Limited Partner], (iv) a transfer of the [limited partner][non-managing membership] interests of the Tax Credit Investor [and/or the Special Limited Partner] in the Borrower to an Affiliate of such Tax Credit Investor [and/or Special Limited Partner], [(v) a transfer from the Class B Limited Partner of its limited partner interest to any Affiliates of the Class B Limited Partner,] (vi) a transfer of the limited partner interests of the Tax Credit Investor [and/or the Special Limited Partner] in the Borrower to non-affiliates of such Tax Credit Investor [and/or the Special Limited Partner] (including the Borrower or any Affiliates of the Borrower) with the prior written consent of the Funding Lender, (vii) a transfer of any shares or ownership interests in the Tax Credit Investor [and/or the Special Limited Partner] (a) after the contributions by the owners of the Tax Credit Investor [and/or the Special Limited Partner] of all installments of capital contributions required to be made by the [Partnership Agreement] have been made to Borrower, with the prior written consent of the Funding Lender, which shall not be unreasonably withheld or delayed or (b) provided that after such transfer, the Tax Credit Investor [and the Special Limited Partner, as applicable], are controlled (directly or indirectly) by [PARENT ENTITY/MANAGER OF TAX CREDIT INVESTOR AND/OR THE SPECIAL LIMITED PARTNER (AS APPLICABLE)] (which transfer shall not require the prior written consent of the Funding Lender so long as written notice of such transfer is delivered to the Funding Lender and the Servicer), (viii) transfers of any interests in the General Partner so long as the Guarantor, or one or more members of the Guarantor, controls the Borrower after such transfer occurs, (ix) the removal or replacement of the General Partner and/or the [Special/Class B] Limited Partner pursuant to the Partnership [Operating] Agreement, (x) after the payment in full of all capital contributions under the Partnership [Operating] Agreement, any other transfer, assignment, pledge, hypothecation or conveyance of [limited partner][non-managing membership] interests in, or change in the [limited partners][non-managing members] of, the Borrower (and the owners of such limited partners) not described above, in accordance with the terms of the Partnership [Operating] Agreement and, in the case of the [Special/Class B] Limited Partner, only upon the withdrawal or removal of the General Partner in accordance with the Partnership [Operating] Agreement, or (x) the extension, amendment or replacement of commercial leases approved by the Funding Lender.

“Person” means any individual, for-profit or not-for-profit corporation, partnership, joint venture, association, limited liability company, limited liability partnership, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Plans and Specifications” means, with respect to the Project, the plans and specifications for the renovation of Improvements prepared by the Architect and more particularly identified on Schedule 5 attached to the Borrower Loan Agreement and approved by the Funding Lender, as the same may be amended, modified or supplemented as permitted under the Borrower Loan Agreement through Change Orders or otherwise.

“Pledged Revenues” shall mean the amounts pledged under this Funding Loan Agreement to the payment of the principal of, prepayment premium, if any, and interest on the Funding Loan and the Governmental Note, consisting of the following: (i) all income, revenues, proceeds and other amounts to which the Governmental Lender is entitled (other than amounts received by the Governmental Lender with respect to the Reserved Rights) derived from or in connection with the Funding Loan Documents, including all Borrower payments due under the Borrower Loan Agreement and the Borrower Note and all amounts obtained through the exercise of the remedies provided in the Funding Loan Documents and all receipts credited under the provisions of this Funding Loan Agreement against said amounts payable, and (ii)

moneys held in the funds and accounts established under this Funding Loan Agreement, together with investment earnings thereon.

“Prepayment Fund” means the fund of that name created pursuant to Section 4.2 hereof.

“Principal Payment Date” means any date on which principal is payable in respect of the Borrower Note, including (i) the first (1st) Business Day of each [January, April, July and October], commencing on the First Principal Payment Date, (ii) any other prepayment date for the Borrower Note, and (iii) the Maturity Date.

“Project” means the acres of land and the residential rental development consisting of a total of 240-units and related personal property and equipment, located at 1700 Teri Road, Austin, Texas, 78744, the acquisition, renovation, improvement and equipping of which are being financed by the proceeds of the Funding Loan.

“Project Costs” means the costs, fees, and expenses associated with the acquisition, renovation, improvement and equipping of the Project for use as affordable rental housing including but not limited to the cost of materials, appliances, equipment, and other items of tangible personal property, the fees and expenses of architects, contractors, engineers, attorneys, accountants, developers, surveyors, payment of capitalized interest, payment of certain costs and expenses incidental to the execution and delivery of the Governmental Note and payment of any other costs shown on the Development Budget.

“Project Fund” means the fund of that name created pursuant to Section 4.2 hereof.

“Property” shall have the meaning set forth in the Mortgage.

“Proposed Budget” shall have the meaning given to such term in Section 6.24 of the Borrower Loan Agreement.

“Punchlist Items” means any items necessary at the time of the issuance of a temporary use and occupancy permit to complete fully the renovation of the Project in accordance with the Plans and Specifications for the Project, or required for the issuance of a final certificate of occupancy or its equivalent.

“Qualified Project Costs” means the actual costs incurred to acquire, renovate and equip the Project which (i) are or were incurred after the Official Intent Date, (ii) are (A) chargeable to the Project’ capital account or would be so chargeable either with a proper election by the Borrower or but for a proper election by the Borrower to deduct such costs, within the meaning of Treasury Regulation Section 1.103-8(a)(1), and if charged or chargeable to the Project’ capital account are or would have been deducted only through an allowance for depreciation or (B) made for the acquisition of land, to the extent allowed in Section 147(c) of the Code, and (iii) are made exclusively with respect to a “qualified residential rental project” within the meaning of Section 142(d) of the Code.

“Qualified Project Period” shall have the meaning ascribed to such term in the Regulatory and Land Use Restriction Agreement.

“Rebate Amount” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Rebate Analyst” shall mean an independent accounting firm, law firm or financial advisory firm that is experienced in making rebate calculations and that is selected by the Borrower and is acceptable to the Governmental Lender and the Funding Lender.

“Rebate Fund” means the fund of that name created pursuant to Section 4.2 hereof.

“Rebate Report” shall have the meaning given to such term in Section 6.10(e) of the Borrower Loan Agreement.

“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, amend or replace the specific Regulation referenced.

“Regulatory Agreement Default” shall have the meaning given to such term in Section 7.9(b) of the Borrower Loan Agreement.

“Regulatory and Land Use Restriction Agreement” means the Regulatory and Land Use Restriction Agreement dated as of the date hereof, between the Governmental Lender and the Borrower, as the same may be amended, modified or supplemented from time to time.

“Related Person” with reference to any Substantial User, means a “related person” within the meaning of Section 147(a)(2) of the Code.

“Rents” shall have the meaning assigned to such term in the Mortgage.

“Replacement Reserve Agreement” means the Replacement Reserve and Security Agreement dated as of the date hereof, made by the Borrower in favor of the Funding Lender.

“Replacement Reserve Fund” means the fund of that name created pursuant to Section 4.2 hereof, into which funds will be deposited following Stabilization.

“Required Equity Funds” means \$[TBD], comprised of [TBD] equity installments to be made in accordance with the terms of the Partnership [Operating] Agreement.

“Requisition” means a requisition in the form attached to the Borrower Loan Agreement as Exhibit B, together with all invoices, bills of sale, schedules, applications for payment, certifications and other submissions required for the disbursement of the proceeds of the Governmental Note from the Project Fund pursuant to the terms of the Borrower Loan Agreement.

“Reserved Rights” means the rights of the Governmental Lender pursuant to Sections 2.5, 4.2, 6.10, 10.5 and 10.13 of the Borrower Loan Agreement and the rights of the Governmental Lender pursuant to other sections of the Borrower Loan Agreement providing that notices, reports and other statements be given to the Governmental Lender.

“Retainage” means a holdback of ten percent (10%) of the hard costs of construction of the Improvements under each contract or subcontract until the Project has been fifty percent (50%) completed, as determined by the Funding Lender, after which time Retainage shall be reduced to five percent (5.0%) of the hard costs of construction of the Improvements under each contract or subcontract.

“Sale” means the direct or indirect sale, agreement to sell, assignment, transfer, conveyance, hypothecation, lien, mortgage, grant of a security interest in or a deed to secure debt or deed of trust with respect to, encumbrance, lease, sublease or other disposition of the Project, or any part thereof or interest therein whether voluntary, involuntary, by operation of law or otherwise, other than (i) the leasing of individual residential units to tenants, (ii) the extension, amendment, renewal or replacement of commercial

leases currently in effect, and (iii) the grant of easements for utilities and similar purposes in the ordinary course provided, such easements do not impair the use of the Project or diminish the value of the Project. “Sale” shall also include the direct or indirect sale, transfer, assignment, pledge, hypothecation or conveyance of legal or beneficial ownership of (a) equity ownership interests in the Borrower, (b) a controlling interest in the aggregate, at any time or times, of the equity ownership interests in the General Partner or the [Special/Class B] Limited Partner, respectively, or (c) the substitution of a new general partner in the Borrower without the Funding Lender’s prior written consent, which it may withhold in its sole discretion; provided, however, that “Sale” shall not include a Permitted Transfer.

“**S&P**” means S&P Global Ratings, a division of S&P Global Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns and, if such company shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Funding Lender, by notice to the Servicer, the Borrower and the Governmental Lender.

“**Secondary Market Transaction**” shall have the meaning given to such term in Section 10.12(a) of the Borrower Loan Agreement.

“**Securities**” shall have the meaning given to such term in Section 10.12(a) of the Borrower Loan Agreement.

“**Security**” shall have the meaning given to such term in Section 2.1 of this Funding Loan Agreement.

“**Security Interest**” or “**Security Interests**” means the security interests created herein and shall have the meanings set forth in the U.C.C.

“**Servicer**” means any entity designated in writing by the Funding Lender to act as a Servicer hereunder, in accordance with Article VII hereof. If at any time a Servicer has not been designated by the Funding Lender, all references herein and in other Funding Loan Documents to “Servicer” shall refer to the Funding Lender. The initial Servicer is KeyBank National Association.

[“**Special Limited Partner**” means [SPECIAL LIMITED PARTNER’S NAME], a [STATE] [TYPE OF ENTITY], and its successors and assigns in such capacity pursuant to the Partnership [Operating] Agreement.]

“**Stabilization**” means the point at which (i) the Improvements have been at least ninety percent (90%) occupied by qualified tenants meeting the requirements of the Funding Loan Documents in each of the prior three (3) consecutive months; (ii) the ratio of Stabilized NOI of the prior three (3) consecutive months in the aggregate to maximum principal, interest, Governmental Lender fees and Fiscal Agent fees payable in any three (3) consecutive months (other than the month in which the Maturity Date occurs) on the amount of Borrower Note outstanding equals or exceeds [TBD] to 1.0; (iii) no Event of Default or event which, with the passage of time or the giving of notice or both, would constitute an Event of Default shall have occurred and be then continuing under the Funding Loan Documents; (iv) the Project shall have achieved Final Completion and the final complete use of proceeds and completion certificates in the form required under the Borrower Loan Agreement shall have been provided to the Funding Lender and the Servicer; (v) the Borrower shall have deposited an amount equal to the Operating Reserve Fund Requirement, or such other amount as approved by the Funding Lender, in the Operating Reserve Fund; (vi) there shall have been deposited in the Tax and Insurance Escrow Fund the amount required by Section 8.2(a) of the Borrower Loan Agreement; (vii) the Borrower shall have deposited with the Fiscal Agent such amount as is necessary to prepay the Taxable Borrower Note pursuant to Section 7(b)(vii) thereof, and (viii)

the Borrower shall have deposited with the Fiscal Agent such amount as is necessary to prepay the Tax-Exempt Borrower Note pursuant to Section 7(b)(iii) thereof, all of the foregoing (i) through (viii) as determined or approved by the Funding Lender in its sole discretion.

“Stabilization Date” means [DATE], which date may be extended in accordance with Section 9.1 of the Borrower Loan Agreement, as the same may be further extended with the prior written consent of the Funding Lender, to be granted or withheld in its sole discretion.

“Stabilized NOI” means for any period, as determined or approved by the Funding Lender, (x) Effective Gross Revenues for such period less (y) Expenses for such period.

“State” means the State of Texas.

“Subordinate Debt” means, collectively, (i) that certain loan in the amount of \$_____ from _____ to the Borrower and (ii) that certain loan in the amount of \$_____ from _____ to the Borrower, evidenced and secured by the Subordinate Debt Documents.

“Subordinate Debt Documents” means all documents evidencing or securing the Subordinate Debt or otherwise executed and delivered by the Borrower in connection therewith or as a condition of the advance of the proceeds thereof, together with a subordination agreement executed by lender of such Subordinate Debt, all in form and substance acceptable to the Funding Lender.

“Subordination Agreement” means that certain Subordination Agreement dated on or about the date hereof, among the Funding Lender, the Borrower and [SUB DEBT LENDER], as subordinate lender, as may be amended, modified or supplemented from time to time.

“Substantial User” means, with respect to any “facilities” (as the term “facilities” is used in Section 144(a) of the Code), a “substantial user” of such “facilities” within the meaning of Section 147(a) of the Code.

“Tax Counsel” means an attorney, or firm of attorneys, nationally recognized and experienced in legal work relating to the financing of facilities through the delivery of tax-exempt governmental notes, reasonably acceptable to the Funding Lender.

“Tax and Insurance Escrow Fund” means the fund of that name created pursuant to Section 4.2 hereof.

“Tax Certificate” means, [collectively, the [Name of Tax/Arbitrage Agreement] dated the Closing Date from the Governmental Lender, and the [Name of Use of Proceeds Certificate] dated the Closing Date from and the Borrower, as each] may be amended, modified or supplemented from time to time.

“Tax Credit Investor” means Key Community Development Corporation, a Massachusetts corporation, and its successors and assigns in such capacity pursuant to the Partnership Agreement of Borrower.

“Third Party Costs” means the ongoing fees of the Governmental Lender, the Fiscal Agent, the Rebate Analysts or any other third party in connection with the Governmental Note.

“Title Company” means Carol Erick, as agent for Steward Title Insurance Company, the title insurance company insuring the lien of the Mortgage on the Closing Date.

“Title Policy” means the mortgagee’s title insurance policy relating to the Project issued by the Title Company to the Funding Lender, effective on the date of recording of the Mortgage, as the same may be subsequently down-dated or endorsed from time to time, with the approval of the Funding Lender.

“U.C.C.” means the Uniform Commercial Code of the State as now in effect or hereafter amended.

“Underwritten Management Fee” means ___% of gross income received from the Project on account of rents, service fees, late charges, penalties and other charges under Leases.

“Work” means the items of construction, rehabilitation, improvement and/or equipping of the Improvements required to be performed under the Plans and Specifications for the Improvements.

“Yield” of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations, and (2) the Tax-Exempt Governmental Note has the meaning set forth in Section 1.148-4 of the Regulations.

“Yield Maintenance” shall be equal to the product obtained by multiplying:

(A) the principal amount of the Borrower Note being prepaid,

by

(B) the difference obtained by subtracting the Yield Rate (as defined below) from the Fixed Rate on the twenty-fifth (25th) Business Day preceding (i) the intended optional prepayment date, (ii) the date of any mandatory prepayment prior to the Maturity Date, or (iii) the date Funding Lender accelerates the Borrower Note,

by

(C) the present value factor calculated using the following formula:

$$\frac{1 - (1 + r)^{-n/12}}{r}$$

r

r = Yield Rate

n = the number of months remaining between (i) either of the following: (x) in the case of a voluntary prepayment, the last day of the month in which the prepayment is made, or (y) in any other case, the date on which the Funding Lender accelerates the unpaid principal balance of the Borrower Note and (ii) the Par Call Date.

For purposes of this definition, the **“Yield Rate”** means the yield calculated by interpolating the yields for the immediately shorter and longer term U.S. “Treasury constant maturities” (as reported in the Federal Reserve Statistical Release H.15 Selected Interest Rates (the **“Fed Release”**)) under the heading “U.S. government securities”) closest to the remaining term until the Par Call Date, as follows (rounded to three (3) decimal places):

a = the yield for the longer U.S. Treasury constant maturity

- b = the yield for the shorter U.S. Treasury constant maturity
- x = the term of the longer U.S. Treasury constant maturity
- y = the term of the shorter U.S. Treasury constant maturity
- z = “n” (as defined in the present value factor calculation above) divided by twelve (12).

Notwithstanding any provision to the contrary, if “z” equals a term reported under the U.S. “Treasury constant maturities” subheading in the Fed Release, the yield for such term shall be used, and interpolation shall not be necessary. If publication of the Fed Release is discontinued by the Federal Reserve Board, the Funding Lender shall determine the Yield Rate from another source selected by the Funding Lender. Any determination of the Yield Rate by the Funding Lender will be binding absent manifest error.

Section 1.2 Rules of Construction. Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Funding Loan Agreement:

- (a) All terms defined in the Borrower Loan Agreement and not defined herein shall have the meaning given to such terms in the Borrower Loan Agreement.
- (b) Words importing the singular number shall include the plural number and vice versa.
- (c) The table of contents, captions, and headings herein are for convenience of reference only and shall not constitute a part of this Funding Loan Agreement nor shall they affect its meaning, construction or effect.
- (d) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and words of the neuter gender shall be deemed and construed to include correlative words of the masculine and feminine genders.
- (e) All references in this Funding Loan Agreement to particular Articles or Sections are references to Articles or Sections of this Funding Loan Agreement, unless otherwise indicated.

ARTICLE II

SOURCE OF PAYMENTS, GENERAL TERMS AND PROVISIONS OF THE GOVERNMENTAL NOTE

Section 2.1 Security. To secure the payment of the Funding Loan and the Governmental Note, to declare the terms and conditions on which the Funding Loan and the Governmental Note are secured, and in consideration of the terms and provisions of the funding of the Funding Loan by the Funding Lender, the Governmental Lender does hereby grant, bargain, sell, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, set over and confirm to the Funding Lender (except as limited herein), a lien on and security interest in the following described property (excepting, however, in each case, the Reserved Rights) (said property, rights and privileges being herein collectively called, the “Security”):

- (a) All right, title and interest of the Governmental Lender in, to and under the Borrower Loan Agreement and the Borrower Note, including, without limitation, all rents, revenues and receipts derived by the Governmental Lender from the Borrower relating to the Project and

including, without limitation, all Pledged Revenues and all other Borrower payments derived by the Governmental Lender under and pursuant to, and subject to the provisions of, the Borrower Loan Agreement; provided that the pledge and assignment made under this Funding Loan Agreement shall not impair or diminish the obligations of the Governmental Lender under the provisions of the Borrower Loan Agreement;

(b) All right, title and interest of the Governmental Lender in, to and under, together with all rights, remedies, privileges and options pertaining to, the Funding Loan Documents, and all other payments, revenues and receipts derived by the Governmental Lender under and pursuant to, and subject to the provisions of, the Funding Loan Documents;

(c) Any and all moneys and investments from time to time on deposit in, or forming a part of, all funds and accounts created and held by the Fiscal Agent under this Funding Loan Agreement (other than the Rebate Fund and the Closing Costs Fund), subject to the provisions of this Funding Loan Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein; and

(d) Any and all other real or personal property of every kind and nature or description, which may from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien of this Funding Loan Agreement as additional security by the Governmental Lender or anyone on its part or with its consent, or which pursuant to any of the provisions hereof or of the Borrower Loan Agreement may come into the possession or control of the Fiscal Agent or the Funding Lender or a receiver appointed pursuant to this Funding Loan Agreement; and the Fiscal Agent or the Funding Lender is hereby authorized to receive any and all such property as and for additional security for the Funding Loan and the Governmental Note and to hold and apply all such property subject to the terms hereof.

The pledge and assignment of and the security interest granted in the Security pursuant to this Section 2.1 for the payment of the principal of, premium, if any, and interest on the Governmental Note, in accordance with its terms and provisions, and for the payment of all other amounts due hereunder, shall attach and be valid and binding from and after the time of the delivery of the Governmental Note by the Governmental Lender. The Security so pledged and then or thereafter received by the Fiscal Agent or the Funding Lender shall immediately be subject to the lien of such pledge and security interest without any physical delivery or recording thereof or further act, and the lien of such pledge and security interest shall be valid and binding and prior to the claims of any and all parties having claims of any kind in tort, contract or otherwise against the Governmental Lender irrespective of whether such parties have notice thereof.

Section 2.2 Delivery of Security. To provide security for the payment of the Funding Loan and the Governmental Note, the Governmental Lender has pledged and assigned its right, title and interest in the Security to the Funding Lender. In connection with such pledge, assignment, transfer and conveyance, the Governmental Lender shall deliver to the Funding Lender or the Fiscal Agent, as applicable, the following documents or instruments promptly following their execution and, to the extent applicable, their recording or filing:

(a) The Borrower Note endorsed without recourse to the Fiscal Agent by the Governmental Lender;

(b) The originally executed Borrower Loan Agreement and Regulatory and Land Use Restriction Agreement;

(c) The originally executed Mortgage and all other Funding Loan Documents existing at the time of delivery of the Borrower Note and an assignment for security of the Mortgage from the Governmental Lender to the Fiscal Agent, in recordable form;

(d) Uniform Commercial Code financing statements or other chattel security documents giving notice of the Funding Lender's status as an assignee of the Governmental Lender's security interest in any personal property forming part of the Project, in form suitable for filing; and

(e) Uniform Commercial Code financing statements giving notice of the pledge by the Governmental Lender of the Security pledged under this Funding Loan Agreement.

The Governmental Lender shall, at the expense of the Borrower, deliver and deposit with the Funding Lender such additional documents, financing statements, and instruments as the Funding Lender may reasonably require from time to time for the better perfecting and assuring to the Funding Lender of its lien and security interest in and to the Security, at the request of the Funding Lender.

Section 2.3 Source of Payment of Funding Loan and Other Obligations. The Funding Loan is a limited obligation of the Governmental Lender, payable solely from the Pledged Revenues, other funds and moneys and the Security pledged and assigned hereunder. None of the Governmental Lender, the State, or any political subdivision thereof (except the Governmental Lender, to the limited extent set forth herein) nor any public agency shall in any event be liable for the payment of the principal of, premium (if any) or interest on the Funding Loan or for the performance of any pledge, obligation or agreement of any kind whatsoever with respect thereto except as set forth herein, and none of the Funding Loan or the Governmental Note or any of the Governmental Lender's agreements or obligations with respect to the Funding Loan, the Governmental Note or hereunder, shall be construed to constitute an indebtedness of or a pledge of the faith and credit of or a loan of the credit of or a moral obligation of any of the foregoing within the meaning of any constitutional or statutory provision whatsoever. The Governmental Lender has no taxing power.

Section 2.4 Form of Governmental Lender Note. Simultaneously with the delivery of this Funding Loan Agreement, the Governmental Lender hereby agrees to execute and deliver the Governmental Lender Notes. The Governmental Lender Notes shall be substantially in the form set forth in Exhibits A attached hereto, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Funding Loan Agreement. Except for the Initial Note for the Series A Governmental Lender Note, which shall be numbered IA-1, the Series A Governmental Lender Note shall be numbered consecutively from RA-1 upwards. Except for the Initial Note for the Series B Governmental Lender Note, which shall be numbered IB-1, the Series B Governmental Lender Note shall be numbered consecutively from RB-1 upwards. In connection with Conversion, the Funding Lender shall have the right to exchange the then existing Series A Governmental Lender Note and the Series B Governmental Lender Note on or after the Conversion Date for a new Series A Governmental Lender Note with a dated date of the Conversion Date and in a stated principal amount equal to the Permanent Period Amount.

Each Initial Note, registered by the Comptroller, shall be identical to the form of each Governmental Lender Note attached as Exhibits A, except that the following paragraph will not appear in the Initial Notes:

"This Governmental Lender Note shall not be entitled to any benefit under the Funding Loan Agreement or be valid or obligatory for any purpose until the Fiscal Agent shall have executed the Certificate of Authentication appearing hereon."

and the following paragraph shall be added as the second-to-last paragraph to the Initial Notes:

"THIS GOVERNMENTAL LENDER NOTE SHALL NOT BE VALID OR BECOME OBLIGATORY for any purpose or be entitled to any benefit or security under the Funding Loan Agreement 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 Fiscal Agent, each Initial Note shall contain the following certificate:

**"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 Governmental Lender Note 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)"

The provisions of Exhibit A may be rearranged or re-ordered for purposes of the Initial Notes.

Section 2.5 Delivery of Governmental Note, Conditions to Closing.

(a) The manual or facsimile signatures of individuals who were the proper officers of the Governmental Lender at the time of execution shall bind the Governmental Lender, notwithstanding that such individuals or any of them shall have ceased to hold such offices prior to the execution and delivery of the Governmental Note or shall not have held such offices at the date of the Governmental Note.

(b) Prior to the delivery by the Funding Lender of the Governmental Note and as a condition to closing of the Funding Loan, there shall be filed with and/or delivered to the Funding Lender:

(i) All items required to be delivered under Section 2.2 above; and

(ii) A certified copy of all resolutions adopted and proceedings had by the Governmental Lender authorizing execution of this Funding Loan Agreement, the Borrower Loan Agreement and the other Funding Loan Documents to which the Governmental Lender is a party and the execution and delivery of the Governmental Note; and

(iii) An original executed counterpart of the Funding Loan Documents (and with respect to the Borrower Note, endorsed without recourse by the Governmental Lender to the Fiscal Agent); and

(iv) Copies of any Financing Statements required to be filed to perfect the security interests in the Security or under Section 3.2 of the Borrower Loan Agreement; and

(v) A copy of completed IRS Form 8038 to be filed by or on behalf of the Governmental Lender pursuant to Section 149(e) of the Code; and

(vi) An original executed counterpart of the Tax Certificate; and

(vii) An opinion of Tax Counsel or Counsel to the Governmental Lender to the effect that this Funding Loan Agreement, the Borrower Loan Agreement and any other documents executed by the Governmental Lender have been duly authorized, executed and delivered by the Governmental Lender and are legal, valid and binding agreements of the Governmental Lender; and

(viii) An opinion of Tax Counsel (or reliance letter thereon) that the Governmental Note constitutes a valid and binding special, limited obligation of the Governmental Lender, payable solely from the Pledged Revenues and other assets and Security pledged thereto under this Funding Loan Agreement, that interest on the Tax-Exempt Governmental Note will be excludable from gross income of the Noteowners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, that the Governmental Note is not required to be registered under the Securities Act of 1933, as amended, and that this Funding Loan Agreement need not be qualified under the Trust Indenture Act of 1939, as amended; and

(ix) An opinion of Counsel for the Borrower to the effect that the Funding Loan Documents to which it is a party have been duly authorized, executed and delivered by the Borrower and are legal, valid and binding agreements of the Borrower and such other opinions as are reasonably requested by the Servicer or the Funding Lender; and

(x) A pro forma title insurance policy reasonably acceptable to the Funding Lender; and

(xi) Reliance letters for, or address of the opinions to, the Servicer of each of the opinions filed with the Funding Lender; and

(xii) An opinion of the Attorney General of Texas approving the Governmental Note; and

(xiii) Such other documents as may be required by the Governmental Lender, the Funding Lender, Tax Counsel, or the Servicer.

Section 2.6 Required Transferee Representations; Participations; Sale and Assignment.

(a) The Funding Lender shall deliver to the Governmental Lender an Investor Letter in substantially the form attached hereto as **Exhibit B** on the Closing Date.

(b) The Funding Lender shall have the right to sell (i) the Governmental Note and the Funding Loan or (ii) any portion of or a participation interest in the Governmental Note and the Funding Loan, to

the extent permitted by Section 2.6(c) below, provided that such sale shall be only to Approved Transferees that execute and deliver to the Funding Lender, with a copy to the Governmental Lender and the Fiscal Agent, an Investor Letter in substantially the form attached hereto as **Exhibit B**; provided, however, that no Investor Letter shall be required to be delivered by transferees or beneficial interest holders described in clauses (iv) or (v) of the definition of “Approved Transferee.”

(c) Notwithstanding the other provisions of this Section 2.6, no beneficial ownership interest in the Governmental Note and Funding Loan shall be sold in an amount that is less than the Minimum Beneficial Ownership Amount; provided, however, that beneficial ownership interests in the Governmental Note and Funding Loan described in clause (iii) of the definition of “Approved Transferee” may be sold in any amount without regard to the Minimum Beneficial Ownership Amount.

(d) No service charge shall be made for any sale or assignment of any portion of the Governmental Note, but the Governmental Lender may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such sale or assignment. Such sums shall be paid in every instance by the Funding Lender or assignee of the Funding Loan or portion thereof.

(e) The Governmental Note, or any interest therein, shall be in fully-registered form transferable to subsequent holders only on the registration books which shall be maintained by the Fiscal Agent for such purpose and which shall be open to inspection by the Governmental Lender and Funding Lender. The Governmental Note shall not be transferred through the services of the Depository Trust Company or any other third party registrar.

(f) The parties agree that no rating shall be sought from a rating agency with respect to the Funding Loan or the Governmental Note.

Section 2.7 Authority. The Governmental Lender represents and warrants that (i) it is duly authorized under the laws of the State to issue the Governmental Note, and to execute, deliver and perform the terms of the Borrower Loan Agreement and this Funding Loan Agreement; (ii) all action on its part for the execution and delivery of the Governmental Note and execution and delivery of the Funding Loan Documents to which it is a party has been duly taken; (iii) the Governmental Note, upon execution and delivery, and the Funding Loan Documents to which it is a party upon delivery, assuming that they are the respective legal, valid, binding and enforceable obligations of the other parties thereto, shall be valid and enforceable obligations of the Governmental Lender in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors’ rights generally and general equitable principles; (iv) it has not heretofore conveyed, assigned, pledged, granted a security interest in or otherwise disposed of the Security (other than to the Fiscal Agent as described herein); (v) it has not received any payments under the Borrower Loan Agreement; (vi) without making any independent investigation, it has no knowledge of any right of set-off, defense or counterclaim to payment or performance of the terms or conditions of the Borrower Loan Agreement; (vii) the execution, delivery and performance of the Funding Loan Documents to which it is a party and the execution and delivery of the Governmental Note are not in contravention of law or any agreement, instrument, indenture or other undertaking to which it is a party or by which it is bound and (viii) all authorizations, approvals, or other actions by any Governmental Authority which would constitute a condition precedent to the performance by the Governmental Lender of its obligations under the Funding Loan Documents to which the Governmental Lender is a party have been obtained or will be obtained on or before the Closing Date.

Section 2.8 No Litigation. The Governmental Lender represents and warrants that there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending, or, to the best knowledge of the Governmental Lender, threatened against or affecting the

Governmental Lender wherein an unfavorable decision, ruling or finding would adversely affect (i) the transactions contemplated by, or the validity or enforceability of, the Governmental Note, this Funding Loan Agreement or the other Funding Loan Documents to which the Governmental Lender is a party, or (ii) the exclusion from gross income of interest on the Tax-Exempt Governmental Note.

Section 2.9 Further Assurances. The Governmental Lender covenants that it will cooperate to the extent necessary with the Borrower, the Fiscal Agent and the Funding Lender, as may be applicable, in their defenses of the Security against the claims and demands of all Persons and, upon payment or provision for payment of the fees and expenses to be incurred by the Governmental Lender in connection therewith, will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such amendments hereto and such further acts, instruments and transfers as the Funding Lender or the Fiscal Agent, as applicable, may reasonably require for the better pledging of the Security. Except for any amendment, modification, supplement, waiver or consent related to the Reserved Rights, the Governmental Lender shall not cause or permit to exist any amendment, modification, supplement, waiver or consent with respect to the Borrower Loan Agreement without the prior written consent of the Funding Lender, which consent shall be governed by Article VI hereof.

Section 2.10 No Other Encumbrances; No Dissolution. The Governmental Lender covenants that, (i) except as otherwise provided herein and in the Borrower Loan Agreement, it will not sell, convey, mortgage, encumber or otherwise dispose of any portion of the Security, and (ii) to the fullest extent permitted by applicable law, for so long as the Governmental Note is outstanding, it will not dissolve, terminate or permit itself to be dissolved or terminated without a successor to its obligations hereunder and under the Governmental Note having assumed its obligations hereunder and under the Governmental Note.

Section 2.11 No Personal Liability. No covenant, provision, promise, condition, agreement or obligation contained herein shall be deemed to be a covenant, condition, agreement or obligation of any past, present or future member, director, trustee, officer, official, attorney, employee or agent of the Governmental Lender in his/her individual capacity, and no recourse shall be had for the enforcement of any obligation, promise or agreement of the Governmental Lender contained herein or in the Governmental Note or the other Funding Loan Documents to which the Governmental Lender is a party or for any claim based hereon or thereon or otherwise in respect hereof or thereof against any director, member, officer, agent, attorney or employee, as such, in his/her individual capacity, past, present or future, of the Governmental Lender or of any successor entity, either directly or through the Governmental Lender or any successor entity whether by virtue of any constitutional provision, statute or rule of law or equity, or by the enforcement of any assessment or penalty or otherwise. No personal liability whatsoever shall attach to, or be incurred by, any director, member, officer, agent, attorney or employee as such, past, present or future, of the Governmental Lender or of any successor entity, either directly or through the Governmental Lender or any successor entity, under or by reason of any of the obligations, promises or agreements entered into in the Governmental Note or between the Governmental Lender and the Funding Lender, whether herein contained or to be implied herefrom as being supplemental hereto; or by reason of the delivery of the Governmental Note or the execution of this Funding Loan Agreement, and all personal liability of that character against every such past, present or future member, director, trustee, officer, official, attorney, employee or agent is, by the execution of this Funding Loan Agreement and as a condition of, and as part of the consideration for, the execution of this Funding Loan Agreement, expressly waived and released.

Section 2.12 DISCLAIMER OF WARRANTY. THE GOVERNMENTAL LENDER MAKES NO WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO (I) THE PROJECT 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; THE COMPLIANCE THEREOF WITH ANY LEGAL REQUIREMENTS; (II) THE FINANCIAL

POSITION OR BUSINESS CONDITION OF THE BORROWER OR ANY STATEMENTS, MATERIALS, REPRESENTATIONS OR CERTIFICATIONS FURNISHED BY THE BORROWER IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE BORROWER NOTE OR AS TO THE CORRECTNESS, COMPLETENESS OR ACCURACY THEREOF; OR (III) THE PLANS AND SPECIFICATIONS TO REHABILITATE THE PROJECT OR THE ADEQUACY OR SUFFICIENCY OF THE FINANCING.

ARTICLE III

INTEREST RATE, PAYMENT AND PREPAYMENT OF GOVERNMENTAL NOTE

Section 3.1 Origination, Maturity Date and Authorized Amount of Governmental Note.

The Funding Loan shall be originated on the Closing Date and shall mature on the Maturity Date at which time the entire principal amount, to the extent not previously paid, and all accrued and unpaid interest, shall be due and payable. The total principal amount of the Funding Loan is hereby expressly limited to the Authorized Amount.

Section 3.2 Principal and Interest Payments.

(a) Interest shall be paid on the outstanding principal amount of the Governmental Note at the rate or rates set forth in the Borrower Note and otherwise as set forth in the Borrower Loan Agreement.

(b) The outstanding principal amount of the Governmental Note and of the Funding Loan as of any given date shall be the total amount advanced by the Funding Lender to Fiscal Agent for the account of the Governmental Lender to fund corresponding advances under the Borrower Loan Agreement as proceeds of the Borrower Loan, less any payments of principal of the Governmental Note previously received upon payment of corresponding principal amounts under the Borrower Note, including regularly scheduled principal payments and voluntary and mandatory prepayments. The Fiscal Agent shall keep a record of all principal advances and principal repayments made under the Governmental Note and shall upon written request provide the Governmental Lender with a statement of the outstanding principal balance of the Governmental Note and the Funding Loan.

(c) The payment or prepayment of principal, interest and premium, if any, due on the Funding Loan and the Governmental Note shall be identical with and shall be made on the same dates, terms and conditions, as the principal, interest, premiums, late payment fees and other amounts due on the Borrower Note. Any payment or prepayment made by the Borrower of principal, interest, premium, if any, due on the Borrower Note shall be deemed to be like payments or prepayments of principal, interest and premium, if any, due on the Funding Loan and the Governmental Note.

(d) All payments on the Governmental Note shall be payable in lawful currency of the United States.

Section 3.3 [Reserved].

Section 3.4 Prepayment of Governmental Note. The Governmental Note is subject to voluntary and mandatory prepayment as follows:

(a) The Governmental Note shall be subject to voluntary prepayment in full or in part by the Governmental Lender, from funds of the Governmental Lender received by the Governmental Lender or the Fiscal Agent to the extent and in the manner and on any date that the Borrower Note is subject to voluntary prepayment as set forth therein, at a prepayment price equal to the principal balance of the Borrower Note to be prepaid, plus interest thereon to the date of

prepayment and the amount of any Acceleration Premium or other amounts payable under the Borrower Note or the Borrower Loan Agreement through the date of prepayment. The Borrower shall not have the right to voluntarily prepay all or any portion of the Borrower Note, thereby causing the Governmental Note to be prepaid, except as specifically permitted in the Borrower Note, without the prior written consent of Funding Lender, which may be withheld in Funding Lender's sole and absolute discretion.

(b) The Governmental Note shall be subject to mandatory prepayment in whole or in part upon prepayment of the Borrower Note at the direction of the Funding Lender or the Servicer in accordance with the terms of the Borrower Note at a prepayment price equal to the outstanding principal balance of the Borrower Note prepaid, plus accrued interest plus Acceleration Premium or any other amounts payable under the Borrower Note or the Borrower Loan Agreement.

Section 3.5 Notice of Prepayment. Notice of prepayment of the Governmental Note shall be deemed given to the extent that notice of prepayment of the Borrower Note is timely and properly given to Funding Lender and Fiscal Agent in accordance with the terms of the Borrower Note and the Borrower Loan Agreement, and no separate notice of prepayment of the Governmental Note is required to be given.

ARTICLE IV FUNDS AND ACCOUNTS

Section 4.1 Authorization to Create Funds and Accounts. Except as provided herein, no funds or accounts shall be established in connection with the Funding Loan at the time of closing and origination of the Funding Loan. The Funding Lender and the Servicer, if any, and any designee of the Funding Lender or the Servicer, are authorized to establish and create, or direct the Fiscal Agent to establish and create, from time to time such other funds and accounts or subaccounts as may be necessary for the deposit of moneys (including, without limitation, insurance proceeds and/or condemnation awards), if any, received by the Governmental Lender, the Funding Lender, the Fiscal Agent or the Servicer pursuant to the terms hereof or any of the other Funding Loan Documents and not immediately transferred or disbursed pursuant to the terms of the Funding Loan Documents.

Section 4.2 Establishment of Funds and Accounts; Applications of Proceeds of the Funding Loan and Other Amounts.

- (a) The following funds and accounts are hereby created and established as special trust funds:
 - (i) the Project Fund, consisting of:
 - (A) the Funding Loan Proceeds Account, consisting of:
 - (i) the Tax-Exempt Funding Loan Proceeds Subaccount; and
 - (ii) the Taxable Funding Loan Proceeds Subaccount;
 - (B) the Costs of Delivery Account (containing a Funding Loan Proceeds Subaccount and an Equity Subaccount);
 - (C) the Equity Account;
 - (D) the Capitalized Interest Account (containing a Funding Loan Proceeds Subaccount and an Equity Subaccount);

- (E) the Insurance and Condemnation Proceeds Account; and
- (ii) the Funding Loan Fund, consisting of;
 - (A) the Tax-Exempt Funding Loan Account; and
 - (B) the Taxable Funding Loan Account;
- (iii) the Replacement Reserve Fund;
- (iv) the Tax and Insurance Escrow Fund;
- (v) the Rebate Fund;
- (vi) the Prepayment Fund; and
- (vii) the Operating Reserve Fund.

(b) All the funds and accounts created by subsection (a) of this Section shall be held by the Fiscal Agent in trust for application only in accordance with the provisions of this Funding Loan Agreement.

(c) The initial advance of the Funding Loan (\$[_____], comprised of \$_____ of Tax-Exempt Governmental Note proceeds and of \$_____ Taxable Governmental Note proceeds)) will be applied in accordance with the Closing Memorandum. Following the disbursements set forth in the Closing Memorandum, the Fiscal Agent shall receive and deposit into the respective funds, accounts and subaccounts specified therein the amounts, if any, provided in the Closing Memorandum.

Section 4.3 Funding Loan Fund.

(a) There is hereby separately created and established with the Fiscal Agent the Funding Loan Fund and within the Funding Loan Fund the Tax-Exempt Funding Loan Account and the Taxable Funding Loan Account. There shall be deposited in the Tax-Exempt Funding Loan Account and the Taxable Funding Loan Account of the Funding Loan Fund, respectively (i) all payments by the Borrower pursuant to the Borrower Note or the Borrower Loan Agreement to be deposited in the Tax-Exempt Funding Loan Account and the Taxable Funding Loan Account of the Funding Loan Fund, as applicable, including all proceeds resulting from the enforcement of the Security or its realization as collateral, and (ii) all other moneys received by the Fiscal Agent under the Borrower Loan Agreement for deposit by it in the Tax-Exempt Funding Loan Account and the Tax-Exempt Funding Loan Account of the Funding Loan Fund, as applicable.

(b) Moneys in the Funding Loan Fund shall be held in trust for the Noteowners and, except as otherwise expressly provided herein, shall be used solely for the payment of the interest on the Governmental Note, for the payment of principal of the Governmental Note upon maturity, whether stated or accelerated, or upon mandatory or optional prepayment prior to the Maturity Date, and for the payment of the Acceleration Premium set forth in the Borrower Loan Agreement.

(c) After payment in full of the Governmental Note and upon payment of any amounts payable to the United States pursuant to any rebate requirement and any other amounts owing hereunder and under the Borrower Loan Agreement, any amounts remaining in the Funding Loan Fund shall be paid to the Borrower.

Section 4.4 Project Fund.

(a) The Fiscal Agent shall deposit all amounts specified in Closing Memorandum into the specified accounts and subaccounts of the Project Fund. The Fiscal Agent will receive and deposit future installments of the Funding Loan into the Tax-Exempt Funding Loan Proceeds Subaccount and the Taxable Funding Loan Proceeds Subaccount, respectively, of the Funding Loan Proceeds Account of the Project Fund. The Fiscal Agent will receive and deposit into the Equity Account amounts received as future installments of Required Equity Funds from the Tax Credit Investor, in accordance with the provisions of the Partnership Agreement and the Assignment of Capital Contributions. The Fiscal Agent shall deposit any other amounts received, to the extent not otherwise directed herein, in such Accounts as directed by Funding Lender or the Servicer.

(b) The Fiscal Agent is hereby authorized and directed to use moneys in the Project Fund for payment or reimbursement to the Borrower upon the receipt of a fully executed Requisition approved in writing by the Funding Lender in accordance with the provisions of the Borrower Loan Agreement. Except as otherwise consented to in writing by the Funding Lender, through approval of a Requisition or otherwise, moneys in the Project Fund shall be applied for payment or reimbursement of Project Costs and at least 95% of moneys on deposit in the Tax-Exempt Funding Loan Proceeds Subaccount of the Funding Loan Proceeds Account of the Project Fund shall be applied to Qualified Project Costs. After Final Completion of the Project, but in no event later than the Stabilization Date, all surplus Funding Loan proceeds remaining in the Funding Loan Proceeds Account of the Project Fund shall, at the direction of the Funding Lender, be applied to the prepayment of the applicable Borrower Note as provided therein. All remaining amounts in the Equity Account of the Project Fund upon Stabilization shall be paid to the Borrower upon receipt of the prior written approval of the Funding Lender, which approval shall not be unreasonably withheld or delayed.

(c) The Fiscal Agent shall and is hereby authorized to transfer funds from the Capitalized Interest Account to the respective account of the Funding Loan Fund to pay interest on the Governmental Note accruing up to and including the Completion Date without submission of any Requisition. The Fiscal Agent shall and is hereby further authorized to transfer any surplus Funding Loan proceeds remaining in the Capitalized Interest Account after Final Completion of the Project, but in no event later than the Stabilization Date, to the respective account of the Funding Loan Fund to pay interest on the Governmental Note accruing up to the achievement of Stabilization at the written direction (including via Electronic Means) of the Funding Lender.

(d) Any amounts in the Costs of Delivery Account shall be disbursed by the Fiscal Agent on the Closing Date and thereafter only to pay costs of delivery pursuant to the Closing Memorandum. Any amounts remaining in the Costs of Delivery Account (including investment proceeds) after the payment of all costs of delivery, and in any event not later than thirty (30) days following the Closing Date, shall be transferred to the respective subaccount of the Funding Loan Proceeds Account or the Equity Account of the Project Fund, as applicable, as directed in writing by the Borrower.

(e) [Reserved].

(f) Moneys representing a Condemnation Award or Insurance Proceeds shall be deposited into the Insurance and Condemnation Proceeds Account of the Project Fund, and notice of such deposit thereof shall be given by the Fiscal Agent to the Funding Lender and the Servicer. To the extent there has been a determination pursuant to the Funding Loan Documents to restore the Project, such Condemnation Award or Insurance Proceeds shall be expended for such purposes in accordance with the provisions of the Funding Loan Documents. In the event there is a determination pursuant to the Funding Loan Documents not to restore the Project, such Condemnation Award or Insurance Proceeds shall be either (i) transferred to the

Funding Loan Fund and applied to the prepayment of the Borrower Note in accordance with Section 7 thereof, or (ii) released to the Borrower if the Borrower obtains an Approving Opinion of Tax Counsel that such release will not affect the excludability of the interest on the Tax-Exempt Governmental Note from gross income for federal income tax purposes, all in accordance with written direction of the Servicer to the Fiscal Agent and subject to the provisions of the Funding Loan Documents.

(g) The Fiscal Agent shall transfer moneys between the accounts and subaccounts of the Project Fund as directed in writing by the Servicer or the Funding Lender and consented to by the Borrower, provided that no such Borrower consent shall be required following the occurrence and during the continuance of a Default or Event of Default hereunder. Upon the occurrence and continuation of an Event of Default hereunder, all money and investments in the Project Fund may be disbursed at the written direction of the Funding Lender or the Servicer to pay any costs and expenses of the Project, to pay costs of enforcement of the Funding Loan Documents and to pay any and all amounts owed by the Borrower under the Funding Loan Documents, in whatever amounts and whatever order the Funding Lender may determine.

Section 4.5 Use of Certain Additional Funds and Accounts.

(a) Prepayment Fund.

(i) There shall be deposited in the Prepayment Fund (a) all payments specified in Section 8.3 of the Borrower Loan Agreement to be deposited in the Prepayment Fund, and (b) all other moneys received by the Fiscal Agent under the Borrower Loan Agreement or this Funding Loan Agreement for deposit by it in the Prepayment Fund. Moneys in the Prepayment Fund shall be held in trust for the Noteowner and, except as otherwise expressly provided herein, shall be used solely for the prepayment of the Borrower Note and the Governmental Note pursuant to the provisions thereof. On each Principal Payment Date or prepayment date and as otherwise required hereunder or at the written direction of the Funding Lender, the Fiscal Agent shall transfer such amounts from the Prepayment Fund to the Funding Loan Fund and used to prepay the Borrower Note and the Governmental Note pursuant to the provisions thereof. After payment in full of the Borrower Note and the payment of any amounts owing to the United States pursuant to any rebate requirement and any other amounts owing hereunder, any amounts remaining in the Prepayment Fund shall be paid to the Borrower.

(ii) Upon the occurrence and continuation of an Event of Default hereunder, all money and investments in the Prepayment Fund may be disbursed at the written direction of the Funding Lender to pay any costs and expenses of the Project, to pay costs of enforcement of the Funding Loan Documents and to pay any and all amounts owed by the Borrower under any of the Funding Loan Documents, in whatever amounts and in whatever order the Funding Lender may determine.

(b) **Tax and Insurance Escrow Fund.** There shall be deposited in the Tax and Insurance Escrow Fund all moneys received for such purpose by the Fiscal Agent from the Borrower pursuant to Section 8.2 of the Borrower Loan Agreement. Moneys in the Tax and Insurance Escrow Fund shall be applied to payment of Impositions and insurance premiums at the written direction of the Servicer; provided, however, that upon the occurrence and continuation of an Event of Default hereunder (provided that the Servicer shall have no obligation to accept a cure of any Event of Default), all money and investments held in the Tax and Insurance Escrow Fund may be disbursed at the written direction of the Servicer to pay costs and expenses of the Project, to pay costs of enforcement of the Funding Loan Documents and to pay any and all amounts owed by the Borrower under any of the Funding Loan Documents, in whatever amounts and in whatever order the Servicer may determine. Upon the payment in full of the Governmental Note and the fees and expenses of the Governmental Lender and the Fiscal Agent

and upon payment of amounts payable to the United States pursuant to any rebate requirement and any other amounts owing hereunder and under the Borrower Loan Agreement, any amounts remaining in the Tax and Insurance Escrow Fund shall be paid to the Borrower. If the Servicer determines that the Tax and Insurance Escrow is over-funded for any reason, the Servicer may direct the Fiscal Agent to return all or a portion of the moneys in the Tax and Insurance Escrow Fund to the Borrower.

(c) **Rebate Fund.**

(i) The Fiscal Agent shall maintain the Rebate Fund, for the benefit of all persons who are or have at any time been owners of the Governmental Lender Notes, at all times prior to the final payment to the United States of America of the amounts described in Subsection (c) of this Section which funds shall not be part of the Security 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 this Funding Loan Agreement and applied solely as provided in this Section, unless in the Opinion of Governmental Lender Counsel failure to make such application will not adversely affect any exclusion from gross income of interest on the Governmental Lender Notes under the Code.

(ii) The Fiscal Agent shall deposit or transfer to the credit of the account of the Rebate Fund each amount delivered to the Fiscal Agent by the Borrower for deposit thereto and each amount directed by the Borrower to be transferred thereto. The Fiscal Agent shall credit all earnings and debit all losses from the investment of money held for the account of the Rebate Fund to such fund. The Fiscal Agent shall furnish to the Borrower all information reasonably requested by the Borrower with respect to the Governmental Lender Notes and investment of funds and accounts maintained by the Fiscal Agent hereunder.

(iii) Within 30 days after each Computation Date, the Fiscal Agent, on behalf of the Governmental Lender, 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. The Fiscal Agent shall have no obligation to pay any amounts required to be rebated pursuant to this Section other than from moneys held in the Funds created under this Funding Loan Agreement or from other moneys provided to it by the Borrower.

(1) 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 Fiscal Agent 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.

(2) All payments to the United States of America pursuant to this subsection shall be made by the Fiscal Agent for the account and in the name of the Governmental Lender 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).

(iv) The Fiscal Agent shall preserve all statements, forms, and explanations received from the Borrower or the Governmental Lender pursuant to this Section and all records of transactions in the Rebate Fund until six years after the discharge of the Governmental Lender Notes.

(v) The Fiscal Agent 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 or Rebate Analyst to supply accurate or sufficient instructions or to compute correctly any payment due pursuant to this Section. The Fiscal Agent shall have no responsibility or duty to perform any rebate calculation or to expend its own funds to make any rebate payments.

(vi) If at any time during the term of this Funding Loan Agreement, the Borrower, the Governmental Lender or the Fiscal Agent 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 Approving Opinion of Tax Counsel to the effect that such action shall not adversely affect the exclusion of interest on the Tax-Exempt Governmental Note from gross income of the Noteowner for Federal income tax purposes and shall be in compliance with the laws of the State.

(vii) Notwithstanding any provision of this Funding Loan Agreement or the other Funding Loan Documents, the Fiscal Agent 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 Governmental Lender Notes, in connection with any such investments. The method of calculation and determination required by section 148 of the Code shall be accomplished by a Rebate Analyst engaged by the Borrower. The Fiscal Agent shall not be liable or responsible for the negligence or misconduct of the Rebate Analyst. The Fiscal Agent shall not be liable or responsible for monitoring the compliance by the Borrower or the Governmental Lender 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 Funding Loan Agreement), it being acknowledged and agreed that the sole obligation of the Fiscal Agent in this regard shall be (i) to invest the moneys received by the Fiscal Agent pursuant to the written instructions of the Borrower in the specific investments identified by the Borrower or, in the absence of such identification, to make investments as otherwise provided herein and to disburse said moneys in accordance with the terms of this Funding Loan Agreement and (ii) to follow instructions contained in this Section and in this Funding Loan Agreement. The Fiscal Agent shall not be liable for the Governmental Lender Notes 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 Funding Loan Agreement.

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

(d) **Replacement Reserve Fund.** There shall be deposited in the Replacement Reserve Fund all moneys received for such purpose by the Fiscal Agent from the Borrower pursuant to the Replacement

Reserve Agreement. Moneys in the Replacement Reserve Fund shall be disbursed by the Fiscal Agent upon receipt of a written request therefor executed by the Borrower and approved in writing by the Servicer, in accordance with the terms of the Replacement Reserve Agreement; provided that, upon the occurrence and continuation of an Event of Default hereunder, all moneys and investments in the Replacement Reserve Fund (other than moneys held to pay costs required to be paid but not yet payable) may be disbursed at the written direction of the Servicer to pay any costs and expenses of the Project, to pay costs of enforcement of the Funding Loan Documents and to pay any and all amounts owed by the Borrower under the Funding Loan Documents, in whatever amounts and whatever order the Servicer may determine. Upon the payment in full of the Governmental Note upon payment of amounts payable to the United States pursuant to any rebate requirement and any other amounts owing hereunder and under the Borrower Loan Agreement, any amounts remaining in the Replacement Reserve Fund shall be paid to the Borrower as soon as practicable.

(e) **Operating Reserve Fund.**

(i) There shall be deposited in the Operating Reserve Fund all moneys received for such purpose pursuant to Section 8.4 of the Borrower Loan Agreement. Funds shall be disbursed from the Operating Reserve Fund, at the written request of the Borrower, but only with the prior written consent of the Servicer and the Tax Credit Investor, to fund any operating deficits or expenses of the Borrower or for any other operating or capital needs of the Project. Upon receipt by the Fiscal Agent from the Borrower of a written request together with the written approval of the Servicer and the Tax Credit Investor, which approval shall not be unreasonably withheld or delayed, the Fiscal Agent shall disburse funds from the Operating Reserve Fund in accordance with such written request.

(ii) Upon the occurrence and continuation of an Event of Default, all moneys and investments in the Operating Reserve Fund may be disbursed at the written direction of the Servicer to pay any costs and expenses of the Project, to pay any costs of enforcement of the Funding Loan Documents and to pay any and all amounts owed by the Borrower under the Funding Loan Documents, in whatever amounts and whatever order the Servicer may determine. Interest earnings on amounts held in the Operating Reserve Fund shall be released not more frequently than annually to the Borrower upon its written request and with the prior written consent of the Servicer. Upon payment in full of the Governmental Note and upon payment of amounts payable to the United States of America pursuant to any rebate requirement and any other amounts owing hereunder and under the Borrower Loan Agreement, any amounts remaining in the Operating Reserve Fund shall be paid to the Borrower.

Section 4.6 Records.

(a) The Fiscal Agent shall cause to be kept and maintained records pertaining to all Accounts maintained by the Fiscal Agent hereunder and shall periodically deliver to the Borrower statements of activity and statements indicating the investments made with moneys in all such funds during the applicable period. Upon written request, the Fiscal Agent shall provide the Borrower, the Funding Lender and the Servicer, within a reasonable period of time, with a report stating the principal amount of the Governmental Note outstanding and a list of the registered Noteowners as of the date specified by the Borrower, the Funding Lender and the Servicer in its request. Such reports shall be delivered pursuant to the Fiscal Agent's portfolio online system.

(b) The Fiscal Agent shall provide the Borrower, the Funding Lender and the Servicer with a written report, on a monthly basis through the calendar month in which the Governmental Note is paid in full, identifying the Permitted Investments in which the moneys held as part of the Accounts were invested during the preceding period and the dates of such investments, together with such other information as the

Fiscal Agent ordinarily provides to Persons such as the Borrower, the Funding Lender and the Servicer in its regular monthly investment reports. Such reports shall be delivered pursuant to the Fiscal Agent's portfolio online system.

(c) The Governmental Lender will at any and all times, upon the reasonable request of the Servicer, the Borrower or the Funding Lender, afford and procure a reasonable opportunity by their respective representatives to inspect the books, records, reports and other papers of the Governmental Lender relating to the Project and the Funding Loan, if any, and to make copies thereof.

Section 4.7 Investment of Funds. Subject to the provisions of Section 4.8 hereof, moneys held as part of all Accounts shall be invested and reinvested in Permitted Investments as instructed in writing by the Borrower with the prior written consent of the Funding Lender; provided, however, that any moneys held by the Fiscal Agent to pay the principal of, premium, if any, or interest that has become payable with respect to the Borrower Note and the Governmental Note shall not be invested. All Permitted Investments shall be held by or under the control of the Fiscal Agent and shall be deemed at all times to be a part of the Fund and Account which was used to purchase the same. The Fiscal Agent may act as principal or agent in the making or disposing of any investment and may utilize its investment department or that of its affiliate and charge its standard investment handling fees. All interest accruing thereon and any profit realized from Permitted Investments shall be credited to the respective Fund or Account and any loss resulting from Permitted Investments shall be similarly charged. The Fiscal Agent is authorized to cause to be sold and reduced to cash a sufficient amount of Permitted Investments whenever the cash balance in any Fund or Account hereunder is or will be insufficient to make a requested or required disbursement. The Fiscal Agent shall not be responsible for any depreciation in the value of any Permitted Investment or for any loss resulting from such sale, so long as the Fiscal Agent performs its obligations hereunder in accordance with the terms of this Funding Loan Agreement. Absent specific instructions from the Borrower approved by the Funding Lender to invest cash balances in Permitted Investments hereunder, the Fiscal Agent shall invest such cash balances in Federated Treasury Obligations Fund, CUSIP No. [CUSIP #], or if such fund is not available, in Permitted Investments constituting obligations of the U.S. Treasury or its agencies having a term to maturity of not more than thirty (30) days or any money market fund or similar investment fund that purchases and holds exclusively obligations of the United States of America or its agencies that have a term to maturity of not more than thirty (30) days.

Section 4.8 Governmental Lender Tax Covenants. The Governmental Lender represents, covenants and agrees that it will: comply with all applicable requirements of the Code that are necessary to preserve the exclusion from gross income of the Noteowners thereof for federal income tax purposes of the interest on the Tax-Exempt Governmental Note, as further set forth in the Tax Certificate; and not take any action inconsistent with its expectations stated in the Tax Certificate and will comply with the covenants and requirements stated therein and incorporated by reference herein.

ARTICLE V DEFAULT PROVISIONS AND REMEDIES

Section 5.1 Events of Default. Any one of the following shall constitute an Event of Default hereunder:

- (a) Failure to pay interest on the Governmental Note when and as the same shall have become due;
- (b) Failure to pay the principal of or any premium on the Governmental Note when and as the same shall become due, whether at the stated maturity or prepayment date thereof or by acceleration;

(c) Failure to observe or perform any other of the covenants, agreements or conditions on the part of the Governmental Lender included in this Funding Loan Agreement or in the Governmental Note and the continuance thereof for a period of thirty (30) days after written notice to the Governmental Lender and the Borrower has been given by the Funding Lender or by the Servicer (with a copy to the Funding Lender); or

(d) Failure by the Borrower to provide the Funding Lender and the Servicer with the final, complete use of proceeds and completion certificates in the form required under the Borrower Loan Agreement and the necessary supporting documentation evidencing the achievement of Final Completion within forty-five (45) days following the Completion Date;

(e) Failure by the Borrower to provide the Funding Lender and the Servicer with the final, complete stabilization certificate in the form attached as Schedule 10 to the Borrower Loan Agreement and the necessary supporting documentation evidencing the achievement of Stabilization within forty-five (45) days following the Stabilization Date; or

(f) The occurrence of an Event of Default under the Borrower Loan Agreement or the failure by the Borrower to perform or comply with any of the other terms or conditions contained in any other Funding Loan Documents to which the Borrower is a party and continuation of such failure beyond the expiration of any notice, grace or cure period provided in the Borrower Loan Agreement or the other Funding Loan Documents (as applicable).

Section 5.2 Acceleration. Upon the occurrence of an Event of Default under Section 5.1 above, the Funding Lender may, by notice in writing sent to the Governmental Lender, the Borrower and the Servicer, declare the principal of the Governmental Note (if not then due and payable) and the interest accrued thereon to be due and payable immediately, and, upon said declaration, such principal and interest shall become and be immediately due and payable. Upon any declaration of acceleration hereunder, the Funding Lender may exercise such rights as it may have under the Borrower Loan Agreement and the Borrower Note to declare all amounts thereunder to be immediately due and payable. In such event, there shall be due and payable on the Governmental Note an amount equal to the total principal amount of the Governmental Note, plus all interest accrued thereon (including Default Interest, if any) and which will accrue thereon to the date of payment and all unpaid interest on the Governmental Note on the date of payment, and Acceleration Premium (if applicable).

Section 5.3 Other Remedies; Rights of Noteowners.

(a) Upon the happening and continuance of an Event of Default hereunder (provided that the Funding Lender shall have no obligation to accept a cure of any Event of Default), the Funding Lender may, with or without taking action under Section 5.2 hereof, pursue any available remedy to enforce the performance of or compliance with any Funding Loan Documents.

(b) No remedy by the terms of this Funding Loan Agreement conferred upon or reserved to the Funding Lender, the Servicer, the Fiscal Agent or the Noteowners 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 given to the Funding Lender, the Servicer, the Fiscal Agent or to the Noteowners hereunder or now or hereafter existing.

(c) No delay or omission to exercise any right or power accruing upon any Default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Default or 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.

(d) No waiver of any Default or Event of Default hereunder, whether by the Funding Lender or by the Noteowners, shall extend to or shall affect any subsequent Default or Event of Default or shall impair any rights or remedies consequent thereon.

(e) The Funding Lender, as the assignee of substantially all right, title and interest of the Governmental Lender in and to the Borrower Loan Agreement and the Borrower Note, shall be empowered to enforce each and every right granted to the Governmental Lender under the Borrower Loan Agreement and the Borrower Note other than Reserved Rights.

Section 5.4 Right of Funding Lender to Direct Proceedings. Anything in this Funding Loan Agreement to the contrary notwithstanding, the Funding Lender shall have the right at any time, by an instrument or instruments in writing executed and delivered by the Funding Lender to the Governmental Lender, the Borrower and the Servicer, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Funding Loan Agreement, or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Funding Loan Agreement.

Section 5.5 Discontinuance of Default Proceedings. In case the Funding Lender shall have proceeded to enforce any right under this Funding Loan Agreement by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Governmental Lender and the Funding Lender shall be restored to their former positions and rights hereunder and all rights, remedies and powers of the Governmental Lender and the Funding Lender shall continue as if no such proceedings had been taken subject to the limits of any adverse determination.

Section 5.6 Waiver. The Funding Lender may waive any Default or Event of Default hereunder and its consequences and rescind any declaration of acceleration of maturity of principal; provided, however, that there shall be no such waiver or rescission unless all principal of, Acceleration Premium, if any, and interest on the Governmental Note in arrears, together with interest thereon (to the extent permitted by law) at the applicable rate of interest borne by the Governmental Note and all fees and expenses of the Funding Lender and the Governmental Lender shall have been paid or provided for.

Section 5.7 Application of Moneys. All moneys received by the Funding Lender or the Fiscal Agent pursuant to any right given or action taken under the provisions of this Article shall be deposited in the Funding Loan Fund and, after payment (out of moneys derived from a source other than moneys held for the payment of Governmental Note) of (i) the cost and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Funding Lender and/or the Fiscal Agent, including reasonable attorneys' fees, and all other outstanding fees and expenses of the Funding Lender and/or the Fiscal Agent, and (ii) any sums due to the Governmental Lender under the Borrower Loan Agreement, such moneys shall be applied in the order set forth below:

(a) Unless the entire principal of the Governmental Note shall have become or been declared due and payable, all such moneys shall be applied:

First: To the payment of all installments of interest then due on the Governmental Note in order of priority first to installments past due for the greatest period and, if the amount available shall not be sufficient to pay in full any particular installment, then to the ratable payment of the amounts due on such installment;

Second: To the payment of the unpaid principal of and Acceleration Premium, if any, of the Governmental Note which shall have become due, with interest on the

Governmental Note from the respective dates upon which they became due (at the rate borne by the Governmental Note, to the extent permitted by law) and, if the amount available shall not be sufficient to pay in full the Governmental Note due on any particular date, together with such Acceleration Premium, then to the ratable payment of the amounts due on such date;

Third: To the payment of the amounts required to reimburse the Governmental Lender and the holder of the Governmental Note for any legal or other out-of-pocket costs incurred by them in connection with exercising their remedies hereunder; and

Fourth: The balance shall be paid to the Borrower (subject to any required deposits to the Rebate Fund).

(b) If the principal of the Governmental Note shall have become or been declared due and payable, all such moneys shall be applied to the payment of the principal, Acceleration Premium, if any, and interest then due and unpaid upon the Governmental Note, without preference or priority as between principal, premium, interest or installments of interest, ratably according to the amounts due respectively for principal, premium and interest to the Persons entitled thereto.

(c) If the principal of the Governmental Note shall have been declared due and payable, and if such declaration shall thereafter have been rescinded under this Article then, subject to subsection (b) of this Section, in the event that the principal of the Governmental Note shall again become or be declared due and payable, the moneys shall be applied in accordance with subsection (a) of this Section.

(d) Notwithstanding anything contained herein to the contrary, the Funding Lender may direct the application of funds other than in the manner set forth in Section 5.7(a) above, including, without limitation, the application of funds between the principal or Acceleration Premium of or interest on the Governmental Note.

ARTICLE VI AMENDMENTS TO FUNDING LOAN AGREEMENT AND BORROWER LOAN AGREEMENT

Section 6.1 Amendments to Funding Loan Agreement.

(a) Any of the terms of this Funding Loan Agreement and the Governmental Note may be amended or waived only by an instrument signed by the Funding Lender and the Governmental Lender. Funding Lender may, at its election, require delivery of a Favorable Opinion of Tax Counsel in connection with any such amendment or waiver.

(b) An amendment or other document described under this Article that materially affects any rights or obligations of the Borrower shall not become effective unless and until the Borrower shall have consented to the execution of such amendment or other document (provided that no such consent shall be required if the Borrower is in default under any Funding Loan Document).

Section 6.2 Amendments to the Borrower Loan Agreement, the Borrower Note or the Mortgage.

(a) The Governmental Lender shall not cause or permit to exist any amendment, modification, supplement, waiver or consent with respect to the Borrower Loan Agreement, the Borrower Note or the Mortgage without the prior written consent of the Funding Lender, the Borrower and the Servicer.

(b) Notwithstanding anything to the contrary contain herein or therein, the Funding Lender, as assignee of the Governmental Lender, and the Borrower may, without the consent of or prior notice to Governmental Lender, enter into or permit any amendment of the Borrower Loan Agreement, the Borrower Note or the Borrower Mortgage acceptable to the Funding Lender and the Borrower provided, however, that any change which, in the reasonable judgment of the Funding Lender, materially modifies the Reserved Rights of the Governmental Lender shall require the written consent of the Governmental Lender.

(c) The Funding Lender and the Borrower shall file copies of any such amendments to the Borrower Loan Agreement, the Borrower Note or the Mortgage with the Governmental Lender and the Servicer promptly following execution.

(d) An amendment or other document described under this Article that materially affects any rights or obligations of the Borrower shall not become effective unless and until the Borrower shall have consented to the execution of such amendment or other document (provided that no such consent shall be required if the Borrower is in default under any Funding Loan Document).

ARTICLE VII THE FISCAL AGENT

Section 7.1 Appointment of Fiscal Agent. The Fiscal Agent is hereby appointed and does hereby agree to act in such capacity, and to perform the duties of the Fiscal Agent under this Funding Loan Agreement, but only upon and subject to the following express terms and conditions (and no implied covenants or other obligations shall be read into this Funding Loan Agreement against the Fiscal Agent):

(a) The Fiscal Agent may execute any of its trusts or powers hereunder and perform any of its duties by or through attorneys, agents, receivers or employees, and shall not be responsible for any misconduct or negligence of such attorneys, agents or receivers appointed with due care, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees. The Fiscal Agent may act upon the opinion or advice of Counsel and shall not be responsible for any loss or damage resulting from any action or non-action taken in good faith in reliance upon such opinion or advice.

(b) Except as otherwise provided herein, the Fiscal Agent shall not be responsible for any recital herein or in the Governmental Note, or for the recording, re-recording, filing or re-filing of this Funding Loan Agreement, of any Financing Statements or continuation statements, or for insuring the Security or the Project or collecting any insurance moneys, or for the validity of this Funding Loan Agreement or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Governmental Note delivered hereunder or intended to be secured hereby, or for the value of or title to the Project or otherwise as to the maintenance of the Security. The Fiscal Agent shall not be liable to the Borrower, any Noteowner or any other Person for any loss suffered in connection with any investment of funds made by it in accordance with Section 4.7 hereof in good faith as instructed by the Borrower in accordance with the provisions of this Funding Loan Agreement, and with the prior written consent of the Funding Lender, as applicable. The Fiscal Agent shall have no duty or responsibility to examine or review and shall have no liability for the contents of any documents submitted to or delivered to any Noteowner in the nature of a preliminary or final placement memorandum, official statement, offering circular or similar disclosure document.

(c) The Fiscal Agent shall not be accountable for the use of the Governmental Note delivered hereunder after the Governmental Note shall have been delivered in accordance with instructions of the Governmental Lender or for the use by the Borrower of the proceeds of the Funding Loan advanced to the Borrower as provided in the Borrower Loan Agreement. The Fiscal Agent may become the owner of Governmental Note secured hereby with the same rights as any other Noteowner.

(d) The Fiscal Agent shall be protected in acting upon opinions of Counsel and upon any notice, request, consent, certificate, order, affidavit, letter, electronic mail or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any notices, directions, consents, approvals or requests provided to the Fiscal Agent pursuant to the terms of this Funding Loan Agreement or any of the other Funding Loan Documents shall not be effective until provided in writing. Any action taken by the Fiscal Agent pursuant to this Funding Loan Agreement 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 Noteowner of the Governmental Note shall be conclusive and binding upon all future Noteowners thereof.

(e) The permissive right of the Fiscal Agent to do things enumerated in this Funding Loan Agreement, the Borrower Loan Agreement and the other Funding Loan Documents, as applicable, shall not be construed as duties. The Fiscal Agent shall only be responsible for the performance of the duties expressly set forth herein and therein and shall not be answerable for other than its gross negligence, bad faith or willful misconduct in the performance of those express duties. No implied covenants shall be read into this Funding Loan Agreement, the Borrower Loan Agreement or the other Funding Loan Documents to which the Fiscal Agent is a party against the Fiscal Agent.

(f) The Fiscal Agent 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 non-fulfillment of contracts, relating to the Project.

(g) The Fiscal Agent shall not be required to give any bond or surety in respect of this Funding Loan Agreement or the other Funding Loan Documents.

(h) Before taking any action requested hereunder by the Funding Lender, the Servicer or the Noteowners which may require it to expend its own funds, the Fiscal Agent may require satisfactory security or indemnification for the reimbursement of all expenses to which it may be put by reason of any action so taken. The Fiscal Agent shall not be entitled to indemnification as a precondition to giving notices of default or taking other actions at the direction of the Funding Lender or the Servicer which do not require the Fiscal Agent to expend its own funds or for which funds have been advanced by the Funding Lender or the Servicer to the Fiscal Agent in advance of its taking such action.

(i) The Fiscal Agent shall not be liable with respect to any action taken or omitted to be taken hereunder or under any other Funding Loan Document by it in good faith in accordance with the written direction of the Funding Lender or the Servicer, or the Noteowners relating to the time, method and place of conduction of any proceeding for any remedy available to the Fiscal Agent, or for exercising any trust or power conferred upon the Fiscal Agent, under this Funding Loan Agreement or the other Funding Loan Documents.

(j) All moneys received by the Fiscal Agent, until used or applied or invested as herein provided, shall be held as special trust funds for the purposes specified in this Funding Loan

Agreement and for the benefit and security of the Noteowners of the Governmental Note as herein provided. Such moneys need not be segregated from other funds except to the extent required by law or herein provided, and the Fiscal Agent shall not otherwise be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(k) The Fiscal Agent shall not be bound to ascertain or inquire as to the performance of the obligations of the Borrower or the Governmental Lender under the Borrower Loan Agreement or this Funding Loan Agreement, and shall not be deemed to have, or be required to take, notice of default under this Funding Loan Agreement (other than under Section 5.1(a) or (b), or Section 5.1(c) hereof if written notice thereof has been received by the Fiscal Agent) or the occurrence of a Determination of Taxability, except in the event (i) the Borrower fails to pay any payment when due, (ii) of an insufficient amount in the Funding Loan Fund (or any account therein) to make a principal or interest payment on the Governmental Note, (iii) of written notification of a Determination of Taxability by the Owner of the Tax-Exempt Governmental Note, (iv) of receipt of written notification of such Default by the Servicer, the Funding Lender or two or more Noteowners with combined holdings of not less than twenty-five percent (25%) of the principal amount of the outstanding Governmental Note, or (v) of receipt of an opinion of Tax Counsel concluding that a Determination of Taxability has occurred, and in the absence of such notice the Fiscal Agent may conclusively presume there is no Determination of Taxability and no default except as aforesaid. The Fiscal Agent may nevertheless require the Governmental Lender and the Borrower to furnish information regarding performance of their obligations under the Borrower Loan Agreement and this Funding Loan Agreement, but is not obligated to do so.

(l) The Fiscal Agent shall, prior to any Event of Default and after the curing of all Events of Default which may have occurred, perform such duties and only such duties of the Fiscal Agent as are specifically set forth in this Funding Loan Agreement. The Fiscal Agent shall, during the existence of any Event of Default which has not been cured, exercise such of the rights and powers vested in it by this Funding Loan Agreement and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his/her own affairs.

(m) In addition to the Fiscal Agent's other duties hereunder, the Fiscal Agent shall keep such books and records relating to such duties as shall be consistent with prudent industry practice and make such books and records available for inspection by the Governmental Lender, the Funding Lender, the Servicer and the Borrower at all reasonable times.

(n) The Fiscal Agent shall have no duty to inspect or oversee the renovation or completion of the Improvements or to verify the truthfulness or accuracy of the certifications made by the Borrower in any Requisition.

(o) Without limiting the duties of the Fiscal Agent expressly set forth herein, the Fiscal Agent shall have no obligation or responsibility whatsoever in connection with (i) any federal or state tax-exempt status of the Tax-Exempt Governmental Note or the interest thereon; (ii) the consequences of the investment or non-investment of any Accounts relating to the Tax-Exempt Governmental Note under Section 148 of the Code, or (iii) the calculation of any amount required to be rebated to the United States under Section 148 of the Code.

(p) No provision of this Funding Loan Agreement or the Borrower Loan Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(q) Whenever in the administration of this Funding Loan Agreement the Fiscal Agent deems it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Fiscal Agent may, in the absence of bad faith on its part and except as otherwise expressly set forth herein, rely upon a written certificate of the Funding Lender.

(r) In the absence of a direction from the Funding Lender or the Servicer, if the Fiscal Agent receives inconsistent or conflicting requests and indemnity from two or more groups of Owners of the Governmental Note, each representing less than a majority in aggregate principal amount of the Funding Loan outstanding, pursuant to the provisions of this Funding Loan Agreement, the directions given by the group of Noteowners which holds the largest percentage of the principal amount of the Funding Loan shall be controlling and the Fiscal Agent shall follow such directions.

(s) The Fiscal Agent's immunities and protections from liability and its rights to indemnification in connection with the performance of its duties under this Funding Loan Agreement shall likewise extend to the Fiscal Agent's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Fiscal Agent's rights to compensation, shall survive the Fiscal Agent's resignation or removal, the termination of this Funding Loan Agreement and the final payment of the Governmental Note.

(t) The Fiscal Agent, in its commercial banking or in any other capacity, may in good faith buy, sell, own, hold or deal in the Governmental Note and may join in any action that any Noteowner may be entitled to take with like effect as if it were not the Fiscal Agent. The Fiscal Agent, in its commercial banking or in any other capacity, may also engage in or be interested in any financial or other transaction with the Borrower and may act as depository, fiscal agent or agent for any committee of Noteowners secured hereby or other obligations of the Borrower, as freely as if it were not the Fiscal Agent hereunder. The provisions of this paragraph shall extend to the Affiliates of the Fiscal Agent.

(u) Whether or not expressly so provided, each and every provision of this Funding Loan Agreement relating to the conduct or affecting the liability of or affording protection to the Fiscal Agent is subject to the provisions of this Section.

Section 7.2 Compensation and Indemnification of Fiscal Agent; Fiscal Agent's Prior Claim.

(a) The Borrower Loan Agreement provides that the Borrower will pay the reasonable fees and expenses of the Fiscal Agent under this Funding Loan Agreement and all other amounts which may be payable to the Fiscal Agent under this Section, such fees and expenses to be paid when due and payable by the Borrower directly to the Fiscal Agent for its own account. Except as set forth in Section 5.7, the Fiscal Agent shall not have a lien on the Security for the payment of its fees or expenses and shall not be entitled to pay its fees and expenses from amounts held in the Accounts hereunder.

(b) The Borrower shall (i) pay the Fiscal Agent from time to time, and the Fiscal Agent shall be entitled to, reasonable compensation (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust), (ii) pay or reimburse the Fiscal Agent upon request for all reasonable expenses, disbursements and advances incurred or made, in accordance with any of the provisions of this Funding Loan Agreement and the Borrower Loan Agreement (including the reasonable compensation and the reasonable expenses and disbursements of its Counsel and of all agents and other persons not regularly in its employ), except to the extent that any such expense, disbursement or advance is found by a court of competent jurisdiction to be the result of its own gross negligence, willful misconduct

or bad faith, and (iii) indemnify the Fiscal Agent for, and to hold it harmless against, any loss, liability or expense incurred by it, arising out of or in connection with the acceptance or administration of this Funding Loan Agreement or the trusts hereunder or the performance of its duties hereunder or under the Borrower Loan Agreement, including the reasonable costs and expenses of defending itself against or investigating any claim of liability in the premises, except to the extent that any such loss, liability or expense was due to its own gross negligence, willful misconduct or bad faith. "Fiscal Agent," for purposes of this Section shall include any predecessor Fiscal Agent, but the gross negligence, willful misconduct or bad faith of any Fiscal Agent, shall not affect the indemnification of any other Person. The obligations of the Borrower under this Section shall survive the termination of this Funding Loan Agreement and the resignation or removal of the Fiscal Agent.

The provisions of this Section 7.2 shall not be subject to the recourse limitation of Section 10.13 of the Borrower Loan Agreement.

Section 7.3 Intervention in Litigation. In any judicial proceedings to which the Governmental Lender is a party, the Fiscal Agent may intervene on behalf of Noteowners, and shall intervene if requested in writing by the Servicer, the Funding Lender or the Noteowners of at least twenty-five percent (25%) in aggregate principal amount of the Governmental Note then outstanding.

Section 7.4 Resignation; Successor Fiscal Agents.

(a) The Fiscal Agent and any successor Fiscal Agent may resign only upon giving sixty (60) days prior written notice to the Governmental Lender, the Borrower, the Servicer, the Funding Lender and each Noteowner. Such resignation shall take effect only upon the appointment of a successor Fiscal Agent by the Governmental Lender with the consent of the Funding Lender and the acceptance of such appointment by the successor Fiscal Agent. If no successor is appointed within sixty (60) days after the notice of resignation, the Funding Lender may appoint a Fiscal Agent or the resigning Fiscal Agent may appoint a successor or petition any court of competent jurisdiction to appoint a successor, at the Borrower's expense. Upon appointment of a successor Fiscal Agent, the resigning Fiscal Agent shall assign all of its right, title and interest in this Funding Loan Agreement and the Security to the successor Fiscal Agent. The successor Fiscal Agent shall be a bank or trust company with trust powers organized under the laws of the United States of America or any state of the United States, or the District of Columbia, having a combined capital stock, surplus and undivided profits aggregating at least \$50,000,000. Any successor Fiscal Agent shall accept in writing its duties and responsibilities hereunder and such writing shall be filed with the Governmental Lender, the Funding Lender, the Servicer and the Borrower.

(b) Any corporation into which the Fiscal Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, reorganization or consolidation to which the Fiscal Agent shall be a party, or any corporation succeeding to all or any material part of the corporate trust business of the Fiscal Agent that includes this Funding Loan Agreement, shall be the successor of the Fiscal Agent hereunder without the execution or filing of any paper or any further act on the part of any Person, anything herein to the contrary notwithstanding, provided that such successor Fiscal Agent shall be eligible to serve as Fiscal Agent under the provisions of this Funding Loan Agreement. If the Fiscal Agent is not the successor corporation in any such merger or consolidation, the Fiscal Agent shall give notice of such event to the Governmental Lender, the Servicer and the Borrower and shall take such action as may be required to effect a transfer of the obligations of the Fiscal Agent included in this Funding Loan Agreement to such successor corporation.

Section 7.5 Removal of Fiscal Agent. The Fiscal Agent may be removed at any time, by an instrument or concurrent instruments in writing delivered to the Fiscal Agent, the Governmental Lender, the Servicer and the Borrower and signed by the Funding Lender. During such time that no Event of Default

has occurred and is continuing under this Funding Loan Agreement, the Fiscal Agent may also be removed by an instrument or concurrent instruments in writing delivered to the Fiscal Agent and the Governmental Lender and signed by the Funding Lender, with notice to the Borrower and the Servicer. Such removal shall take effect only upon the appointment of a successor Fiscal Agent by the Governmental Lender with the consent of the Funding Lender and the acceptance of such appointment by the successor Fiscal Agent. Upon such removal, the Fiscal Agent shall assign to the successor Fiscal Agent all of its right, title and interest in this Funding Loan Agreement and the Security in the same manner as provided in Section 7.4 hereof.

Section 7.6 Filing of Financing Statements. Pursuant to Section 3.2 of the Borrower Loan Agreement, the Borrower has agreed to file or record or cause to be filed or recorded all Financing Statements that are required in order fully to protect and preserve the Security Interests and the priority thereof and the rights and powers of the Funding Lender or the Fiscal Agent, as applicable, in connection therewith. The Fiscal Agent shall file all continuation statements with respect to Financing Statements in which it is named as the secured party for the purpose of continuing without lapse the effectiveness of those Financing Statements which shall have been filed at or prior to the delivery of the Governmental Note in connection with the security for the Governmental Note pursuant to the authority of the U.C.C. The Fiscal Agent shall also file any continuation statements as required under Section 3.2 of the Borrower Loan Agreement. The Borrower will pay all costs of preparation and filing the Financing Statements and all financing and continuation statements required under Section 3.2 of the Borrower Loan Agreement.

ARTICLE VIII SERVICER; SERVICING

Section 8.1 Funding Lender to Appoint Servicer. The Funding Lender may engage a Person, collaterally assign some or all of its rights hereunder to a Person, or otherwise provide for a Person, at the Funding Lender's sole cost and expense, to act on behalf of the Funding Lender under the Funding Loan Documents as the "Servicer." The Funding Lender may at any time and from time to time terminate or remove and replace any such Servicer. The Funding Lender shall give written notice to the Governmental Lender and the Borrower of its appointment, termination, removal or replacement of any Servicer, and the parties may rely on any such notice until any subsequent notice is given. Initially, the Funding Lender has engaged KeyBank National Association to act as the "Servicer" hereunder and KeyBank National Association has accepted such engagement. The Funding Lender is under no obligation to appoint a Servicer; if at any time a Servicer has not been designated by the Funding Lender, all references to the "Servicer" herein and in the other Funding Loan Documents shall refer to the Funding Lender. Any opinion or certificate provided for herein, in the Borrower Loan Agreement or in any other Funding Loan Document that is directed to the Servicer shall also be directed to, and may be relied upon by, the Funding Lender. The Funding Lender will have no liability to the Governmental Lender, the Borrower or any other Person for any act or omission of the Servicer unless the Servicer is the Funding Lender or such act or omission was expressly approved by the Funding Lender in each particular case but not, in any event, with respect to any liabilities, damages, costs or expenses against which such Indemnified Party is indemnified under Section 2.5 of the Borrower Loan Agreement.

Section 8.2 Servicing.

(a) The Funding Lender has appointed the Servicer to be the servicer of the Funding Loan and the Borrower Loan and the Servicer has accepted such appointment. Satisfactory arrangements have previously been made for the payment of servicing fees and expenses in connection with the Servicer's servicing obligations hereunder, and the Borrower and the Funding Lender have no obligation for such payments. Without limiting the foregoing, the Servicer shall have no right or claim to any transfer or assumption fees, late charges, Acceleration Premium or Default Interest payable under this Funding Loan

Agreement or the other Funding Loan Documents; provided, however that, to the extent permitted under the Funding Loan Documents, the Servicer shall be entitled to collect from the Borrower its normal and customary incidental fees and charges for any requested review, approval or other action, including, without limitation, in connection with any proposed transfer, loan assumption, easement, site inspections (including travel costs), subordinate financing, release of collateral, condemnation proceeding, non-disturbance agreement or other similar action, unless such review, approval or other action is performed solely by the Funding Lender.

(b) The Servicer shall be responsible for the performance of the following servicing duties:

(i) The Servicer shall perform the duties expressly given to the Servicer under this Funding Loan Agreement, the other Funding Loan Documents and the Servicing Agreement between the Funding Lender and the Servicer.

(ii) The Servicer shall prepare monthly bills to the Borrower in accordance with the Funding Loan Documents for payments to the Fiscal Agent of principal and interest under the Borrower Loan and for deposits into the Tax and Insurance Escrow Fund and the Replacement Reserve Fund. On the third to last Business Day of each calendar month, the Servicer shall notify the Borrower of the amount payable by the Borrower to the Fiscal Agent on the next Business Day and will provide a copy thereof to the Fiscal Agent and the Funding Lender. Such notification may be delivered by Electronic Means. The Servicer shall diligently attempt to collect all of the following, at the times they are due and payable under this Funding Loan Agreement and the other Funding Loan Documents:

- (1) The principal and interest due and payable on the Borrower Note;
- (2) The Governmental Lender Fee and Fiscal Agent Fee, as applicable;
- (3) Any monthly Replacement Reserve Fund deposit;
- (4) Any Monthly Tax and Insurance Amounts;
- (5) Any other escrow or reserve deposits required by this Funding Loan Agreement or the other Funding Loan Documents;
- (6) Any assumption or transfer fee required by this Funding Loan Agreement or the other Funding Loan Documents; and
- (7) Any Acceleration Premium.

(c) All payments received under this Funding Loan Agreement or the other Funding Loan Documents shall be applied in the following order unless otherwise instructed by the Funding Lender or expressly set forth in this Funding Loan Agreement or the other Funding Loan Documents:

- (i) To the principal and interest due and payable on the Borrower Note;
- (ii) To the Governmental Lender Fee and Fiscal Agent Fee, as applicable;
- (iii) To the Acceleration Premium, if applicable;
- (iv) To required deposits to the Replacement Reserve Fund;

- (v) To required deposits in the Tax and Insurance Escrow Fund;
- (vi) To other escrow or reserve deposits required by this Funding Loan Agreement or the other Funding Loan Documents;
- (vii) To Default Interest and any late fees; and
- (viii) To other amounts due under the Funding Loan Documents.

(d) Any payment received by the Servicer from or on behalf of the Borrower under this Funding Loan Agreement or the other Funding Loan Documents required to be submitted to the Fiscal Agent shall be remitted by the Servicer to the Fiscal Agent no later than the second (2nd) Business Day after receipt by the Servicer, or sooner if so required under this Funding Loan Agreement or the other Funding Loan Documents. The Servicer shall make any remittance to the Fiscal Agent by wire transfer in accordance with the instructions received from the Fiscal Agent or to any other party entitled to such remittances pursuant this Funding Loan Agreement or the other Funding Loan Documents in accordance with the instructions received from the Funding Lender.

(e) The Servicer shall review the Tax and Insurance Escrow Fund and the Replacement Reserve Fund on an annual basis and process adjustments for required monthly escrow payments in accordance with terms of the Funding Loan Documents. The Servicer shall notify the Funding Lender, the Borrower and the Fiscal Agent of any such adjustment(s).

(f) The Servicer shall prepare monthly reports for the Funding Lender and the Fiscal Agent outlining the status of the Funding Loan and the Borrower Loan, including disbursements from the Replacement Reserve Fund, the Tax and Insurance Escrow Fund, the Operating Reserve Fund or any other Account under this Funding Loan Agreement, loan history schedules, outstanding loan balances and escrow balances, which reports shall be furnished to the Funding Lender and the Fiscal Agent no later than the fifteenth (15th) day of each calendar month (or the next Business Day thereafter if such fifteenth (15th) day is not a Business Day).

(g) The Servicer shall provide immediate written notice to the Funding Lender and the Borrower of any Event of Default of which it receives notice or has actual knowledge, or any event which, with the giving of notice or the passage of time, or both, would constitute any Event of Default of which it receives notice or has actual knowledge.

(h) The Servicer shall refer to the Funding Lender all Borrower requests for a quote of a payoff amount for the Borrower Loan and shall request a copy of any such quote from the Funding Lender. The Servicer shall prepare payoff letters and delinquency and default notices when necessary, as required by the Funding Loan Documents or this Funding Loan Agreement or otherwise as directed by the Funding Lender.

(i) The Servicer shall use commercially reasonable efforts to obtain financial statements and other reports from the Borrower or relating to the Project at the times and to the extent required under the Funding Loan Documents and deliver the same to the Funding Lender.

(j) The Servicer shall obtain, and shall provide to the Funding Lender a copy of the Borrower's certificates of compliance with the Regulatory and Land Use Restriction Agreement or other evidence of such compliance submitted by the Borrower to the Governmental Lender or the Governmental Lender's designee within thirty (30) days after the later of (i) the date it is required to be submitted to the Governmental Lender or the Governmental Lender's designee, or (ii) the date it is actually so submitted.

(k) The Servicer may perform additional duties with respect to the Funding Loan and the Borrower Loan during the rehabilitation of the Project or during the period following an Event of Default at the request of the Funding Lender.

ARTICLE IX MISCELLANEOUS

Section 9.1 Right of Funding Lender to Pay Taxes and Other Charges. If any tax, assessment or governmental or other charge upon any part of the Project is not paid as required, the Funding Lender may (but shall not be obligated to), pay such tax, assessment or governmental or other charge, without prejudice, however, to any rights of the Funding Lender hereunder arising in consequence of such failure; and any amount at any time so paid under this Section, with interest thereon from the date of payment until paid at the greater of the rate of interest borne by the Governmental Note or the per annum rate of interest announced from time to time by the bank serving as Funding Lender as its “prime rate” shall become so much additional indebtedness secured by this Funding Loan Agreement, shall be given a preference in payment over the Governmental Note, and shall be paid out of the Security.

Section 9.2 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Funding Loan Agreement or the Governmental Note is intended or shall be construed to give to any Person other than the parties hereto, the Noteowners, the Servicer and the Borrower, any legal or equitable right, remedy or claim under or in respect to this Funding Loan Agreement or any covenants, conditions and provisions herein contained; this Funding Loan Agreement and all of the covenants, conditions and provisions herein being intended to be and being for the sole and exclusive benefit of the parties hereto, the Noteowners, the Servicer and the Borrower as herein provided.

Section 9.3 Severability. If any provision of this Funding Loan Agreement is held to be in conflict with any applicable statute or rule of law or is otherwise held to be unenforceable for any reason whatsoever, such circumstances shall not have the effect of rendering the other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses or sections of this Funding Loan Agreement, shall not affect the remaining portions of this Funding Loan Agreement or any part thereof.

Section 9.4 Notices. Except as otherwise provided herein, all notices, approvals, consents, requests, and other communications hereunder shall be in writing and shall be deemed to have been given when the writing is delivered if given or delivered by hand, overnight delivery service or Electronic Means (with confirmed receipt) to the address or e-mail address set forth below and shall be deemed to have been given on the date deposited in the mail, if mailed, by first-class, registered or certified mail, postage prepaid, addressed as set forth below. Where required herein, notice shall be given by telephone, and promptly confirmed in writing, and shall be deemed given when given by telephone to the telephone numbers set forth below. The Governmental Lender, the Borrower, the Fiscal Agent, the Funding Lender, the Servicer and the Tax Credit Investor may, by written notice given hereunder, designate any different addresses, phone numbers and e-mail addresses to which subsequent notices, certificates, approvals, consents, requests or other communications shall be sent.

To the Governmental Lender:

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 L.L.P.
717 N. Harwood, Suite 900
Dallas, Texas 75201
Attn: Mark Malveaux
Telephone: 214-754-9221
Email: mmalveaux@mphlegal.com

To the Fiscal Agent:

Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 200
Dallas, TX 75248
Attention: Corporate Trust Department
Facsimile: (972) 385-0844

With a copy to:

Naman, Howell, Smith & Lee, P.L.L.C.
8310 Capital of Texas Hwy. N., Suite 490
Austin, Texas 78731
Attn: William C. "Cliff" Blount, Esq.
Email: blount@namanhowell.com

To the Borrower:

Austin Leased Housing Associates VI,
Limited Partnership
c/o Dominion Development & Acquisition, LLC
4835 Lyndon B Johnson Fwy, Suite 1000
Dallas, TX 75244
Attention: _____
E-mail: _____

With a copy to:

Winthrop & Weinstine, P.A.
225 South Sixth Street, Suite 3500
Minneapolis, MN 55402-4629
Attention: Jeffrey Drennan
E-mail: jdrennan@winthrop.com

To the Non-Profit General Partner

On Track Ministries

Attention: Cliff McDaniel
E-mail: _____

With a copy to:

Locke Lord LLP
600 Congress Avenue, Suite 2200
Austin, TX 78701
Attention: _____
Email: _____

To the Funding Lender:

Deutsche Bank Securities Inc.
Deutsche Bank Center
1 Columbus Circle
New York, New York 10019
Attention: Municipal Capital Markets

With a copy to:

Kutak Rock LLP
Two Logan Square
100 North 18th Street, Suite 1920
Philadelphia PA 19103
Attention: Andrew P. Schmutz, Esquire
E-mail: Andrew.Schmutz@kutakrock.com

To the Servicer:

KeyBank National Association
1140 19th Street NW, Suite 600
Washington, DC 20036
Attention: Christina Thiele
Email: Christina_H_Thiele@KeyBank.com

With a copy to:

Kutak Rock LLP
Two Logan Square
100 N. 18th Street, Suite 1920
Philadelphia, Pennsylvania 19103
Attention: Andrew P. Schmutz, Esq.
Telephone: (215) 717-8493
Email: andrew.schmutz@kutakrock.com

If to Tax Credit Investor:

Tax Credit Equity Originations Community
Development, Lending & Investment
MA-01-22-1600
225 Franklin Street, 16th Floor
Boston, Massachusetts 02110
Attention: Anna Belanger, Vice President
E-mail: Anna_Belanger@KeyBank.com

With a copy to:

Attention: _____
E-mail: _____

Section 9.5 **Payments Due on Non-Business Days.** In any case where the date of maturity of, interest on or premium, if any, or principal of the Governmental Note or the date fixed for prepayment

of the Governmental Note shall not be a Business Day, then payment of such interest, premium or principal need not be made on such date but shall be made on the next succeeding Business Day, with the same force and effect as if made on the date of maturity or the date fixed for prepayment, and, in the case of such payment, no interest shall accrue for the period from and after such date and until such next succeeding Business Day.

Section 9.6 Binding Effect. This instrument shall inure to the benefit of and shall be binding upon the Governmental Lender and the Funding Lender and their respective successors and assigns, subject, however, to the limitations contained in this Funding Loan Agreement.

Section 9.7 Captions. The captions or headings in this Funding Loan Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Funding Loan Agreement.

Section 9.8 Governing Law. This Funding Loan Agreement shall be governed by and interpreted in accordance with the laws of the State, without regard to conflict of laws principles.

Section 9.9 Limited Liability of Governmental Lender. THE GOVERNMENTAL NOTE IS A SPECIAL, LIMITED OBLIGATION OF THE GOVERNMENTAL LENDER PAYABLE, AS TO PRINCIPAL, ACCELERATION PREMIUM, IF ANY, AND INTEREST SOLELY FROM, AND SECURED ONLY BY, THE SECURITY PLEDGED AND ASSIGNED HEREUNDER AND UNDER THE BORROWER LOAN AGREEMENT, AND WHICH SHALL BE USED FOR NO OTHER PURPOSE EXCEPT AS EXPRESSLY AUTHORIZED IN THIS FUNDING LOAN AGREEMENT AND UNDER THE BORROWER LOAN AGREEMENT. THE GOVERNMENTAL NOTE SHALL CONSTITUTE A VALID CLAIM OF THE NOTEOWNER OR OWNERS THEREOF AGAINST THE SECURITY PLEDGED AND ASSIGNED HEREUNDER AND UNDER THE BORROWER LOAN AGREEMENT, WHICH ARE PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF AND ACCELERATION PREMIUM, IF ANY, AND INTEREST ON THE GOVERNMENTAL NOTE. THE GOVERNMENTAL NOTE SHALL NOT BE A DEBT OR INDEBTEDNESS OF THE GOVERNMENTAL LENDER, ANY PUBLIC AGENCY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE GOVERNMENTAL LENDER, ANY PUBLIC AGENCY, THE STATE, NOR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE GOVERNMENTAL LENDER FROM THE SOURCES IDENTIFIED HEREIN AND IN THE BORROWER LOAN AGREEMENT) SHALL BE LIABLE FOR PAYMENT OF THE GOVERNMENTAL NOTE OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER WITH RESPECT THERETO EXCEPT AS SET FORTH HEREIN AND UNDER THE BORROWER LOAN AGREEMENT, NOR IN ANY EVENT SHALL THE GOVERNMENTAL NOTE BE PAYABLE OUT OF ANY FUNDS, ASSETS OR PROPERTIES OTHER THAN THOSE OF THE GOVERNMENTAL LENDER PLEDGED UNDER THIS FUNDING LOAN AGREEMENT AND UNDER THE BORROWER LOAN AGREEMENT. THE GOVERNMENTAL NOTE SHALL NOT CONSTITUTE AN INDEBTEDNESS OR A MULTIPLE FISCAL-YEAR FINANCIAL OBLIGATION WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION, AND NONE OF THE GOVERNMENTAL NOTE OR ANY OF THE GOVERNMENTAL LENDER'S AGREEMENTS OR OBLIGATIONS WITH RESPECT TO THE FUNDING LOAN, THE GOVERNMENTAL NOTE, OR HEREUNDER, SHALL BE CONSTRUED TO CONSTITUTE

AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT OF OR A MORAL OBLIGATION OF ANY OF THE GOVERNMENTAL LENDER, ANY PUBLIC AGENCY, THE STATE, NOR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER.

NO AGREEMENTS OR PROVISIONS CONTAINED HEREIN NOR ANY AGREEMENT, COVENANT, OR UNDERTAKING BY THE GOVERNMENTAL LENDER IN CONNECTION WITH THE PROJECT OR THE DELIVERY OF THE GOVERNMENTAL NOTE SHALL GIVE RISE TO ANY PECUNIARY LIABILITY OF THE GOVERNMENTAL LENDER OR A CHARGE AGAINST ITS GENERAL CREDIT, OR SHALL OBLIGATE THE GOVERNMENTAL LENDER FINANCIALLY IN ANY WAY, EXCEPT AS MAY BE PAYABLE FROM THE SECURITY PLEDGED AND ASSIGNED HEREUNDER AND UNDER THE BORROWER LOAN AGREEMENT. NO FAILURE OF THE GOVERNMENTAL LENDER TO COMPLY WITH ANY TERM, COVENANT, OR AGREEMENT CONTAINED IN THE GOVERNMENTAL NOTE, THE FUNDING LOAN DOCUMENTS, OR IN ANY DOCUMENT EXECUTED BY THE GOVERNMENTAL LENDER IN CONNECTION WITH THE PROJECT OR THE DELIVERY OF THE GOVERNMENTAL NOTE, SHALL SUBJECT THE GOVERNMENTAL LENDER 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 SECURITY PLEDGED AND ASSIGNED HEREUNDER AND UNDER THE BORROWER LOAN AGREEMENT.

Section 9.10 Incorporation by Reference. The representations, covenants and agreements of the Governmental Lender set forth in the Funding Loan Documents are incorporated by reference herein for the benefit of the Funding Lender.

Section 9.11 Execution in Counterparts; Electronic Signatures. This Funding Loan Agreement 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 Governmental Note and instruments of transfer of the Governmental Note, facsimile or electronically transmitted signatures shall constitute original signatures for all purposes under this Funding Loan Agreement.

Section 9.12 Nonrecourse Obligation of the Governmental Lender. All obligations of the Governmental Lender hereunder and under the other Funding Loan Documents are special, limited obligations payable solely from funds made available to the Governmental Lender under the Borrower Loan Agreement or the other Funding Loan Documents, and no recourse shall be had to the Governmental Lender or to any employees, agents (other than the Borrower) or members of the Governmental Lender in satisfaction of any amounts due or liabilities incurred pursuant to the Governmental Lender's delivery of the Governmental Note and related actions, inactions or transactions.

[The remainder of this page is left blank intentionally.]

IN WITNESS WHEREOF, each of the Governmental Lender, the Fiscal Agent and the Funding Lender have caused this Funding Loan Agreement to be executed in its name and on its behalf by its authorized official all as of the day and year first above written.

AUSTIN HOUSING FINANCE CORPORATION

By: _____

Name: Rosie Truelove

Title: Treasurer

**WILMINGTON TRUST,
NATIONAL ASSOCIATION,**
as Fiscal Agent

By: _____

Name:

Title:

DEUTSCHE BANK SECURITIES INC.,
as Funding Lender

By: _____

Name:

Title:

By: _____

Name:

Title:

DEUTSCHE BANK AG, NEW YORK BRANCH,
as Taxable Funding Lender

By: _____

Name:

Title:

EXHIBIT A

FORM OF GOVERNMENTAL LENDER NOTE SERIES 2023A (TAX-EXEMPT)

THIS NOTE MAY BE OWNED ONLY BY AN APPROVED TRANSFEREE IN ACCORDANCE WITH THE TERMS OF THE FUNDING LOAN AGREEMENT, AND THE HOLDER HEREOF, BY THE ACCEPTANCE OF THIS GOVERNMENTAL NOTE (A) REPRESENTS THAT IT IS AN APPROVED TRANSFEREE AND (B) ACKNOWLEDGES THAT IT CAN ONLY TRANSFER THIS GOVERNMENTAL NOTE OR ANY INTEREST HEREIN TO ANOTHER APPROVED TRANSFEREE IN ACCORDANCE WITH THE TERMS OF THE FUNDING LOAN AGREEMENT.

**AUSTIN HOUSING FINANCE CORPORATION
TAX-EXEMPT MULTIFAMILY HOUSING REVENUE NOTE
(WOODWAY SQUARE), SERIES 2023A (TAX-EXEMPT)**

DATED MARCH __, 2023

\$ _____ Rate: _____ % No. _____

FOR VALUE RECEIVED, the undersigned Austin Housing Finance Corporation (the “Obligor”) promises to pay to the order of Deutsche Bank Securities Inc. (the “Noteowner”) the maximum principal sum of [NOTE AMOUNT IN WORDS] \$[NOTE AMOUNT], on March __, 2023, or earlier as provided herein, together with interest thereon at the rates, at the times and in the amounts provided below.

The Obligor shall pay to the Noteowner on or before each date on which payment is due under that certain Funding Loan Agreement dated as of March __, 2023 (the “Funding Loan Agreement”), between the Obligor, as the Governmental Lender, and the Noteowner, as the Funding Lender, an amount in immediately available funds sufficient to pay the principal amount of and Acceleration Premium, if any, on the Funding Loan then due and payable, whether by maturity, acceleration, prepayment or otherwise. In the event that amounts held derived from proceeds of the Borrower Loan, condemnation awards or insurance proceeds or investment earnings thereon are applied to the payment of principal due on the Funding Loan in accordance with the Funding Loan Agreement, the principal amount due hereunder shall be reduced to the extent of the principal amount of the Funding Loan so paid.

The Obligor shall pay to the Noteowner on or before each date on which interest on the Funding Loan is payable interest on the unpaid balance hereof in an amount in immediately available funds sufficient to pay the interest on the Funding Loan then due and payable in the amounts and at the rate or rates set forth in the Funding Loan Agreement or the applicable Borrower Note (as defined below).

The Funding Loan and this Governmental Note are pass-through obligations relating to a construction and permanent loan (the “Borrower Loan”) made by Obligor from proceeds of the Funding Loan to Austin Leased Housing Associates VI, Limited Partnership, a Texas limited partnership, as borrower (the “Borrower”), under that certain Borrower Loan Agreement dated as of March __, 2023 (as the same may be modified, amended or supplemented from time to time, the “Borrower Loan Agreement”), between the Obligor and the Borrower, evidenced by the Borrower Note (as defined in the Borrower Loan Agreement). Reference is made to the Borrower Loan Agreement and to the Borrower Note for complete payment and prepayment terms of the Borrower Note, payments on which are passed-through under this Governmental Note.

This Governmental Note is a limited obligation of the Obligor, payable solely from the Pledged Revenues and other funds and moneys and Security pledged and assigned under the Funding Loan Agreement. None of the Governmental Lender, the State, or any political subdivision thereof (except the Governmental Lender, to the limited extent set forth herein) nor any public agency shall in any event be liable for the payment of the principal of, premium (if any) or interest on the Funding Loan or for the performance of any pledge, obligation or agreement of any kind whatsoever with respect thereto except as set forth herein and in the Funding Loan Agreement, and none of the Funding Loan or this Governmental Note or any of the Governmental Lender's agreements or obligations with respect to the Funding Loan or this Governmental Note shall be construed to constitute an indebtedness of or a pledge of the faith and credit of or a loan of the credit of or a moral obligation of any of the foregoing within the meaning of any constitutional or statutory provision whatsoever. The Governmental Lender has no taxing power.

All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Funding Loan Agreement or in the Borrower Loan Agreement.

This Governmental Note is subject to the express condition that at no time shall interest be payable on this Governmental Note or the Funding Loan at a rate in excess of the allowed by law; and Obligor shall not be obligated or required to pay, nor shall the Noteowner be permitted to charge or collect, interest at a rate in excess of such maximum rate. If by the terms of this Governmental Note or of the Funding Loan Agreement, Obligor is required to pay interest at a rate in excess of such maximum rate, the rate of interest hereunder or thereunder shall be deemed to be reduced immediately and automatically to such maximum rate, and any such excess payment previously made shall be immediately and automatically applied to the unpaid balance of the principal sum hereof and not to the payment of interest.

Amounts payable hereunder representing late payments, penalty payments or the like shall be payable to the extent allowed by law.

This Governmental Note is subject to all of the terms, conditions, and provisions of the Funding Loan Agreement, including those respecting prepayment and the acceleration of maturity.

If there is an Event of Default under the Funding Loan Documents, then in any such event and subject to the requirements set forth in the Funding Loan Agreement, the Noteowner may declare the entire unpaid principal balance of this Governmental Note and accrued interest, if any, due and payable at once. All of the covenants, conditions and agreements contained in the Funding Loan Documents are hereby made part of this Governmental Note.

No delay or omission on the part of the Noteowner in exercising any remedy, right or option under this Governmental Note or the Funding Loan Documents shall operate as a waiver of such remedy, right or option. In any event a waiver on any one occasion shall not be construed as a waiver or bar to any such remedy, right or option on a future occasion. The rights, remedies and options of the Noteowner under this Governmental Note and the Funding Loan Documents are and shall be cumulative and are in addition to all of the rights, remedies and options of the Noteowner at law or in equity or under any other agreement.

The Obligor shall pay all costs of collection on demand by the Noteowner, including without limitation, reasonable attorneys' fees and disbursements, which costs may be added to the indebtedness hereunder, together with interest thereon, to the extent allowed by law, as set forth in the Funding Loan Agreement.

This Governmental Lender Note shall not be entitled to any benefit under the Funding Loan Agreement or be valid or obligatory for any purpose until the Fiscal Agent shall have executed the Certificate of Authentication appearing hereon.

This Governmental Note may not be changed orally. Presentment for payment, notice of dishonor, protest and notice of protest are hereby waived. The acceptance by the Noteowner of any amount after the same is due shall not constitute a waiver of the right to require prompt payment, when due, of all other amounts due hereunder. The acceptance by the Noteowner of any sum in an amount less than the amount then due shall be deemed an acceptance on account only and upon condition that such acceptance shall not constitute a waiver of the obligation of Obligor to pay the entire sum then due, and Obligor's failure to pay such amount then due shall be and continue to be a default notwithstanding such acceptance of such amount on account, as aforesaid. Consent by the Noteowner to any action of Obligor which is subject to consent or approval of the Noteowner hereunder shall not be deemed a waiver of the right to require such consent or approval to future or successive actions.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Governmental Lender Note or caused this Governmental Lender Note to be duly executed and delivered with the facsimile or manual signature by its authorized representative as of the date first set forth above.

AUSTIN HOUSING FINANCE CORPORATION,
as Governmental Lender

By: _____
Name: Rosie Truelove
Title: Treasurer

ATTEST:

By: _____
Name: Myrna Rios
Title: Secretary

FORM OF GOVERNMENTAL LENDER NOTE SERIES 2023B (TAXABLE)

THIS NOTE MAY BE OWNED ONLY BY AN APPROVED TRANSFEREE IN ACCORDANCE WITH THE TERMS OF THE FUNDING LOAN AGREEMENT, AND THE HOLDER HEREOF, BY THE ACCEPTANCE OF THIS GOVERNMENTAL NOTE (A) REPRESENTS THAT IT IS AN APPROVED TRANSFEREE AND (B) ACKNOWLEDGES THAT IT CAN ONLY TRANSFER THIS GOVERNMENTAL NOTE OR ANY INTEREST HEREIN TO ANOTHER APPROVED TRANSFEREE IN ACCORDANCE WITH THE TERMS OF THE FUNDING LOAN AGREEMENT.

**AUSTIN HOUSING FINANCE CORPORATION
TAX-EXEMPT MULTIFAMILY HOUSING REVENUE NOTE
(WOODWAY SQUARE), SERIES 2023B (TAXABLE)**

DATED MARCH __, 2023

\$ _____ Rate: _____% No. _____

FOR VALUE RECEIVED, the undersigned Austin Housing Finance Corporation (the “Obligor”) promises to pay to the order of Deutsche Bank Securities Inc. (the “Noteowner”) the maximum principal sum of [NOTE AMOUNT IN WORDS] \$[NOTE AMOUNT], on March __, 2023, or earlier as provided herein, together with interest thereon at the rates, at the times and in the amounts provided below.

The Obligor shall pay to the Noteowner on or before each date on which payment is due under that certain Funding Loan Agreement dated as of March __, 2023 (the “Funding Loan Agreement”), between the Obligor, as the Governmental Lender, and the Noteowner, as the Funding Lender, an amount in immediately available funds sufficient to pay the principal amount of and Acceleration Premium, if any, on the Funding Loan then due and payable, whether by maturity, acceleration, prepayment or otherwise. In the event that amounts held derived from proceeds of the Borrower Loan, condemnation awards or insurance proceeds or investment earnings thereon are applied to the payment of principal due on the Funding Loan in accordance with the Funding Loan Agreement, the principal amount due hereunder shall be reduced to the extent of the principal amount of the Funding Loan so paid.

The Obligor shall pay to the Noteowner on or before each date on which interest on the Funding Loan is payable interest on the unpaid balance hereof in an amount in immediately available funds sufficient to pay the interest on the Funding Loan then due and payable in the amounts and at the rate or rates set forth in the Funding Loan Agreement or the applicable Borrower Note (as defined below).

The Funding Loan and this Governmental Note are pass-through obligations relating to a construction and permanent loan (the “Borrower Loan”) made by Obligor from proceeds of the Funding Loan to Austin Leased Housing Associates VI, Limited Partnership, a Texas limited partnership, as borrower (the “Borrower”), under that certain Borrower Loan Agreement dated as of March __, 2023 (as the same may be modified, amended or supplemented from time to time, the “Borrower Loan Agreement”), between the Obligor and the Borrower, evidenced by the Borrower Note (as defined in the Borrower Loan Agreement). Reference is made to the Borrower Loan Agreement and to the Borrower Note for complete payment and prepayment terms of the Borrower Note, payments on which are passed-through under this Governmental Note.

This Governmental Note is a limited obligation of the Obligor, payable solely from the Pledged Revenues and other funds and moneys and Security pledged and assigned under the Funding Loan Agreement. None of the Governmental Lender, the State, or any political subdivision thereof (except the Governmental Lender, to the limited extent set forth herein) nor any public agency shall in any event be liable for the payment of the principal of, premium (if any) or interest on the Funding Loan or for the performance of any pledge, obligation or agreement of any kind whatsoever with respect thereto except as set forth herein and in the Funding Loan Agreement, and none of the Funding Loan or this Governmental Note or any of the Governmental Lender's agreements or obligations with respect to the Funding Loan or this Governmental Note shall be construed to constitute an indebtedness of or a pledge of the faith and credit of or a loan of the credit of or a moral obligation of any of the foregoing within the meaning of any constitutional or statutory provision whatsoever. The Governmental Lender has no taxing power.

All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Funding Loan Agreement or in the Borrower Loan Agreement.

This Governmental Note is subject to the express condition that at no time shall interest be payable on this Governmental Note or the Funding Loan at a rate in excess of the allowed by law; and Obligor shall not be obligated or required to pay, nor shall the Noteowner be permitted to charge or collect, interest at a rate in excess of such maximum rate. If by the terms of this Governmental Note or of the Funding Loan Agreement, Obligor is required to pay interest at a rate in excess of such maximum rate, the rate of interest hereunder or thereunder shall be deemed to be reduced immediately and automatically to such maximum rate, and any such excess payment previously made shall be immediately and automatically applied to the unpaid balance of the principal sum hereof and not to the payment of interest.

Amounts payable hereunder representing late payments, penalty payments or the like shall be payable to the extent allowed by law.

This Governmental Note is subject to all of the terms, conditions, and provisions of the Funding Loan Agreement, including those respecting prepayment and the acceleration of maturity.

If there is an Event of Default under the Funding Loan Documents, then in any such event and subject to the requirements set forth in the Funding Loan Agreement, the Noteowner may declare the entire unpaid principal balance of this Governmental Note and accrued interest, if any, due and payable at once. All of the covenants, conditions and agreements contained in the Funding Loan Documents are hereby made part of this Governmental Note.

No delay or omission on the part of the Noteowner in exercising any remedy, right or option under this Governmental Note or the Funding Loan Documents shall operate as a waiver of such remedy, right or option. In any event a waiver on any one occasion shall not be construed as a waiver or bar to any such remedy, right or option on a future occasion. The rights, remedies and options of the Noteowner under this Governmental Note and the Funding Loan Documents are and shall be cumulative and are in addition to all of the rights, remedies and options of the Noteowner at law or in equity or under any other agreement.

The Obligor shall pay all costs of collection on demand by the Noteowner, including without limitation, reasonable attorneys' fees and disbursements, which costs may be added to the indebtedness hereunder, together with interest thereon, to the extent allowed by law, as set forth in the Funding Loan Agreement.

This Governmental Lender Note shall not be entitled to any benefit under the Funding Loan Agreement or be valid or obligatory for any purpose until the Fiscal Agent shall have executed the Certificate of Authentication appearing hereon.

This Governmental Note may not be changed orally. Presentment for payment, notice of dishonor, protest and notice of protest are hereby waived. The acceptance by the Noteowner of any amount after the same is due shall not constitute a waiver of the right to require prompt payment, when due, of all other amounts due hereunder. The acceptance by the Noteowner of any sum in an amount less than the amount then due shall be deemed an acceptance on account only and upon condition that such acceptance shall not constitute a waiver of the obligation of Obligor to pay the entire sum then due, and Obligor's failure to pay such amount then due shall be and continue to be a default notwithstanding such acceptance of such amount on account, as aforesaid. Consent by the Noteowner to any action of Obligor which is subject to consent or approval of the Noteowner hereunder shall not be deemed a waiver of the right to require such consent or approval to future or successive actions.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Governmental Lender Note or caused this Governmental Lender Note to be duly executed and delivered with the facsimile or manual signature by its authorized representative as of the date first set forth above.

AUSTIN HOUSING FINANCE CORPORATION,
as Governmental Lender

By: _____
Name: Rosie Truelove
Title: Treasurer

ATTEST:

By: _____
Name: Myrna Rios
Title: Secretary

EXHIBIT B
FORM OF INVESTOR LETTER

[Date]

Austin Housing Finance Corporation
Austin, Texas

Re: AUSTIN HOUSING FINANCE CORPORATION [TAX-EXEMPT][TAXABLE]
MULTIFAMILY HOUSING REVENUE NOTE,
(WOODWAY SQUARE) SERIES 2023

The undersigned, as holder (the “Noteowner”) of the above-referenced [Tax-Exempt][Taxable] Governmental Note delivered pursuant to the Funding Loan Agreement dated as of [CLOSING MONTH] 1, 2023 (the “Funding Loan Agreement”), among the Austin Housing Finance Corporation (the “Governmental Lender”), Wilmington Trust, National Association, as fiscal agent, and Deutsche Bank Securities Inc. and Deutsche Bank AG, New York Branch, collectively, as Funding Lender (the “Funding Lender”), hereby represents that:

The undersigned acknowledges that the [Tax-Exempt][Taxable] Governmental Note is being delivered for the purpose of making a loan to assist in the financing of the acquisition, rehabilitation, improvement and equipping of a certain multifamily rental housing development located in Austin, Texas, (the “Project”), as more particularly described in that certain Borrower Loan Agreement dated as of [CLOSING MONTH] 1, 2023 (the “Borrower Loan Agreement”), between the Governmental Lender and Austin Leased Housing Associates VI, Limited Partnership (the “Borrower”).

In connection with the delivery of the [Tax-Exempt][Taxable] Governmental Note in favor of the Noteowner, the Noteowner hereby makes the following representations upon which you may rely

1. The Noteowner has authority to execute this letter and any other instruments and documents required to be executed by the Noteowner in connection with the delivery of the [Tax-Exempt][Taxable] Governmental Note.

2. The Noteowner is an Approved Transferee and therefore has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal obligations, to be able to evaluate the risks and merits of the investment represented by the [Tax-Exempt][Taxable] Governmental Note.

3. Any disposition by the Noteowner at this time of all or any part of the [Tax-Exempt][Taxable] Governmental Note shall be only to an institution or entity that is an Approved Transferee or that Noteowner reasonably believes is an Approved Transferee; provided, however, the Noteowner reserves the right to deposit the [Tax-Exempt][Taxable] Governmental Note into a trust or custodial arrangement in which all of the beneficial ownership interests would be owned by one or more other Approved Transferees; it being understood and agreed that, under such circumstances, each such beneficial owner, in connection with its acquisition of an interest in such arrangement, would be required to represent to the relevant Noteowner or custodian that it was acquiring such interest for its own account and for investment purposes, and not with a present view to or for resale. Furthermore, the Noteowner reserves the right to dispose of all or any part of the [Tax-Exempt][Taxable] Governmental Note in the

future, if the Noteowner deems it advisable to do so or if required under the trust, securitization or custodial arrangement described above. The Noteowner understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.

4. The Noteowner understands that (a) the [Tax-Exempt][Taxable] Governmental Note is not secured by any pledge of any moneys received or to be received from taxation by the State of Texas or any political subdivision thereof [and that the Governmental Lender has no taxing power], (b) the [Tax-Exempt][Taxable] Governmental Note does not and will not represent or constitute a general obligation or a pledge of the faith and credit of the Governmental Lender, the State of Texas or any political subdivision thereof; and (c) the liability of the Governmental Lender with respect to the [Tax-Exempt][Taxable] Governmental Note is limited to the Security as set forth in the Funding Loan Agreement.

5. The Noteowner acknowledges that to its knowledge it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and the Noteowner has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Borrower, the [Managing Member], the Guarantor, the Project and the [Tax-Exempt][Taxable] Governmental Note and the security therefor so that, as a reasonable investor, the Noteowner has been able to make its decision to make the applicable Funding Loan to the Governmental Lender.

6. The Noteowner has made its own inquiry and analysis with respect to the Governmental Note and the security therefor, and other material factors affecting the security and payment of the Governmental Note. The Noteowner is aware that the business of the Borrower involves certain economic variables and risks that could adversely affect the security for the Governmental Note.

7. In entering into this transaction the Noteowner has not relied upon any representations or opinions made by the Governmental Lender other than representations and statements of the Governmental Lender set forth in the documents providing for the execution and delivery of the Governmental Note, nor has it looked to, nor expected, the Governmental Lender to undertake or require any credit investigation or due diligence reviews relating to the Borrower, its financial condition or business operations, the Project (including the financing or management thereof), or any other matter pertaining to the merits or risks of the transaction, or the adequacy of the funds pledged to secure repayment of the Governmental Note.

8. Capitalized terms used herein and not otherwise defined have the meaning given such terms in the Funding Loan Agreement.

[DEUTSCHE BANK SECURITIES
INC.][DEUTSCHE BANK AG, NEW YORK
BRANCH]

By: _____
Name:
Title:

By: _____
Name:
Title: