RESOLUTION NO. 20261008-AHFC002

RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF MULTIFAMILY HOUSING REVENUE NOTE (ELM RIDGE APARTMENTS), SERIES 2026; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS; AUTHORIZING REPRESENTATIVES OF THE AUSTIN HOUSING FINANCE CORPORATION TO EXECUTE DOCUMENTS; AND APPROVING RELATED MATTERS

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

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

WHEREAS, the Board of Directors of the Issuer (the "Board") has determined to authorize the issuance of the Issuer's Multifamily Housing Revenue Note (Elm Ridge Apartments), Series 2026 (the "Note"), in one or more series in accordance with the terms of a Funding Loan Agreement (the "Funding Loan Agreement") by and among the Issuer, the Fiscal Agent (the "Fiscal Agent") and the Initial Funding Lender named in the Funding Loan Agreement (the "Initial Funding Lender"), to obtain funds to finance the Development (defined below); and

WHEREAS, the Issuer desires to use the proceeds of the Note to finance the costs of acquiring and rehabilitating a multifamily residential rental development located in Austin, Texas (the "Development") containing units occupied by persons of low income, as determined by the Issuer and as required by Section

142(d) of the Internal Revenue Code of 1986, as amended, and to pay costs of issuance of the Note, if necessary; and

WHEREAS, the Issuer and the Elm Ridge Preservation, LP (the "Borrower") will execute and deliver a Project Loan Agreement (the "Project Loan Agreement") in which the Issuer will agree to lend funds to the Borrower to enable the Borrower to finance the Development; and

WHEREAS, the Issuer will assign its rights under the Project Loan Agreement to the Fiscal Agent pursuant to the Funding Loan Agreement in order to secure repayment of the Note; and

WHEREAS, the Issuer, the Fiscal Agent, and the Borrower will execute a Regulatory and Land Use Restriction Agreement (the "Regulatory Agreement") which will be filed of record in the real property records of Travis County, Texas; and

WHEREAS, the Board has examined proposed forms of the Funding Loan Agreement, the Project Loan Agreement, and the Regulatory Agreement all of which are attached to and comprise a part of this Resolution; has found the form and substance of such documents to be satisfactory and proper and the recitals contained to be true, correct and complete; and has determined to authorize the issuance of the Note, the execution and delivery of the documents and the taking of such other actions as may be necessary or convenient in connection with this transaction; **NOW, THEREFORE,**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE AUSTIN HOUSING FINANCE CORPORATION:

Section 1.1 - Issuance, Execution and Delivery of the Note. The issuance of the Note is authorized in accordance with the conditions in the Funding Loan Agreement, and, upon execution and delivery of the Funding Loan Agreement, the

authorized representatives of the Issuer named in this Resolution each are authorized to execute and attest to the Note and to deliver the Note to the Attorney General of the State of Texas for approval, the Comptroller of Public Accounts of the State of Texas for registration, and the Fiscal Agent for authentication (to the extent required in the Funding Loan Agreement), and then to deliver the Note to the Funding Lender. The maturity date for the Note will not exceed the latest date allowed under Texas law. The interest rate for the Note will not exceed the maximum amount allowed under Texas law and the aggregate principal amount of Note will not exceed $33,000,000 in the aggregate.

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

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

Section 1.4 - Approval of Development. For purposes of House Bill 21 of the 89th Texas Legislative session, which amended the Act, the Issuer approves the development.

Section 1.5 - Execution and Delivery of Other Documents. The authorized representatives of the Issuer named in this Resolution each are authorized to execute, attest to, and to affix the Issuer's seal to such other agreements, commitments, assignments, bonds, notes, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution. Moreover, the authorized representative is authorized to perform any and all actions to comply with the Act, as amended by House Bill 21 of the 89th Texas Legislative session.

Section 1.6 - Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit are hereby incorporated into and made a part of this Resolution for all purposes:

Exhibit "A" – Funding Loan Agreement

Exhibit "B" – Project Loan Agreement

Exhibit "C" – Regulatory Agreement

Section 1.7 - Power to Revise Form of Documents. The authorized representatives of the Issuer named in this Resolution each are authorized to approve such revisions in the form of the documents attached hereto as may be acceptable to such authorized representative or authorized representatives, following consultation with McCall, Parkhurst & Horton L.L.P., Bond Counsel to

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

Section 1.8 - Authorized Representatives. The President, Vice President, Treasurer, Secretary, and General Manager each is hereby named as an authorized representative of the Issuer, acting alone, for purposes of executing, attesting, affixing the Issuer's seal to, and delivering the documents and instruments referred to herein.

Section 1.9 - Meeting. The meeting at which this Resolution was adopted was held on October 8, 2026, and a quorum was present. Such meeting was held in accordance with the requirements of applicable law and Issuer's Bylaws.

ADOPTED: October 8, 2026 **ATTEST:** Stephanie Hall for

Erika Brady
Secretary

EXHIBIT "A"

FUNDING LOAN AGREEMENT

FUNDING LOAN AGREEMENT – TEL (Immediate)

FIXED RATE

by and among

AUSTIN HOUSING FINANCE CORPORATION,
as Governmental Lender

UMB BANK, N.A.,
as Fiscal Agent

and

BERKADIA COMMERCIAL MORTGAGE LLC,
as Initial Funding Lender

Dated as of November 1, 2026

Relating to:

Austin Housing Finance Corporation
Multifamily Housing Revenue Note
(Elm Ridge Apartments),
Series 2026

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Funding Loan Agreement – Fixed Rate – TEL (Immediate)
(Revised 4-20-2026)

THIS FUNDING LOAN AGREEMENT ("**Funding Loan Agreement**") dated as of November 1, 2026, is made by and among AUSTIN HOUSING FINANCE CORPORATION (the "**Governmental Lender**"), UMB BANK, N.A., as fiscal agent (the "**Fiscal Agent**"), and BERKADIA COMMERCIAL MORTGAGE LLC, a Delaware limited liability company (in such capacity, the "**Initial Funding Lender**").

RECITALS

A. Pursuant to the Texas Housing Finance Corporations Act, Chapter 394 of the Texas Local Government Code, as amended (the "**Act**") and the Project Loan Agreement, dated as of the date hereof (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Project Loan Agreement**"), among Governmental Lender, Fiscal Agent, and ELM RIDGE PRESERVATION, LP (the "**Borrower**"), Governmental Lender is agreeing to make a mortgage loan to Borrower in the original principal amount of $[33,000,000] (the "**Project Loan**") to provide for the financing of a multifamily rental housing development located at 1190 Airport Boulevard in Austin, Texas and known as Elm Ridge Apartments. The Land, Improvements, and Fixtures (each as defined in the Security Instrument) are collectively referred to herein as the "**Project.**"

B. Governmental Lender is making the Project Loan with the proceeds received from the separate loan being made to the Governmental Lender pursuant to this Funding Loan Agreement in the original principal amount of $[33,000,000] (the "**Funding Loan**" and together with the Project Loan, the "**Loans**"). The Funding Loan is being originated and funded by the Initial Funding Lender hereunder and is evidenced by the Multifamily Housing Revenue Note (Elm Ridge Apartments), Series 2026, dated [November __, 2026] (the "**Delivery Date**"), executed by the Governmental Lender and authenticated by the Fiscal Agent in favor of the Initial Funding Lender, in the form attached hereto as Exhibit A (as the same may be amended, restated, supplemented or otherwise modified from time to time, or any note executed in substitution therefor, as such substitute note may be amended, restated, supplemented or otherwise modified from time to time, and together with all addenda thereto, the "**Governmental Note**").

C. Freddie Mac has entered into a commitment with Initial Funding Lender dated [October __, 2026] (as the same may be amended, modified or supplemented from time to time, the "**Freddie Mac Commitment**") whereby Freddie Mac has agreed to purchase the Funding Loan from Initial Funding Lender on the date of satisfaction of the conditions set forth therein (the "**Freddie Mac Purchase Date**"). On the Freddie Mac Purchase Date, Initial Funding Lender will assign all of its rights and interest in the Governmental Note, this Funding Loan Agreement, the Continuing Covenant Agreement and the other Financing Documents to Freddie Mac.

D. Borrower has agreed to use the proceeds of the Project Loan to finance the acquisition and rehabilitation of the Project [and to pay certain costs incurred in connection with the Loans].

E. Borrower's payment obligations in respect of the Project Loan will be evidenced by a Project Note, dated the Delivery Date (as the same may be amended, restated, supplemented or otherwise modified from time to time, or any note executed in substitution therefor, as such substitute note may be amended, restated, supplemented or otherwise modified from time to time, and together with all riders and addenda thereto, the "**Project Note**"), delivered to Governmental Lender, which Project Note will be endorsed by Governmental Lender to Fiscal Agent as security for the Funding Loan.

F. To secure Borrower's obligations under the Project Note, Borrower will execute and deliver to Governmental Lender a Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture

Filing, dated as of the Delivery Date (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Security Instrument**") granting a first priority mortgage and security interest in the Project in favor of Governmental Lender. Pursuant to the Assignment, the Security Instrument will be assigned by Governmental Lender to Fiscal Agent as security for the Funding Loan.

G. As a condition to making the Funding Loan, and the subsequent purchase of the Funding Loan by Freddie Mac on the Freddie Mac Purchase Date, Borrower is entering into a Continuing Covenant Agreement, dated as of the Delivery Date (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Continuing Covenant Agreement**"), with Initial Funding Lender, to set forth various other requirements with respect to the Loans and the Project, which will be assigned to Freddie Mac on the Freddie Mac Purchase Date.

H. On and after the Freddie Mac Purchase Date, Freddie Mac will act as Funding Lender Representative with respect to the Loans. Berkadia Commercial Mortgage LLC will act as the initial Loan Servicer for the Loans on behalf of Funding Lender Representative.

I. Governmental Lender has determined that all things necessary to incur the Funding Loan and to make the Governmental Note, when executed by Governmental Lender and authenticated by Fiscal Agent and issued in accordance with this Funding Loan Agreement, the valid, binding and legal obligation of Governmental Lender and to constitute this Funding Loan Agreement a valid lien on the properties, interests, revenues and payments herein pledged to the payment of the principal of, Prepayment Premium, if any, and interest on, the Governmental Note, have been duly taken, and the creation, execution and delivery of this Funding Loan Agreement and the execution and delivery of the Governmental Note, subject to the terms of this Funding Loan Agreement, have been duly authorized by Governmental Lender.

J. Fiscal Agent has the power and authority to enter into this Funding Loan Agreement, including corporate trust powers to accept the trusts hereunder and to accept and assume its other responsibilities hereunder as Fiscal Agent as evidenced by its execution of this Funding Loan Agreement.

NOW, THEREFORE, in consideration of the premises and of the origination and funding of the Funding Loan by Initial Funding Lender, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I DEFINITIONS; INTERPRETATION; SCHEDULE AND EXHIBITS.

1.01 Definitions. The terms used in this Funding Loan Agreement (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Funding Loan Agreement and of any amendment or supplement hereto shall have the respective meanings specified below. Terms used herein (including when used in the Recitals) not otherwise defined shall have the respective meanings set forth in the Project Loan Agreement and the Continuing Covenant Agreement.

"**Act**" is defined in the Recitals of this Funding Loan Agreement.

"**Additional Servicing Fee**" is defined in Section 2.09 hereof.

"**Administration Fund**" means the Administration Fund established by Fiscal Agent pursuant to Section 4.01 hereof.

"**Assignment**" means the Assignment of Security Instrument dated as of the Delivery Date by Governmental Lender assigning its interest in the Security Instrument to Fiscal Agent.

"**Authorized Officer**" means (a) when used with respect to Governmental Lender, the President, First Vice President, Second Vice President, Treasurer, Secretary or Assistant Secretary of the Governmental Lender and such additional Person or Persons, if any, duly designated by Governmental Lender in writing to act on its behalf, (b) when used with respect to Borrower, any authorized signatory of Borrower and such additional Person or Persons, if any, duly designated by Borrower in writing to act on its behalf, (c) when used with respect to Fiscal Agent, any authorized signatory of Fiscal Agent, or any Person who is authorized in writing to take the action in question on behalf of Fiscal Agent, (d) when used with respect to Loan Servicer, any Person or Persons duly designated by Loan Servicer in writing to act on its behalf, and (e) when used with respect to Funding Lender Representative, any Person who is authorized in writing to take the action in question on behalf of Funding Lender Representative.

"**Bankruptcy Code**" means the United States Bankruptcy Code, 11 U.S.C. Section 101 et seq., as amended from time to time.

"**Bond Counsel**" means (a) on the Delivery Date, the law firm or law firms delivering the approving opinion(s) with respect to the Governmental Note, or (b) any other firm of attorneys selected by Governmental Lender that is experienced in matters relating to the issuance of obligations by states and their political subdivisions that is listed as municipal bond attorneys in The Bond Buyer's Municipal Marketplace and is acceptable to Funding Lender Representative.

"**Borrower**" means the entity identified as "Borrower" in the Recitals of this Funding Loan Agreement, together with any of its permitted successors and assigns, as owner of the Project.

"**Borrower Equity Account**" means the Borrower Equity Account of the Project Loan Fund established by Fiscal Agent pursuant to Section 2.11 hereof.

"**Borrower Equity Deposit**" means $[_____], which shall be comprised of sources other than the proceeds of the Project Loan.

"**Business Day**" means any day other than a Saturday, a Sunday, or any other day on which Fiscal Agent, Funding Lender or the national banking associations are not open for business.

"**Certificate of Governmental Lender**" and "**Request of Governmental Lender**" mean, respectively, a written certificate or request signed in the name of Governmental Lender by an Authorized Officer of Governmental Lender or such other Person as may be designated and authorized to sign for Governmental Lender. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

"**Code**" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"**Continuing Covenant Agreement**" is defined in the Recitals of this Funding Loan Agreement.

"**Cost**," "**Costs**" or "**Costs of the Project**" means costs paid with respect to the Project that:

(a) Are properly chargeable to capital account (or would be so chargeable with a proper election by Borrower or but for a proper election by Borrower to deduct such costs) in accordance with general federal income tax principles and in accordance with United States Treasury Regulations Section 1.103-8(a)(1),

(b) Are paid with respect to a qualified residential rental project or projects within the meaning of Section 142(d) of the Code,

(c) Are paid after the earlier of (i) 60 days prior to the date of a resolution of Governmental Lender to reimburse costs of the Project with proceeds of the Loans or (ii) the Delivery Date, and

(d) If previously paid and to be reimbursed with proceeds of the Loans, were:

(i) Costs of Issuance of the Governmental Note,

(ii) Preliminary capital expenditures (within the meaning of United States Treasury Regulations Section 1.150-2(f)(2)) with respect to the Project (such as architectural, engineering and soil testing services) incurred before commencement of acquisition or rehabilitation of the Project that do not exceed twenty percent (20%) of the issue price of the Governmental Note (as defined in Section 1.148-1 of the Treasury Regulations), or

(iii) Capital expenditures with respect to the Project that are reimbursed no later than eighteen (18) months after the later of the date the expenditure was paid or the date the Project is placed in service (but no later than three (3) years after the expenditure is paid);

provided however, that if any portion of the Project is being constructed or developed by Borrower or an affiliate (whether as a developer, a general contractor or a subcontractor), "Cost," "Costs" or "Costs of the Project" shall include only (A) the actual out-of-pocket costs incurred by Borrower or such affiliate in developing or constructing the Project (or any portion thereof), (B) any reasonable fees for supervisory services actually rendered by Borrower or such affiliate (but excluding any profit component) and (C) any overhead expenses incurred by Borrower or such affiliate which are directly attributable to the work performed on the Project, and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the acquisition, rehabilitation or development of the Project or payments received by such affiliate due to early completion of the Project (or any portion thereof).

"**Costs of Issuance Fund**" means the Costs of Issuance Fund established by Fiscal Agent pursuant to Section 4.01 hereof.

"**Costs of Issuance**" means, as applicable, (a) the fees (excluding ongoing fees), costs and expenses of (i) Governmental Lender, Governmental Lender's counsel and Governmental Lender's financial advisor, (ii) Bond Counsel, (iii) Fiscal Agent and Fiscal Agent's counsel, (iv) Loan Servicer and Loan Servicer's counsel, (v) Funding Lender and Funding Lender's counsel (including both Initial Funding Lender and Freddie Mac, as assignee thereof on the Freddie Mac Purchase Date), and (vi) Borrower's counsel attributable to the funding of the Loans and Borrower's financial advisor, if any, and (b) all other fees, costs and expenses directly associated with the Funding Loan and the Project Loan, including, without limitation, printing costs, costs of reproducing documents, filing and recording fees.

"**Costs of Issuance Deposit**" means the deposit to be made by Borrower with Fiscal Agent on the Delivery Date, which deposit shall equal $[_____] and shall be comprised of sources other than the proceeds of the Project Loan.

"**Cure Amount**" is defined in Section 6.02 hereof.

"**Default Rate**" means the lower of (a) the Interest Rate otherwise in effect notwithstanding the default plus four percent (4%) per annum or (b) the Maximum Interest Rate.

"**Delivery Date**" means the date identified as "Delivery Date" in the Recitals of this Funding Loan Agreement, which is the date of funding of the Funding Loan and the delivery of the Governmental Note by Governmental Lender to Initial Funding Lender.

"**Determination of Taxability**" means, (a) a determination by the Commissioner or any District Director of the Internal Revenue Service, (b) a private ruling or Technical Advice Memorandum issued by the National Office of the Internal Revenue Service in which Governmental Lender and Borrower were afforded the opportunity to participate, (c) a determination by any court of competent jurisdiction, (d) the enactment of legislation or (e) receipt by Fiscal Agent or Funding Lender Representative, at the request of Governmental Lender, Borrower, Fiscal Agent or Funding Lender Representative, of an opinion of Bond Counsel, in each case to the effect that the interest on the Governmental Note is includable in the gross income for federal income tax purposes of Funding Lender or any former Funding Lender other than a Funding Lender who is a "substantial user" of the Project or a "related person" (as such terms are defined in Section 147(a) of the Code); provided, however, that no such Determination of Taxability under clause (a) or (c) shall be deemed to have occurred if Governmental Lender (at the sole expense of Borrower) or Borrower is contesting such determination, has elected to contest such determination in good faith and is proceeding with all applicable dispatch to prosecute such contest until the earliest of (i) a final determination from which no appeal may be taken with respect to such determination, (ii) abandonment of such appeal by Governmental Lender or Borrower, as the case may be, or (iii) one year from the date of initial determination.

"**Electronic Instruction and Notice**" means delivery of written instructions, directions and/or notice signed by an Authorized Officer in a Word format or a Portable Document Format (PDF) by electronic mail to the electronic mail addresses listed in Section 10.04 hereof (if any); provided, that if a sender receives notice that the electronic mail is undeliverable, notice must be sent as otherwise required by Section 10.04 hereof.

"**Escrow Agent**" means the Title Company or, if applicable, a separate escrow company selected by Borrower and acceptable to Initial Funding Lender that will handle the collection and disbursement of funds in connection with the closing of the Loans and, if applicable, the acquisition of the Project.

"**Event of Default**" means the occurrence of any event listed in Section 6.01 hereof.

"**Extraordinary Services**" means and includes, but not by way of limitation, services, actions and things carried out and all expenses incurred by Fiscal Agent, in respect of or to prevent default under this Funding Loan Agreement or the Project Loan Documents, including any reasonable attorneys' or agents' fees and expenses and other litigation costs that are entitled to reimbursement under the terms of the Project Loan Agreement, and other actions taken and carried out by Fiscal Agent which are not expressly set forth in this Funding Loan Agreement or the Project Loan Documents.

"**Fair Market Value**" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (a) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (b) the

investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (c) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (d) any commingled investment fund in which Governmental Lender and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of investment.

"**Financing Documents**" means, collectively, this Funding Loan Agreement, the Governmental Note, the Tax Certificate, the Project Loan Documents and all other documents or instruments evidencing, securing or relating to the Loans.

"**Fiscal Agent**" means the entity identified as "Fiscal Agent" in the introductory paragraph of this Funding Loan Agreement, together with any successor Fiscal Agent(s) appointed hereunder.

"**Fiscal Agent's Extraordinary Fees and Expenses**" means all those fees, expenses and reimbursements earned or incurred by Fiscal Agent as described in Section 7.05 hereof for Extraordinary Services, as set forth in a detailed invoice to Borrower, Loan Servicer and Funding Lender Representative.

"**Fiscal Agent's Ordinary Fees and Expenses**" means (a) Fiscal Agent's one-time acceptance fee due on the Delivery Date of $_____, and (b) the ongoing annual administration fee for Fiscal Agent's ordinary fees and expenses in rendering its services under this Funding Loan Agreement during each twelve month period, which fee is equal to (and shall not exceed) $[_____] and shall be payable annually in advance on the Delivery Date and] each [_____ and] [_____] [commencing _____][thereafter].

"**Freddie Mac**" means the Federal Home Loan Mortgage Corporation, a shareholder owned government sponsored enterprise organized and existing under the laws of the United States of America, and its successors and assigns.

"**Freddie Mac Commitment**" is defined in the Recitals of this Funding Loan Agreement.

"**Freddie Mac Purchase Date**" is defined in the Recitals of this Funding Loan Agreement.

"**Funding Lender**" means any Person who is the holder of the Governmental Note.

"**Funding Lender Representative**" means Funding Lender or any Person designated by Funding Lender to act on behalf of Funding Lender as provided in Section 10.05, or an assignee of such Person as provided in Section 10.05. The initial Funding Lender Representative shall be Initial Funding Lender, and Freddie Mac shall become Funding Lender Representative upon the occurrence of the Freddie Mac Purchase Date.

"**Funding Loan**" is defined in the Recitals of this Funding Loan Agreement.

"**Funding Loan Agreement**" means this Funding Loan Agreement, as it may be amended, restated, supplemented or otherwise modified from time to time.

"**Funding Loan Amortization Schedule**" means the Funding Loan Amortization Schedule attached as Schedule 1 to the Governmental Note.

"**Funding Loan Payment Date**" means (a) the first day of each calendar month, commencing [December 1, 2026], (b) the date of any prepayment of the Funding Loan, but only with respect to the portion of the Funding Loan subject to prepayment, and (c) the Maturity Date.

"**Government Obligations**" means investments meeting the requirements of clause (a) or (b) of the definition of "Qualified Investments" herein.

"**Governmental Lender**" means the entity identified as "Governmental Lender" in the introductory paragraph of this Funding Loan Agreement.

"**Governmental Lender Administration Fee**" means the fee payable annually in arrears to the Governmental Lender on each October 1, in the amount equal to the [greatest of (i) .03% per annum of the aggregate outstanding principal amount of the Governmental Note on October 1 or (ii) $12 per Development rental unit or (iii) $1,200]. On the Delivery Date, the Borrower will pay the Governmental Lender Administration Fee for calendar years 2026 and 2027. The Fiscal Agent will remit to the Governmental Lender, payable solely from funds provided by the Borrower, all payments of the Governmental Lender Administration Fee due on or after October 1, 2028. If the Governmental Lender Administration Fee is not paid in full by August 31 of the calendar year after which payment is owed, the outstanding fee balance shall be increased at a rate equal to the Secured Overnight Financing Rate for August 31 of the applicable year plus an additional 5.0%. If a fee remains unpaid for a period of two years or more, the outstanding fee balance will be considered to be the original outstanding amount plus any unpaid interest accrued.

"**Governmental Lender Closing Fee**" means the Governmental Lender's issuance fee in the amount of [0.50]% of the original aggregate principal amount of the Note, payable by the Fiscal Agent to the Governmental Lender on the Delivery Date from amounts in the Costs of Issuance Fund, or otherwise by the Borrower.

"**Governmental Lender Fees**" means, collectively, the Governmental Lender Administration Fee and the Governmental Lender Closing Fee.

"**Governmental Note**" is defined in the Recitals of this Funding Loan Agreement.

"**Guide**" means the *Freddie Mac Multifamily Seller/Servicer Guide*, as the same may be amended, modified or supplemented from time to time.

"**Initial Funding Lender**" means the entity identified as "Initial Funding Lender" in the introductory paragraph of this Funding Loan Agreement.

"**Initial Note**" means the Initial Governmental Note registered by the Comptroller and subsequently canceled and replaced by the definitive Governmental Note pursuant to this Funding Loan Agreement in the form of Exhibit A hereto.

"**Interest Rate**" means the interest rate of [____]% per annum; provided during the continuance of any Event of Default hereunder, the Interest Rate shall be the Default Rate. [NOTE: THIS RATE SHOULD NOT INCLUDE THE SERVICING FEE PAYABLE TO THE LOAN SERVICER UNDER THE PROJECT LOAN AGREEMENT]

"**Investment Income**" means the earnings and profits derived from the investment of money pursuant to Section 4.07 hereof.

"**Loan Payment Fund**" means the Loan Payment Fund established by Fiscal Agent pursuant to Section 4.01 hereof.

"**Loan Prepayment Fund**" means the Loan Prepayment Fund established by Fiscal Agent pursuant to Section 4.01 hereof.

"**Loan Servicer**" means any entity appointed by Funding Lender Representative to service the Loans and any successor in such capacity as appointed by Funding Lender Representative pursuant to Section 3.02 of the Project Loan Agreement. Initially, Loan Servicer shall be Berkadia Commercial Mortgage LLC.

"**Loans**" is defined in the Recitals of this Funding Loan Agreement.

"**Maturity Date**" means [December 1, 2042], which is the same as the Scheduled Maturity Date as defined in the Project Note.

"**Maximum Interest Rate**" means the rate of interest which results in the maximum amount of interest allowed by applicable law.

"**Net Proceeds**" when used with respect to any insurance or condemnation award, means the proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all reasonable expenses incurred in the collection of such insurance proceeds or condemnation award, including reasonable attorneys' fees.

"**New Borrower**" is defined in Section 6.12 hereof.

"**New Project Loan**" is defined in Section 6.12 hereof.

"**Notes**" means, together, the Project Note and the Governmental Note.

"**Person**" means any natural person, sole proprietorship, corporation, general partnership, limited partnership, limited liability company, limited liability partnership, limited liability limited partnership, joint venture, association, joint stock company, bank, trust, estate, unincorporated organization, any federal, state, county or municipal government (or any agency or political subdivision thereof), endowment fund or any other form of entity.

"**Pledged Security**" is defined in Section 2.02 hereof.

"**Prepayment Premium**" means any premium payable hereunder in connection with a prepayment of the Funding Loan, which premium shall be in an amount equal to the amount payable by Borrower under Section 4(d) of the Project Note in connection with a prepayment of the Project Loan.

"**Principal Office of Fiscal Agent**" means the office of Fiscal Agent referenced in Section 10.04(a) hereof, or such other office or offices as Fiscal Agent may designate in writing from time to time, or the office of any successor Fiscal Agent where it principally conducts its business of serving as Fiscal Agent under indentures pursuant to which municipal or governmental obligations are issued.

"**Project**" is defined in the Recitals of this Funding Loan Agreement.

"**Project Account**" means the Project Account of the Project Loan Fund established by Fiscal Agent pursuant to Section 2.11 hereof.

"**Project Loan**" is defined in the Recitals of this Funding Loan Agreement.

"**Project Loan Agreement**" is defined in the Recitals of this Funding Loan Agreement.

"**Project Loan Documents**" means the Security Instrument, the Project Note, the Project Loan Agreement, the TEL Regulatory Agreement, the Assignment, the Continuing Covenant Agreement, any Subordination Agreement(s) and any and all other instruments and other documents evidencing, securing, or otherwise relating to the Project Loan or any portion thereof.

"**Project Loan Fund**" means the Project Loan Fund established by Fiscal Agent pursuant to Section 2.11 hereof.

"**Project Note**" is defined in the Recitals of this Funding Loan Agreement.

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

"**Property Jurisdiction**" means the State of Texas.

"**Qualified Investments**" means any of the following if and to the extent permitted by law:

(a) Direct and general obligations of the United States of America.

(b) Obligations of any agency or instrumentality of the United States of America the payment of the principal of and interest on which are unconditionally guaranteed by the full faith and credit of the United States of America.

(c) Senior debt obligations of Freddie Mac.

(d) Senior debt obligations of the Federal National Mortgage Association (i.e., Fannie Mae).

(e) Demand deposits or time deposits with, or certificates of deposit issued by, Fiscal Agent or its affiliates or any bank organized under the laws of the United States of America or any state or the District of Columbia which has combined capital, surplus and undivided profits of not less than $50,000,000; provided that Fiscal Agent or such other institution has been rated at least "VMIG 1"/""A 1+" by one of the Rating Agencies which deposits or certificates are fully insured by the Federal Deposit Insurance Corporation or collateralized pursuant to the requirements of the Office of the Comptroller of the Currency.

(f) Investment agreements with a bank or any insurance company or other financial institution which has a rating assigned by one of the Rating Agencies to its outstanding long term unsecured debt which is the highest rating (as defined below) for long term unsecured debt obligations assigned by one of the Rating Agencies, and which are approved by Funding Lender Representative.

(g) Shares or units in any money market mutual fund rated "Aaa" / "AAA" by one of the Rating Agencies (or if a new rating scale is implemented, the equivalent rating category given by the Rating Agency for that general category of security) (including mutual funds of Fiscal Agent or its affiliates or for which Fiscal Agent or an affiliate thereof serves as

investment advisor or provides other services to such mutual fund receives reasonable compensation therefor) registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of (i) direct obligations of the government of the United States of America or (ii) tax-exempt obligations.

(h) (i) Tax-exempt obligations rated in the highest short term rating category by one of the Rating Agencies, or

(ii) Shares of a tax-exempt municipal money market mutual fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the Securities Act, having assets of at least $100,000,000, and having a rating of "Aaa" / "AAA" by one of the Rating Agencies (or if a new rating scale is implemented, the equivalent rating category given by the Rating Agency for that general category of security), for which at least 95% of the income paid to the holders on interest in such money market fund will be excludable from gross income under Section 103 of the Code, including money market funds for which Fiscal Agent or its affiliates receive a fee for investment advisory or other services to the fund.

(i) Any other investments approved in writing by Funding Lender Representative.

For purposes of this definition, the "highest rating" shall mean a rating of at least "VMIG 1" / "A 1+" for obligations with less than one year maturity; at least "Aaa" / "VMIG 1" / "AAA"/ "A 1+" for obligations with a maturity of one year or greater but less than three years; and at least "Aaa" / "AAA" for obligations with a maturity of three years or greater. Qualified Investments must be limited to instruments that have a predetermined fixed dollar amount of principal due at maturity that cannot vary or change and interest, if tied to an index, shall be tied to a single interest rate index plus a single fixed spread, if any, and move proportionately with such index. Ratings of Qualified Investments shall be determined only at the time of purchase of such Qualified Investments and without regard to ratings subcategories.

"**Qualified Transferee**" is defined in Section 2.08 hereof.

"**Rating Agencies**" means Fitch, Inc., Moody's Investors Service, Inc., or S&P Global Ratings, a division of S&P Global Inc., or any successor entity of the foregoing, or any other nationally recognized statistical rating organization.

"**Rebatable Arbitrage**" is defined in Section 4.10 hereof.

"**Rebate Analyst**" means a certified public accountant, financial analyst or Bond Counsel, or any firm of the foregoing, or financial institution experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code, selected and retained by Borrower at the expense of Borrower, with the prior written consent of Governmental Lender, to make the rebate computations required under this Funding Loan Agreement and the Project Loan Agreement.

"**Rebate Fund**" means the Rebate Fund established by Fiscal Agent pursuant to Section 4.01 hereof.

"**Rebate Year**" means each one-year period that ends at the close of business on the day in the calendar year that is selected by Borrower as indicated in the Tax Certificate. The first and last Rebate Years may be short periods. If no day is selected by Borrower before the earlier of the Maturity Date or the date that

is five years after the Delivery Date, each Rebate Year ends on each anniversary of the Delivery Date and on the Maturity Date or date of earlier payment in full of the Governmental Note.

"**Rehabilitation**" is defined in the Continuing Covenant Agreement.

"**Requisition**" means, with respect to the Project Loan Fund, the requisition in the form of Exhibit E to this Funding Loan Agreement required to be submitted in connection with disbursements from the Project Account and/or the Borrower Equity Account of the Project Loan Fund, and with respect to the Costs of Issuance Fund, the requisition in the form of Exhibit D to this Funding Loan Agreement required to be submitted in connection with disbursements from the Costs of Issuance Fund.

"**Resolution**" means the resolution adopted by Governmental Lender authorizing the Funding Loan, the Project Loan and the execution and delivery of the Financing Documents to which it is a party.

"**Responsible Officer**" means any officer of Fiscal Agent employed within or otherwise having regular responsibility in connection with the corporate trust department of Fiscal Agent and the trusts created hereunder.

"**Revenue Fund**" means the Revenue Fund established by Fiscal Agent pursuant to Section 4.01 hereof.

"**Revenues**" means (a) all payments made with respect to the Project Loan pursuant to the Project Loan Agreement, the Project Note or the Security Instrument, including but not limited to all casualty or other insurance benefits and condemnation awards paid in connection therewith and all payments obtained through the exercise of remedies under the Financing Documents, and (b) all money and securities held by Fiscal Agent in the funds and accounts established pursuant to this Funding Loan Agreement (excluding money or securities designated for deposit into and held in the Costs of Issuance Fund, the Administration Fund and the Rebate Fund), together with all investment earnings thereon.

"**Security Instrument**" is defined in the Recitals of this Funding Loan Agreement.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Servicing Fee**" is defined in the Project Loan Agreement.

"**Settlement Statement**" means the settlement statement prepared by the Escrow Agent and executed by Borrower setting forth the various funds to be collected and disbursed by the Escrow Agent on the Delivery Date.

"**Sponsor**" means the City of Austin, Texas.

"**State**" means the State of Texas.

"**Stub Payment Amount**" means an amount equal to the sum of (a) the interest payable on the Funding Loan and (b) the ongoing fees and expenses payable with respect to the Project Loan (as provided in Section 4.02 of the Project Loan Agreement), in each case for the period commencing on the Delivery Date to but not including the first day of the calendar month immediately succeeding the Delivery Date.

"**Subordination Agreement**" means any subordination or intercreditor agreement(s) entered into with respect to any subordinate financing related to the Project, as the same may be amended, supplemented or restated.

"**Tax Certificate**" means the Federal Tax Certificate executed by the Governmental Lender and Borrower on the Delivery Date.

"**TEL Regulatory Agreement**" means the Regulatory and Land use Restriction Agreement dated as of November 1, 2026 among the Governmental Lender, Fiscal Agent and Borrower.

"**Title Company**" means Chicago Title Insurance Company, the title company insuring the lien of the Security Instrument and issuing the lender's title insurance policy in favor of Governmental Lender and Fiscal Agent.

"**Transferee Representations Letter**" is defined in Section 2.08 hereof.

"**Treasury Regulations**" is defined in Section 5.07 hereof.

"**Unassigned Rights**" means all of the rights of Governmental Lender and its directors, officers, commissioners, elected officials, attorneys, accountants, employees, agents and consultants to be held harmless and indemnified, to be paid its fees and expenses, to give or withhold consent to amendments, changes, modifications and alterations, to receive notices and the right to enforce such rights.

"**Uniform Commercial Code**" means the Uniform Commercial Code as promulgated in the applicable jurisdiction.

"**Window Period**" means the three (3) consecutive month period prior to the Maturity Date.

1.02 **Interpretation**. The words "hereof," "herein," "hereunder," and other words of similar import refer to this Funding Loan Agreement as a whole and not to any particular Article, Section or other subdivision. References to Articles, Sections, and other subdivisions of this Funding Loan Agreement are to the designated Articles, Sections and other subdivisions of this Funding Loan Agreement as originally executed. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. Words importing persons include firms, partnerships, limited liability companies, joint ventures, associations and corporations. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as in effect from time to time. The headings of this Funding Loan Agreement are for convenience only and shall not define or limit the provisions hereof.

1.03 **Schedules and Exhibits.**

Schedules and Exhibits	
Schedule I	List of Funding Loan Agreement Sections
Exhibit A	Form of Governmental Note
Exhibit B	Notice of Appointment of Funding Lender Representative
Exhibit C	Transferee Representations Letter
Exhibit D	Costs of Issuance Fund Requisition
Exhibit E	Project Loan Fund Requisition

ARTICLE II THE FUNDING LOAN.

2.01 Terms.

(a) Subject to Section 2.10 hereof, the Funding Loan shall be originated and funded by Initial Funding Lender to Governmental Lender on the Delivery Date in the original principal amount of $[33,000,000]. The Funding Loan shall be evidenced by the Governmental Note and shall bear interest and be paid in accordance with the payment terms set forth in the Governmental Note and this Funding Loan Agreement.

(b) Reserved.

(c) Reserved.

(d) The Funding Loan shall bear interest payable on each Funding Loan Payment Date at the Interest Rate and shall mature on the Maturity Date, subject to scheduled monthly principal payments as provided in Section 2.01(e) below and optional and mandatory prepayment prior to maturity as provided in Article III hereof. Interest on the Funding Loan shall be computed on the basis of a 360-day year and the actual number of days elapsed.

(e) The unpaid principal balance of the Funding Loan shall be paid on the dates and in the amounts set forth on the Funding Loan Amortization Schedule attached as Schedule 1 to the Governmental Note. All unpaid principal and all accrued and unpaid interest outstanding under the Funding Loan shall be due and payable on the Maturity Date.

(f) Payment of principal of, Prepayment Premium, if any, and interest on the Funding Loan shall be paid by wire transfer in immediately available funds to an account within the United States of America designated by Funding Lender (unless otherwise directed by Funding Lender).

(g) Subject to Section 2.12 hereof, on or before the date fixed for payment, money shall be deposited with Fiscal Agent to pay, and Fiscal Agent is hereby authorized and directed to apply such money to the payment of, the Funding Loan, together with accrued interest thereon to the date of payment.

(h) In no contingency or event whatsoever shall the aggregate of all amounts deemed interest hereunder and charged or collected pursuant to the terms of this Funding Loan Agreement exceed the highest rate permissible under any law which a court of competent jurisdiction shall, in a final determination, deem applicable hereto. In the event that such court determines Funding Lender has charged or received interest hereunder in excess of the highest applicable rate, Funding Lender shall apply, in its sole discretion, and set off such excess interest received by Funding Lender against other obligations due or to become due under the Financing Documents and such rate shall automatically be reduced to the maximum rate permitted by such law.

2.02 Pledged Security. To secure the payment of the principal of, Prepayment Premium, if any, and interest on the Funding Loan according to its tenor and effect, and the performance and observance by Governmental Lender of all the covenants expressed or implied herein and in the Governmental Note, and the payment and performance of all amounts and obligations under the Continuing Covenant Agreement, Governmental Lender does hereby grant, bargain, sell, convey, pledge and assign a security interest, unto Fiscal Agent, and its successors in such capacity and its and their assigns in and to the following (said property being herein referred to as the "**Pledged Security**") for the benefit of Funding Lender:

(a) All right, title and interest of Governmental Lender in and to all Revenues.

(b) All right, title and interest of Governmental Lender in and to the Project Loan Agreement, the Project Note, the Security Instrument and the other Project Loan Documents (other than the Unassigned Rights), including all extensions and renewals of the terms thereof, if any, including, but without limiting the generality of the foregoing, the present and continuing right to receive, receipt for, collect or make claim for any of the money, income, revenues, issues, profits and other amounts payable or receivable thereunder (including all casualty insurance proceeds or condemnation awards, payments, settlements or other compensation to be paid in connection therewith), whether payable under the above referenced documents or otherwise, to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which Governmental Lender or any other Person is or may become entitled to do under said documents.

(c) Except for funds, money or securities in the Costs of Issuance Fund, the Administration Fund and the Rebate Fund, all funds, money and securities and any and all other rights and interests in property whether tangible or intangible from time to time hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder for the Funding Loan by Governmental Lender or by anyone on its behalf or with its written consent to Fiscal Agent, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

(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 Project 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 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 foregoing notwithstanding, if Governmental Lender or its successors or assigns shall pay or cause to be paid to Funding Lender in full the principal, interest and Prepayment Premium, if any, to become due with respect to the Funding Loan at the times and in the manner provided in Article IX hereof, and if Governmental Lender shall keep, perform and observe, or cause to be kept, performed and observed, all of its covenants, warranties and agreements contained herein, then these presents and the estate and rights hereby granted shall, at the option of Governmental Lender, cease, terminate and be void, and thereupon Fiscal Agent shall cancel and discharge the lien of this Funding Loan Agreement and execute and deliver to Governmental Lender such instruments in writing as shall be requisite to satisfy the lien hereof, and, subject to the provisions of Sections 4.09 and 4.10 hereof and Article IX hereof, reconvey to Governmental Lender the estate hereby conveyed, and assign and deliver to Governmental Lender any property at the time subject to the lien of this Funding Loan Agreement which may then be in its possession, except for the Rebate Fund and cash held by Fiscal Agent for the payment of interest on and principal of the Governmental Note; otherwise this Funding Loan Agreement is to be and shall remain in full force and effect.

2.03 **Limited Obligations**. NOTWITHSTANDING ANY OTHER PROVISION OF THIS FUNDING LOAN AGREEMENT TO THE CONTRARY, THE GOVERNMENTAL LENDER SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON, THE GOVERNMENTAL NOTE SOLELY OUT OF THE REVENUES RECEIVED UNDER THE PROJECT LOAN AGREEMENT. THE GOVERNMENTAL NOTE SHALL BE A SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL LENDER PAYABLE SOLELY FROM THE REVENUES DERIVED FROM THE PROJECT LOAN AGREEMENT. THE GOVERNMENTAL NOTE SHALL CONSTITUTE A

VALID CLAIM OF THE HOLDER THEREOF AGAINST THE SUCH REVENUES, WHICH ARE PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE GOVERNMENTAL NOTE AND WHICH SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THE FUNDING LOAN AGREEMENT. THE GOVERNMENTAL NOTE SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE GOVERNMENTAL LENDER, THE STATE OF TEXAS, THE CITY OF AUSTIN, TEXAS, THE SPONSOR, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF TEXAS, WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION WHATSOEVER. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE CITY OF AUSTIN, TEXAS, THE SPONSOR, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF TEXAS IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE GOVERNMENTAL NOTE OR THE INTEREST OR ANY PREMIUM THEREON OR OTHER COSTS INCIDENT THERETO. THE GOVERNMENTAL LENDER HAS NO TAXING POWER.

2.04 **Funding Loan Agreement Constitutes Contract**. In consideration of the origination and funding of the Funding Loan by Initial Funding Lender, the provisions of this Funding Loan Agreement shall be part of the contract of Governmental Lender with Initial Funding Lender and any successors or assigns thereof in such capacity from time to time.

2.05 **Form and Execution**. Simultaneously with the delivery of this Funding Loan Agreement, the Governmental Lender hereby agrees to execute and deliver the Governmental Note. The Governmental Notes shall be substantially in the form set forth in Exhibit 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, which shall be numbered I-1, the Governmental Note shall be numbered consecutively from R-1 upwards.

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

> "This Governmental 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 Note:

> "THIS GOVERNMENTAL 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	§	REGISTER NO. _____
THE STATE OF TEXAS	§	

I HEREBY CERTIFY that this Governmental 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 Note.

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

2.06 **Authentication**. The Governmental Note shall not be valid or obligatory for any purpose or entitled to any security or benefit under this Funding Loan Agreement unless a certificate of authentication on the Governmental Note, substantially in the form set forth in Exhibit A, or as set forth in Section 2.05 hereof in regard to the Initial Note, shall have been duly executed by an Authorized Officer of Fiscal Agent or the Comptroller of Public Accounts of the State of Texas, as applicable; and such executed certificate of authentication or certificate of registration on the Governmental Note shall be conclusive evidence that the Governmental Note has been duly executed, registered, authenticated and delivered under this Funding Loan Agreement.

2.07 **Mutilated, Lost, Stolen or Destroyed Governmental Note**. In the event the Governmental Note is mutilated, lost, stolen or destroyed, Governmental Lender shall execute and Fiscal Agent shall authenticate a new Governmental Note substantially in the form set forth in Exhibit A in exchange and substitution for and upon cancellation of the mutilated Governmental Note or in lieu of and in substitution for such lost, stolen or destroyed Governmental Note, upon payment by Funding Lender of any applicable tax or governmental charge and the reasonable expenses and charges of Governmental Lender and Fiscal Agent in connection therewith, and in the case where the Governmental Note is lost, stolen or destroyed, the filing with Fiscal Agent of evidence satisfactory to it that the Governmental Note was lost, stolen or destroyed, and of the ownership thereof, and furnishing Governmental Lender and Fiscal Agent with indemnity satisfactory to each of them. In the event where the Governmental Note shall have matured, instead of delivering a new Governmental Note, Governmental Lender may pay the same without surrender thereof.

2.08 **Registration; Transfer of Funding Loan; Transferee Representations Letter**.

(a) The Funding Loan shall be fully registered as to principal and interest in the manner and with any additional designation as Fiscal Agent deems necessary for the purpose of identifying the registered owner thereof. The Funding Loan shall be transferable only on the registration books of Fiscal

Agent. Fiscal Agent shall maintain books or other records showing the name and date of registration, address and employer identification number of the registered owner of the Funding Loan and any transfers of the Funding Loan as provided herein. The Funding Loan shall initially be registered to Initial Funding Lender, and upon the Freddie Mac Purchase Date, shall be registered to Freddie Mac.

(b) Funding Lender shall have the right to sell, assign or otherwise transfer in whole its interest in the Funding Loan or to grant a participation interest in the Funding Loan in a percentage of not less than twenty-five percent (25%) of the outstanding principal amount of the Funding Loan; provided that the Funding Loan may be transferred, or any participation interest therein granted, only to an "accredited investor" as that term is defined in Rule 501 of Regulation D under the Securities Act or a "qualified institutional buyer" as that term is defined under Rule 144A of the Securities Act (such "accredited investor" or "qualified institutional buyer" a "**Qualified Transferee**") that delivers a letter to Fiscal Agent substantially in the form attached hereto as Exhibit C setting forth certain representations with respect to such Qualified Transferee (the "**Transferee Representations Letter**"). Notwithstanding the preceding sentence, no Transferee Representations Letter shall be required for Funding Lender to:

(i) Transfer the Funding Loan to any affiliate or other party related to Funding Lender that is a Qualified Transferee.

(ii) Sell or transfer the Funding Loan to a special purpose entity, a trust or a custodial or similar pooling arrangement from which the Funding Loan or securitized interests therein are not expected to be sold or transferred except to (A) owners or beneficial owners thereof that are Qualified Transferees or (B) in circumstances where secondary market credit enhancement is provided for such securitized interests resulting in a rating thereof of at least "A" or better.

In connection with any sale, assignment or transfer of the Funding Loan, Funding Lender shall give notice of such sale, assignment or transfer to Fiscal Agent and Fiscal Agent shall record such sale, assignment or transfer on its books or other records maintained for the registration of transfer of the Funding Loan. It shall not be necessary to present, exchange, or re-authenticate the Governmental Note in connection with any sale, assignment or transfer of the Funding Loan, provided that Funding Lender shall provide Fiscal Agent with the name and date of registration, address, and employer identification number of the assignee or transferee, so that Fiscal Agent may maintain the registration records, together with any information necessary to allow Fiscal Agent to comply with any applicable tax reporting obligations.

2.09 Securitization; Allocation of Funding Loan Interest. In accordance with the provisions of Section 2.08 hereof, Funding Lender may transfer the Funding Loan to a Qualified Transferee in connection with the securitization of the Funding Loan, in which event Funding Lender Representative may direct Fiscal Agent in writing to make all future payments with respect to the Funding Loan to the appointed master servicer for that securitization (or an account designated by such master servicer), and Fiscal Agent shall accept such direction from Funding Lender Representative. In the event that Funding Lender transfers the Funding Loan to a Qualified Transferee in accordance with the provisions of Section 2.08 hereof, Funding Lender Representative may also give written notice to Fiscal Agent that Funding Lender has agreed to allow Loan Servicer to retain a portion of the monthly interest payable on the Funding Loan as additional compensation for the servicing of the Funding Loan (an "**Additional Servicing Fee**"), which Additional Servicing Fee will equal no more than an annual 2 basis points with respect to the unpaid principal balance of the Governmental Note, in which event Fiscal Agent shall accept and pay to Funding Lender such lesser amount of interest received from Loan Servicer and shall consider such payment to be in full compliance with the

terms of the Governmental Note, the Project Note and all other Financing Documents with regard to the interest owed on the Funding Loan.

2.10 **Funding Loan Closing Conditions; Delivery of Governmental Note**. Closing of the Funding Loan on the Delivery Date shall be conditioned upon, and Governmental Lender shall only execute and deliver to Fiscal Agent, and Fiscal Agent shall only authenticate the Governmental Note and deliver the Governmental Note to Initial Funding Lender upon, receipt by Fiscal Agent of all of the following:

(a) Executed counterparts of this Funding Loan Agreement, the Project Loan Agreement, the TEL Regulatory Agreement and the Tax Certificate.

(b) An opinion of Bond Counsel or counsel to Governmental Lender to the effect that Governmental Lender is duly organized and existing under the laws of the Property Jurisdiction and has duly authorized, executed and delivered this Funding Loan Agreement, the Governmental Note and the other documents specifically identified in the definition of Financing Documents to which it is a party, and such documents are valid and binding special, limited obligations of Governmental Lender enforceable in accordance with their terms subject to customary exceptions.

(c) The proceeds of the Funding Loan from the original funding thereof by Initial Funding Lender.

(d) The executed Project Note and an endorsement of the Project Note by Governmental Lender in favor of Fiscal Agent.

(e) A copy of the executed Security Instrument, the Assignment and the Continuing Covenant Agreement.

(f) An opinion of counsel to Borrower to the effect that Borrower is duly organized and validly existing and in good standing under the laws of the state in which it has been organized and in good standing under the laws of each other state in which Borrower transacts business and has full power and authority to enter into the documents specifically identified in the definition of Financing Documents to which it is a party, that its execution and delivery of and performance of its covenants in such documents do not contravene law or any provision of any other documents to which it is a party or by which it or such property is bound or affected, and that all such agreements have been duly authorized, executed and delivered by Borrower, and are legal, valid and binding obligations of Borrower enforceable against Borrower in accordance with their respective terms, subject to customary exceptions.

(g) A customary approving opinion of Bond Counsel, including but not limited to an opinion to the effect that the interest on the Governmental Note, under laws in effect on the date of such opinion, is excluded from the gross income of the holders thereof for federal income tax purposes is not a tax preference item for purposes of the federal alternative minimum tax imposed on individuals.

(h) An opinion of Bond Counsel to the effect that the Governmental Note is exempt from registration under the Securities Act, and this Funding Loan Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended.

(i) A certified copy of the Resolution.

(j) The written request and authorization to Fiscal Agent by Governmental Lender to authenticate and deliver the Governmental Note to Initial Funding Lender upon funding to Fiscal Agent of the full amount of the Funding Loan.

(k) Amounts specified in Section 2.11 of this Funding Loan Agreement and Section 3.03 of the Project Loan Agreement or, if and as applicable, confirmation by Escrow Agent of receipt such amounts and any other funds to be received in accordance with the Settlement Statement.

(l) A Transferee Representations Letter from Initial Funding Lender.

(m) Confirmation that all conditions stated in Section 3.01 of the Project Loan Agreement have been satisfied, which condition shall be deemed satisfied upon delivery of the opinions of counsel required by Sections 2.10(b), (f), and (g) hereof.

2.11 Establishment of Project Loan Fund; Application of Funding Loan Proceeds and Other Money.

(a) Fiscal Agent shall establish, maintain and hold in trust and there is hereby established with Fiscal Agent a Project Loan Fund and therein a Project Account and a Borrower Equity Account. No amount shall be charged against the Project Loan Fund except as expressly provided in this Section 2.11 and Section 4.02 hereof.

(b) The proceeds of the Funding Loan shall be delivered by Initial Funding Lender to the Escrow Agent on behalf of the Governmental Lender on the Delivery Date to be disbursed in accordance with the Settlement Statement. The Fiscal Agent shall deposit such proceeds received from the Escrow Agent to the credit of the Project Account of the Project Loan Fund. Amounts in the Project Loan Fund shall be disbursed as provided in subparagraph (d) below, subject to the conditions set forth in Section 3.01 of the Project Loan Agreement.

(c) Governmental Lender shall cause Borrower to deliver from sources other than the Loans: (i) to Fiscal Agent, on or prior to the Delivery Date, the Costs of Issuance Deposit for deposit to the credit of the Costs of Issuance Fund and the Borrower Equity Deposit for deposit to the credit of the Borrower Equity Account; and (ii) to Loan Servicer, on or prior to the Delivery Date, the Stub Payment Amount. Fiscal Agent shall also deposit in the Costs of Issuance Deposit and the Borrower Equity Account any additional amounts delivered from time to time to Fiscal Agent and directed by Borrower or Loan Servicer to be deposited therein, excluding any proceeds of the Loans.

(d) Upon the making of the initial deposits described above in this Section 2.11, Governmental Lender shall originate the Project Loan pursuant to the Project Loan Agreement and Fiscal Agent shall make disbursements of amounts in the Project Loan Fund to Borrower or otherwise as provided in Section 4.02 hereof; provided that, prior to making any such disbursements, $[_____] of proceeds of the Project Loan shall be transferred by Fiscal Agent to the Costs of Issuance Fund without need of a Requisition therefor.

2.12 Direct Loan Payments to Funding Lender; Loan Servicer Disbursement of Fees.

(a) Notwithstanding any provision in this Funding Loan Agreement to the contrary, during any period that a Loan Servicer is engaged with respect to the Loans, Governmental Lender and Fiscal Agent agree that all payments of principal of, Prepayment Premium, if any, and interest on the Funding Loan and all fees due hereunder and under the Project Loan Agreement shall be paid by Borrower to Loan Servicer. Loan Servicer shall remit all payments collected from Borrower of principal of, Prepayment Premium, if any, and interest on the Funding Loan, together with other amounts due to Funding Lender, directly to Funding Lender (without payment through Fiscal Agent) per the instructions of Funding Lender Representative. Loan Servicer shall be entitled to retain its Servicing Fee collected from Borrower and shall remit the Governmental Lender Fees to

Governmental Lender and shall remit the Fiscal Agent's Ordinary Fees and Expenses to Fiscal Agent, together with any other amounts due to Governmental Lender and Fiscal Agent collected by Loan Servicer from Borrower, in each case in accordance with their respective instructions. Any payment made in accordance with the provisions of this Section 2.12 shall be accompanied by sufficient information to identify the source and proper application of such payment. Loan Servicer shall promptly notify Fiscal Agent, Funding Lender Representative and Governmental Lender in writing of any failure of Borrower to make any payment of principal of, Prepayment Premium, if any, and interest on the Funding Loan when due or to pay any fees due hereunder or under the Project Loan Agreement, and Fiscal Agent and Governmental Lender shall not be deemed to have any notice of such failure unless it has received such notice in writing.

(b) If the Governmental Note is sold or transferred as provided in Section 2.08, Funding Lender Representative shall notify Fiscal Agent and Borrower in writing of the name and address of the transferee.

(c) So long as payments of principal of, Prepayment Premium, if any, and interest on the Governmental Note and all fees due hereunder and under the Project Loan Agreement are being made to Loan Servicer in accordance with this Section 2.12 and no Event of Default has occurred of which Fiscal Agent has been given, or been deemed to have, notice thereof pursuant to this Funding Loan Agreement, Fiscal Agent shall have no obligations to collect loan payments with respect to the Funding Loan, nor shall it be obligated to collect loan payments or fee payments pursuant to the Project Loan Agreement, except at the express written direction of Funding Lender Representative. Notwithstanding the foregoing, Funding Lender Representative may elect to have Fiscal Agent collect and remit loan payments and fee payments hereunder and under the Project Loan Agreement upon written notice of such election to Fiscal Agent, Borrower and Governmental Lender.

2.13 Reserved.

ARTICLE III PREPAYMENT OF THE FUNDING LOAN.

3.01 Prepayment of the Funding Loan Prior to Maturity.

(a) Optional Prepayment. The Funding Loan, together with accrued interest thereon and any Prepayment Premium, is subject to optional prepayment in whole upon optional prepayment of the Project Loan in accordance with the notice and other prepayment provisions set forth in the Project Note.

(b) Mandatory Prepayment. The Funding Loan, together with accrued interest thereon and any Prepayment Premium, is subject to mandatory prepayment on any Business Day, in whole or in part as indicated below, at the earliest practicable date upon the occurrence of any of the following:

(i) In whole or in part, upon the occurrence of a mandatory prepayment of the Project Loan pursuant to Section 4(b) of the Project Note and receipt by Fiscal Agent of a written direction by Funding Lender Representative that the Funding Loan shall be subject to mandatory prepayment as a result thereof.

(ii) In part, on the Funding Loan Payment Date next following the completion of the Rehabilitation of the Project, to the extent amounts remaining in the Project Account of the Project Loan Fund are transferred to the Loan Prepayment Fund pursuant to Section 4.02(e) hereof.

3.02 **Notice of Prepayment**. Notice of the intended prepayment of the Funding Loan shall be given by Fiscal Agent at the written request of the Borrower by first class mail, postage prepaid, or by overnight delivery service, to Funding Lender. All such prepayment notices shall be given not less than ten (10) days (not less than thirty (30) days in the case of optional prepayment) nor more than sixty (60) days prior to the date fixed for prepayment. Notices of prepayment shall state all of the following:

(a) The prepayment date.

(b) The prepayment amount.

(c) The place or places where amounts due upon such prepayment will be payable.

Notice of such prepayment shall also be sent by first class mail, postage prepaid, or by overnight delivery service, to Loan Servicer, not later than the time of mailing of notices required by the first paragraph above, and in any event no later than simultaneously with the mailing of notices required by the first paragraph above; provided, that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the prepayment of the Funding Loan.

Notwithstanding the foregoing, in the event Fiscal Agent is not collecting and remitting loan payments hereunder, Fiscal Agent shall have no obligation to send prepayment notices pursuant to this Section 3.02.

ARTICLE IV REVENUES AND FUNDS.

4.01 **Pledge of Revenues and Assets; Establishment of Funds**. The pledge and assignment of and the security interest granted in the Pledged Security pursuant to Section 2.02 hereof shall attach, be perfected and be valid and binding from and after the time of the closing of the Funding Loan and delivery of the Governmental Note by Fiscal Agent or by any Person authorized by Fiscal Agent to deliver the Governmental Note. The Pledged Security so pledged and then or thereafter received by Fiscal Agent shall immediately be subject to the lien of such pledge and security interest without any physical delivery 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 Governmental Lender irrespective of whether such parties have notice thereof.

In addition to the Project Loan Fund established pursuant to Section 2.11 hereof, Fiscal Agent shall establish, maintain and hold in trust the following funds and accounts, each of which is hereby established and each of which shall be disbursed and applied only as herein authorized:

(a) Revenue Fund;

(b) Loan Payment Fund;

(c) Loan Prepayment Fund;

(d) Administration Fund;

(e) Costs of Issuance Fund; and

(f) Rebate Fund.

The funds and accounts established pursuant to Section 2.11 and this Section 4.01 shall be maintained in the corporate trust department of Fiscal Agent as segregated trust accounts, separate and identifiable from all other funds held by Fiscal Agent. Fiscal Agent shall, at the written direction of an Authorized Officer of Governmental Lender, and may, in its discretion, establish such additional accounts within any Fund, and subaccounts within any of the accounts, as Governmental Lender or Fiscal Agent may deem necessary or useful for the purpose of identifying more precisely the sources of payments into and disbursements from that fund and its accounts, or for the purpose of complying with the requirements of the Code relating to arbitrage, but the establishment of any such account or subaccount shall not alter or modify any of the requirements of this Funding Loan Agreement with respect to a deposit or use of money in the funds established hereunder, or result in commingling of funds not permitted hereunder.

4.02 Project Loan Fund.

(a) Deposit. Fiscal Agent shall deposit the proceeds of the Funding Loan delivered by Initial Funding Lender or received from Escrow Agent into the Project Account of the Project Loan Fund as provided in Section 2.11(b) hereof. Fiscal Agent shall deposit the Borrower Equity Deposit into the Borrower Equity Account of the Project Loan Fund, as well as any additional amounts delivered from time to time to Fiscal Agent and directed by Borrower or Loan Servicer to be deposited therein (excluding any proceeds of the Loans), as provided in Section 2.11(c) hereof.

(b) Disbursements. Amounts on deposit in the Project Loan Fund shall be disbursed from time to time by Fiscal Agent for the purpose of paying Costs of the Project. In addition, amounts in the Project Loan Fund shall be transferred to the Loan Prepayment Fund, the Rebate Fund and Borrower at the times and in the manner provided in subsection (e) of this Section 4.02.

(c) Transfers and Requisitions. Fiscal Agent shall make disbursements from the respective accounts of the Project Loan Fund for purposes described in subsection (b) of this Section 4.02 only upon the receipt of Requisitions signed by an Authorized Officer of Borrower and countersigned by an Authorized Officer of Loan Servicer (signifying the consent to the Requisition by Loan Servicer). Fiscal Agent shall have no right or duty to determine whether any requested disbursement from the Project Loan Fund complies with the terms, conditions and provisions of the Continuing Covenant Agreement. The countersignature of the Authorized Officer of Loan Servicer on a Requisition shall be deemed a certification and, insofar as Fiscal Agent and Governmental Lender are concerned, constitute conclusive evidence, that all of the terms, conditions and requirements of the Continuing Covenant Agreement applicable to such disbursement have been fully satisfied or waived. Fiscal Agent shall, immediately upon each receipt of a completed Requisition signed by an Authorized Officer of Borrower and countersigned by an Authorized Officer of Loan Servicer, initiate procedures with the provider of a Qualified Investment to make withdrawals as necessary to fund the Requisition.

Notwithstanding anything to the contrary contained herein, during any period in which an Event of Default has occurred and is then continuing under the Loans or any Financing Document (notice of which default has been given in writing by Funding Lender Representative or Loan Servicer to Fiscal Agent and Governmental Lender, and Fiscal Agent shall be entitled to conclusively rely on any such written notice as to the occurrence and continuation of such a default), no signature of an Authorized Officer of Borrower shall be required for any Requisition duly signed by an Authorized Officer of Loan Servicer.

(d) If a Requisition signed by an Authorized Officer of Borrower and countersigned by an Authorized Officer of Loan Servicer or (as permitted hereunder) solely by an Authorized Officer of Loan Servicer, is received by Fiscal Agent, the requested disbursement shall be paid by Fiscal Agent as

soon as practicable, but in no event later than three (3) Business Days following receipt thereof by Fiscal Agent. Upon final disbursement of all amounts on deposit in the Project Loan Fund, including all interest accrued therein, Fiscal Agent shall close the Project Loan Fund.

(e) Immediately prior to any mandatory prepayment of the Funding Loan pursuant to Section 3.01(b)(i) hereof, any amount then remaining in the Project Loan Fund shall, at the written direction of Funding Lender Representative, be transferred to the Loan Prepayment Fund to pay amounts due on the Funding Loan, if any. In addition, any amount remaining in the Project Account of the Project Loan Fund following completion of the Rehabilitation of the Project in accordance with the Continuing Covenant Agreement, evidenced by an instrument signed by Funding Lender Representative or Loan Servicer, shall be transferred to the Loan Prepayment Fund and used to prepay the Funding Loan in accordance with Section 3.01(b)(ii) hereof, unless Fiscal Agent receives an opinion of Bond Counsel (which shall also be addressed to Funding Lender Representative) to the effect that a use of such money for other than prepayment of the Funding Loan will not adversely affect the tax-exempt status of the Governmental Note; provided, that any amounts in the Project Account of the Project Loan Fund in excess of the amount needed to fund the related prepayment of the Funding Loan shall be transferred to the Rebate Fund. In the event there are funds remaining in the Borrower Equity Account following completion of the Rehabilitation of the Project in accordance with the Continuing Covenant Agreement, evidenced by an instrument signed by Funding Lender Representative, and provided, to the actual knowledge of the Fiscal Agent in accordance with the terms hereof, no Event of Default by Borrower exists under this Funding Loan Agreement or any of the Project Loan Documents, such funds shall be paid by Fiscal Agent to Borrower at the written direction of Funding Lender Representative or Loan Servicer.

(f) Amounts on deposit in the Project Loan Fund shall be invested as provided in Section 4.07 hereof. All Investment Income on amounts on deposit in the Project Loan Fund shall be retained in and credited to and become a part of the amounts on deposit in the Project Loan Fund, and shall constitute part of any transfers required by subsection (b) or (e) of this Section 4.02.

4.03 Application of Revenues.

(a) All Revenues received by Fiscal Agent shall be deposited by Fiscal Agent, promptly upon receipt thereof, to the Revenue Fund, except for each of the following:

(i) Proceeds of the Funding Loan received by Fiscal Agent on the Delivery Date, which shall be applied in accordance with the provisions of Section 2.11 hereof.

(ii) Deposits into the Loan Prepayment Fund as required under subsection (c) of this Section 4.03.

(iii) Investment Income to the extent required under the terms hereof to be retained in the funds and accounts to which they are attributable.

(iv) Amounts required to be transferred between funds and accounts as provided in this Article IV.

(b) Subject to Section 2.12 hereof, on each Funding Loan Payment Date or any other date on which payment of principal of or interest on the Funding Loan becomes due and payable, Fiscal Agent, out of money in the Revenue Fund, shall credit the following amounts to the following funds, but in the order and within the limitations hereinafter indicated with respect thereto, as follows:

FIRST, to the Loan Payment Fund, an amount equal to the principal of and interest due on the Funding Loan on such date (including scheduled principal pursuant to the Funding Loan Amortization Schedule); and

SECOND, to the Loan Prepayment Fund, an amount equal to the principal and interest due on the Funding Loan on such date with respect to a mandatory prepayment of all or a portion of the Funding Loan pursuant to Section 3.01(b) hereof (other than any extraordinary mandatory prepayment as described in Section 4.03(c)(i) or (iii) below).

(c) Promptly upon receipt, Fiscal Agent shall deposit each of the following directly into the Loan Prepayment Fund:

(i) Net Proceeds representing casualty insurance proceeds or condemnation awards paid as a prepayment of the Project Loan, such amount to be applied to provide for the extraordinary mandatory prepayment of all or a portion of the Funding Loan pursuant to Section 3.01(b)(i) hereof.

(ii) Funds paid to Fiscal Agent to be applied to the optional prepayment of all of the Funding Loan pursuant to Section 3.01(a).

(iii) Amounts transferred to the Loan Prepayment Fund from the Project Loan Fund pursuant to Section 4.02(e) hereof.

(d) Subject to Section 2.12 hereof, should the amount in the Loan Payment Fund be insufficient to pay the amount due on the Funding Loan on any given Funding Loan Payment Date, Fiscal Agent shall credit to the Loan Payment Fund the amount of such deficiency by charging the following funds and accounts in the following order of priority: (i) the Revenue Fund; and (ii) the Loan Prepayment Fund, except no such charge to the Loan Prepayment Fund shall be made from money to be used to effect a prepayment for which notice of prepayment has been provided for hereunder.

4.04 **Application of Loan Payment Fund**. Subject to Section 2.12 hereof, Fiscal Agent shall charge the Loan Payment Fund, on each Funding Loan Payment Date, an amount equal to the unpaid interest and principal due on the Funding Loan on such Funding Loan Payment Date as provided in Section 4.03(a) and (b), and shall cause the same to be applied to the payment of such interest and principal when due. Any money remaining in the Loan Payment Fund on any Funding Loan Payment Date after application as provided in the preceding sentence may, to the extent there shall exist any deficiency in the Loan Prepayment Fund to prepay the Funding Loan if called for prepayment on such Funding Loan Payment Date, be transferred to the Loan Prepayment Fund to be applied for such purpose. Otherwise such remaining money shall be retained in the Loan Payment Fund. Any Investment Income on amounts on deposit in the Loan Payment Fund shall be retained by Fiscal Agent in such Fund. No amount shall be charged against the Loan Payment Fund except as expressly provided in this Article IV and in Section 6.05 hereof.

4.05 **Application of Loan Prepayment Fund**. Any money credited to the Loan Prepayment Fund shall be applied as set forth in Sections 4.03(b) and 4.03(c) hereof; provided, however, that to the extent any money credited to the Loan Prepayment Fund is in excess of the amount necessary to effect the prepayments described in Sections 4.03(b) and 4.03(c) hereof it shall be applied to make up any deficiency in the Loan Payment Fund on any Funding Loan Payment Date, to the extent money then available in accordance with Section 4.03(d) hereof in the Revenue Fund is insufficient to make up such deficiency; provided that no money to be used to effect a prepayment for which a notice of prepayment has been provided shall be so transferred to the Loan Payment Fund. On or before each Funding Loan Payment Date, any Investment

Income on amounts on deposit in the Loan Prepayment Fund shall be retained by Fiscal Agent in such Fund. No amount shall be charged against the Loan Prepayment Fund except as expressly provided in this Article IV and in Section 6.05 hereof.

4.06 **Administration Fund**. Subject to Section 2.12 hereof, Fiscal Agent shall deposit into the Administration Fund, promptly upon receipt thereof, all amounts received from Loan Servicer (or Borrower if no Loan Servicer exists for the Loans) designated for deposit into such fund. Amounts in the Administration Fund shall be withdrawn or maintained, as appropriate, by Fiscal Agent and used:

FIRST, to pay to Fiscal Agent when due the Fiscal Agent's Ordinary Fees and Expenses;

SECOND, to pay to Governmental Lender when due the Governmental Lender Fees;

THIRD, to pay when due the reasonable fees and expenses of a Rebate Analyst in connection with the computations relating to arbitrage rebate required under this Funding Loan Agreement and the Project Loan Agreement, upon receipt of an invoice from Rebate Analyst;

FOURTH, to pay to Fiscal Agent any Fiscal Agent's Extraordinary Fees and Expenses due and payable from time to time, as set forth in an invoice submitted to Borrower and Loan Servicer;

FIFTH, to pay to Governmental Lender any extraordinary expenses it may incur in connection with the Loans or this Funding Loan Agreement from time to time, as set forth in an invoice submitted to Fiscal Agent and Loan Servicer;

SIXTH, to pay to Funding Lender Representative any unpaid amounts due under the Continuing Covenant Agreement, as certified in writing by Funding Lender Representative to Fiscal Agent;

SEVENTH, to make up any deficiency in the Loan Prepayment Fund on any prepayment date of the Funding Loan, to the extent money then available in accordance with Section 4.03(d) hereof in the Loan Prepayment Fund is insufficient to prepay the Funding Loan scheduled for prepayment on such prepayment date; and

EIGHTH, to transfer any remaining balance after application as aforesaid to the Revenue Fund.

In the event that the amounts on deposit in the Administration Fund are not equal to the amounts payable from the Administration Fund as provided in the preceding paragraph on any date on which such amounts are due and payable, Fiscal Agent shall give notice to Borrower and Loan Servicer of such deficiency and of the amount of such deficiency and request payment within two (2) Business Days to Fiscal Agent of the amount of such deficiency. Upon payment by Borrower or Loan Servicer of such deficiency, the amounts for which such deficiency was requested shall be paid by Fiscal Agent. On or before each Funding Loan Payment Date, any Investment Income on amounts on deposit in the Administration Fund not needed to pay the foregoing amounts shall be retained by Fiscal Agent in such Fund. No amount shall be charged against the Administration Fund except as expressly provided in this Article IV and Section 6.05 hereof.

4.07 **Investment of Funds**. The money held by Fiscal Agent shall constitute trust funds for the purposes hereof. Any money attributable to each of the funds and accounts hereunder shall be, except as otherwise expressly provided herein, invested by Fiscal Agent, at the written direction of Borrower (or, in the case of the Rebate Fund, as provided in Section 5.07(b)), in Qualified Investments which mature or shall be subject to prepayment or withdrawal at par without penalty on or prior to the earlier of (a) six (6) months from the date of investment and (b) the date such money is needed; provided, that if Fiscal Agent shall have entered into any investment agreement requiring investment of money in any fund or account hereunder in

accordance with such investment agreement and if such investment agreement constitutes a Qualified Investment, such money shall be invested in accordance with such requirements. Such investments may be made through the investment or securities department of Fiscal Agent. Fiscal Agent may purchase from or sell to itself or an affiliate, as principal or agent, securities herein authorized and, in such capacity, Fiscal Agent or such affiliate may charge its ordinary and customary fees for such trades, including account maintenance fees, which fees, for purposes of this Funding Loan Agreement, shall be treated as Fiscal Agent's Extraordinary Fees and Expenses. Fiscal Agent shall be entitled to assume, absent receipt by Fiscal Agent of written notice to the contrary, that any investment which at the time of purchase is a Qualified Investment remains a Qualified Investment thereafter. In no event shall Fiscal Agent be required to provide supervision, recommendations, or advice with respect to any investment. In the absence of written direction from Borrower, Fiscal Agent shall hold amounts on deposit in the funds and accounts established under this Funding Loan Agreement uninvested.

Qualified Investments representing an investment of money attributable to any fund or account shall be deemed at all times to be a part of said fund or account, and, except as otherwise may be provided expressly in other Sections hereof, the interest thereon and any profit arising on the sale thereof shall be credited to the Revenue Fund, and any loss resulting on the sale thereof shall be charged against the Revenue Fund. Such investments shall be sold at the current market price obtainable (but not less than par) whenever it shall be necessary to do so in order to provide money to make any transfer, withdrawal, payment or disbursement from said fund or account. In the case of any required transfer of money to another such fund or account, such investments may be transferred to that fund or account in lieu of the required money if permitted hereby as an investment of money in that fund or account. Fiscal Agent shall not be liable or responsible for any loss resulting from any investment made in accordance herewith.

Governmental Lender acknowledges that to the extent that regulations of the Office of the Comptroller of the Currency or other applicable regulatory agency grant Governmental Lender the right to receive brokerage confirmations of the security transactions as they occur, to the extent permitted by law, Governmental Lender specifically waives compliance with 12 C.F.R. 12 and hereby notifies Fiscal Agent hereunder, that no brokerage confirmations need be sent relating to the security transactions as they occur.

In computing for any purpose hereunder the amount in any fund or account on any date, obligations so purchased shall be valued at Fair Market Value.

4.08 **Accounting Records**. Fiscal Agent shall maintain accurate books and records for all funds and accounts established hereunder.

4.09 **Amounts Remaining in Funds**. After full payment of the Funding Loan (or provision for payment thereof having been made in accordance with Section 9.01 hereof) and full payment of the fees, charges and expenses of Governmental Lender, Fiscal Agent, Rebate Analyst, Funding Lender and Loan Servicer and other amounts required to be paid hereunder or under any of the Project Loan Documents, including, but not limited to, the Continuing Covenant Agreement (as certified in writing to Fiscal Agent by Governmental Lender with respect to amounts due to Governmental Lender and by Funding Lender Representative or Loan Servicer on its behalf with respect to amounts owed under the Continuing Covenant Agreement and by Rebate Analyst with respect to amounts due to Rebate Analyst), any amounts remaining in any fund or account hereunder other than the Rebate Fund shall be paid to Borrower.

4.10 **Rebate Fund; Compliance with Tax Certificate**. The Rebate Fund shall be established by Fiscal Agent and held and applied as provided in this Section 4.10. On any date on which any amounts are required by applicable federal tax law to be rebated to the federal government, amounts shall be deposited into the Rebate Fund by Borrower for such purpose. All money at any time deposited in the Rebate Fund shall be held by Fiscal Agent in trust, to the extent required to satisfy the rebate requirement (as set forth in the Tax

Certificate) and as calculated by Rebate Analyst, for payment to the government of the United States of America, and neither Governmental Lender, Borrower nor Funding Lender shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section 4.10 and by the Tax Certificate. Fiscal Agent shall conclusively be deemed to have complied with such provisions if it follows the written instructions of Governmental Lender, Bond Counsel or Rebate Analyst, including supplying all necessary information in the manner set forth in the Tax Certificate, and shall not be required to take any actions under the Tax Certificate in the absence of written instructions from Governmental Lender, Bond Counsel or Rebate Analyst.

Within 55 days of the end of each fifth Rebate Year, Borrower shall cause Rebate Analyst to calculate the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Treasury Regulations (taking into account any exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (e.g., the temporary investments exceptions of Section 148(f)(4)(B) and (C) of the Code)), for this purpose treating the last day of the applicable Rebate Year as a (computation) date, within the meaning of Section 1.148-1(b) of the Treasury Regulations (the "**Rebatable Arbitrage**"). Pursuant to Section 2.04 of the Project Loan Agreement, Borrower shall cause Rebate Analyst to provide such calculations to Fiscal Agent and Governmental Lender. In the event that Borrower fails to provide such information to Fiscal Agent and Governmental Lender within 55 days of the end of each fifth Rebate Year, Fiscal Agent, at the expense of Borrower, shall select Rebate Analyst, with the prior written approval of Governmental Lender, and shall cause Rebate Analyst to calculate the amount of rebatable arbitrage as required herein.

Within 55 days of the end of each fifth Rebate Year, upon the written direction of Governmental Lender, Bond Counsel or Rebate Analyst, an amount shall be deposited to the Rebate Fund by Fiscal Agent from amounts provided by Borrower, if and to the extent required so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with the preceding paragraph.

Fiscal Agent shall pay, as directed by Governmental Lender, Bond Counsel or Rebate Analyst, to the United States Department of the Treasury, out of amounts in the Rebate Fund:

(a) Not later than 60 days after the end of (i) the fifth Rebate Year and (ii) each applicable fifth Rebate Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Rebate Year; and

(b) Not later than 60 days after the payment in whole of the Funding Loan, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Rebate Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code.

Each payment required to be made under this Section 4.10 shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 (or such other address provided in such direction), on or before the date on which such payment is due and shall be accompanied by Internal Revenue Service Form 8038 T, which shall be prepared by Rebate Analyst and provided to Fiscal Agent.

Notwithstanding any provision of this Funding Loan Agreement to the contrary, the obligation to remit payment of the Rebatable Arbitrage to the United States of America and to comply with all other requirements of Sections 2.04 and 4.03 of the Project Loan Agreement and this Section 4.10, and the requirements of the Tax Certificate shall survive the defeasance or payment in full of the Funding Loan.

Any funds remaining in the Rebate Fund after payment in full of the Funding Loan and payment and satisfaction of any rebate requirement, or provision made therefor satisfactory to Fiscal Agent, shall be withdrawn and remitted to Borrower.

Fiscal Agent shall obtain and keep such records of the computations made pursuant to this Section 4.10 as are required under Section 148(f) of the Code to the extent furnished to Fiscal Agent. Borrower shall or shall cause Rebate Analyst to provide to Governmental Lender and Fiscal Agent copies of all rebate computations made pursuant to this Section 4.10. Fiscal Agent shall keep and make available to Borrower such records concerning the investments of the gross proceeds of the Funding Loan and the investments of earnings from those investments made by Fiscal Agent as may be requested by Borrower in order to enable Borrower to cause Rebate Analyst to make the aforesaid computations as are required under Section 148(f) of the Code.

Notwithstanding the foregoing, the computations and payments of Rebatable Arbitrage need not be made to the extent that neither Governmental Lender nor Borrower will thereby fail to comply with any requirements of Section 148(f) of the Code based on an opinion of Bond Counsel, to the effect that such failure will not adversely affect the exclusion of interest on the Governmental Note from the gross income of the holders thereof for federal income tax purposes, a copy of which shall be provided to Fiscal Agent and Funding Lender Representative, at the expense of Borrower.

4.11 **Costs of Issuance Fund**. Fiscal Agent shall use money on deposit to the credit of the Costs of Issuance Fund to pay the Costs of Issuance on the Delivery Date or as soon as practicable thereafter in accordance with a Requisition in the form of Exhibit D to be given to Fiscal Agent by Borrower on the Delivery Date. Amounts in the Costs of Issuance Fund funded with proceeds of the Funding Loan, if any, shall be expended prior to the application of the Costs of Issuance Deposit. Investment Income on amounts on deposit in the Costs of Issuance Fund shall be retained in such fund. Amounts remaining on deposit in the Costs of Issuance Fund six (6) months after the Delivery Date shall be transferred to Borrower. Upon such final disbursement, Fiscal Agent shall close the Costs of Issuance Fund.

4.12 **Reports from Fiscal Agent**. Fiscal Agent shall, on or before the fifteenth (15th) day of each month, file with Funding Lender Representative, Loan Servicer, Governmental Lender (at its written request) and Borrower a statement setting forth in respect of the preceding calendar month all of the following:

(a) The amount withdrawn or transferred by it, and the amount deposited within or on account of each fund and account held by it under the provisions of this Funding Loan Agreement, including the amount of Investment Income on each fund and account.

(b) The amount on deposit with it at the end of such month to the credit of each fund and account.

(c) A brief description of all obligations held by it as an investment of money in each such fund and account.

(d) Any other information which Funding Lender Representative or Governmental Lender may reasonably request and to which Fiscal Agent has access in the ordinary course of its operations.

Upon the written request of Funding Lender, Fiscal Agent, at the cost of Borrower, shall provide a copy of such statement to Funding Lender. All records and files pertaining to the Pledged Security shall be open at all reasonable times to the inspection of Governmental Lender and Funding Lender Representative or Loan Servicer and their agents and representatives upon reasonable prior notice during normal business hours.

ARTICLE V GENERAL COVENANTS AND REPRESENTATIONS.

5.01 Payment of Principal and Interest. Governmental Lender covenants that it will promptly pay or cause to be paid, but only from the sources identified herein, sufficient amounts to provide for the payment of the principal of, Prepayment Premium, if any, and interest on the Funding Loan at the place, on the dates and in the manner provided herein and in the Governmental Note, according to the true intent and meaning thereof.

5.02 Performance of Covenants. Governmental Lender covenants that it will faithfully perform at all times any and all of its covenants, undertakings, stipulations and provisions contained in this Funding Loan Agreement, in the Governmental Note and in all proceedings pertaining thereto.

5.03 Instruments of Further Assurance. Governmental Lender covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such supplements hereto, and such further acts, instruments and transfers as may be reasonably required for the better assuring, transferring, conveying, pledging, assigning and confirming unto Fiscal Agent all and singular its interest in the property herein described and the revenues, receipts and other amounts pledged hereby to the payment of the principal of, Prepayment Premium, if any, and interest on the Funding Loan. Any and all interest in property hereafter acquired which is of any kind or nature herein provided to be and become subject to the lien hereof shall and without any further conveyance, assignment or act on the part of Governmental Lender or Fiscal Agent, become and be subject to the lien of this Funding Loan Agreement as fully and completely as though specifically described herein, but nothing in this sentence shall be deemed to modify or change the obligations of Governmental Lender under this Section 5.03. Governmental Lender covenants and agrees that, except as herein otherwise expressly provided, it has not and will not sell, convey, mortgage, encumber or otherwise dispose of any part of its interest in the Pledged Security or the revenues or receipts therefrom.

Governmental Lender will promptly notify Fiscal Agent, Funding Lender Representative and Loan Servicer in writing of the occurrence of any of the following:

(a) The submission of any claim or the initiation of any legal process, litigation or administrative or judicial investigation against Governmental Lender with respect to the Loans.

(b) Any change in the location of Governmental Lender's principal office or any change in the location of Governmental Lender's books and records relating to the transactions contemplated hereby.

(c) The occurrence of any default or Event of Default of which Governmental Lender has actual knowledge.

(d) The commencement of any proceedings or any proceedings instituted by or against Governmental Lender in any federal, state or local court or before any governmental body or agency, or before any arbitration board, relating to the Notes.

(e) The commencement of any proceedings by or against the Governmental Lender under any applicable bankruptcy, reorganization, liquidation, rehabilitation, insolvency or other similar law now or hereafter in effect or of any proceeding in which a receiver, liquidator, conservator, trustee or similar official shall have been, or may be, appointed or requested for Governmental Lender or any of its assets relating to the Loans.

5.04 Inspection of Project Books. Governmental Lender covenants and agrees that all books and documents in its possession relating to the Project shall, upon reasonable prior notice, during normal business hours, be

open to inspection and copying by such accountants or other agents as Fiscal Agent or Funding Lender Representative may from time to time reasonably designate.

5.05 No Modification of Security; Additional Indebtedness. Governmental Lender covenants to and for the benefit of Funding Lender that it will not, without the prior written consent of Funding Lender Representative, take any of the following actions:

(a) Alter, modify or cancel, or agree to consent to alter, modify or cancel any agreement to which Governmental Lender is a party, or which has been assigned to Governmental Lender, and which relates to or affects the security for the Loans or the payment of any amount owed under the Financing Documents; or

(b) Create or suffer to be created any lien upon the Pledged Security or any part thereof other than the lien created hereby and by the Security Instrument.

5.06 Damage, Destruction or Condemnation. Net Proceeds resulting from casualty to or condemnation of the Project shall be applied as provided in the Continuing Covenant Agreement and, to the extent consistent therewith, Section 3.01(b)(i) hereof.

5.07 Tax Covenants.

(a) Disposition of Project. The Governmental Lender covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Governmental Lender of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Governmental Note. For purpose of the foregoing, the Governmental Lender may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Governmental Note. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Governmental Lender shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(b) Governmental Lender Covenants. Governmental Lender covenants to and for the benefit of Funding Lender that it will:

(i) Neither make or use nor cause to be made or used any investment or other use of the proceeds of the Funding Loan or the money and investments held in the funds and accounts in any manner which would cause the Governmental Note to be an "arbitrage bond" under Section 148 of the Code and the regulations issued under Section 148 of the Code (the "**Treasury Regulations**") or which would otherwise cause the interest payable on the Governmental Note to be includable in the gross income of the holders thereof for federal income tax purposes;

(ii) Enforce or cause to be enforced all obligations of Borrower under the TEL Regulatory Agreement in accordance with its terms and seek to cause Borrower to correct any violation of the TEL Regulatory Agreement within a reasonable period after it first discovers or becomes aware of any such violation;

(iii) Not take or cause to be taken any other action or actions, or fail to take any action or actions, if the same would cause the interest payable on the Governmental Note to be includable in the gross income of the holders thereof for federal income tax purposes;

(iv) At all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by Governmental Lender on the Funding Loan will be excluded from the gross income of the holders thereof for federal income tax purposes pursuant to the Code, except in the event where Funding Lender is a "substantial user" of the facilities financed with the Loans or a "related person" within the meaning of the Code; and

(v) Not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Governmental Note to be "federally guaranteed" within the meaning of Section 149(b) of the Code and the regulations issued under Section 149 of the Code.

In furtherance of the covenants in this Section 5.07, Governmental Lender and Borrower shall execute, deliver and comply with the provisions of the Tax Certificate, which is by this reference incorporated into this Funding Loan Agreement and made a part of this Funding Loan Agreement as if set forth in this Funding Loan Agreement in full. By its acceptance of this Funding Loan Agreement Fiscal Agent acknowledges receipt of the Tax Certificate and acknowledges its incorporation into this Funding Loan Agreement by this reference and agrees to comply with the terms specifically applicable to Fiscal Agent.

(c) Fiscal Agent's Covenants. Fiscal Agent agrees that it will invest funds held under this Funding Loan Agreement in accordance with the covenants and terms of this Funding Loan Agreement and the Tax Certificate. This covenant shall extend through the term of the Funding Loan to all funds and accounts created under this Funding Loan Agreement and all money on deposit to the credit of any such fund or account. Fiscal Agent covenants to and for the benefit of Funding Lender that, notwithstanding any other provisions of this Funding Loan Agreement or of any other Financing Document, it will not knowingly make or cause to be made any investment or other use of the money in the funds or accounts created hereunder which would cause the Governmental Note to be classified as an "arbitrage bond" within the meaning of Sections 103(b) and 148 of the Code or would cause the interest on the Governmental Note to be includable in the gross income of the holders thereof for federal income tax purposes; provided that Fiscal Agent shall be deemed to have complied with such requirements and shall have no liability to the extent it follows the written directions of Borrower, Governmental Lender, Funding Lender Representative, Bond Counsel or Rebate Analyst. This covenant shall extend, throughout the term of the Funding Loan, to all funds created under this Funding Loan Agreement and all money on deposit to the credit of any such fund. Pursuant to this covenant, with respect to the investments of the funds and accounts under this Funding Loan Agreement, Fiscal Agent obligates itself to comply throughout the term of the Funding Loan with the requirements of Sections 103(b) and 148 of the Code; provided that Fiscal Agent shall be deemed to have complied with such requirements and shall have no liability to the extent it follows the written directions of Borrower, Governmental Lender, Bond Counsel or Rebate Analyst. Fiscal Agent further covenants that should Governmental Lender or Borrower file with Fiscal Agent (it being understood that neither Governmental Lender nor Borrower has an obligation to so file), or should Fiscal Agent receive, an opinion of Bond Counsel to the effect that any proposed investment or other use of proceeds of the Funding Loan would cause the Governmental Note to become an "arbitrage bond," then Fiscal Agent will comply with any written instructions of Governmental Lender, Borrower, Funding Lender Representative or Bond Counsel regarding such investment (which shall, in any event, be a Qualified Investment) or use so as to prevent the Governmental Note from becoming an "arbitrage bond," and Fiscal Agent will bear no liability to

Governmental Lender, Borrower, Funding Lender or Funding Lender Representative for investments made in accordance with such instructions.

(d) Program Investment. The proceeds of the Governmental Note are to be used to finance the Project. With respect to the Governmental Note:

(i) At least 95 percent of all obligations acquired with the proceeds of the Governmental Note, by amount of cost outstanding, will be evidences of loans to a substantial number of persons representing the general public, loans to exempt persons, or loans to provide housing and related facilities, or any combination of the foregoing.

(ii) At least 95 percent of all amounts received by the Governmental Lender with respect to the Governmental Note will be used for one or more of the following purposes: to make loans to provide housing, to pay the principal or interest or otherwise to service the debt on the Governmental Note; to reimburse the Governmental Lender or to pay for administrative costs of issuing such obligations; or to redeem or retire such Governmental Note of the Governmental Lender at the next earliest possible date of redemption.

(iii) Any person or any related party, as defined in section 1.150-1 of the Treasury Regulations, as amended, from whom the Governmental Lender may acquire obligations, shall not, pursuant to an arrangement, formal or informal, purchase the Governmental Lender's bonds in an amount related to the amount of the obligations to be acquired from such person by the Governmental Lender.

(iv) The Governmental Lender does not waive the right to treat the Project Loan Agreement as a program investment.

5.08 Representations and Warranties of Governmental Lender. The Governmental Lender represents and covenants to the Fiscal Agent and the Funding Lender that:

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

(b) The Governmental Lender has power and lawful authority to adopt the Resolution, to execute and deliver the Financing Documents to which it is a party, to issue the Governmental Note and to receive the proceeds of the Governmental Note, to apply the proceeds of the Governmental Note to finance the Loans, and to perform and observe the provisions of the Financing Documents and the Governmental Note on its part to be performed and observed.

(c) The Governmental Lender has duly authorized the execution and delivery of each of the Financing Documents to which it is a party, the issuance, execution, sale and delivery of the Governmental Note, and the performance of the obligations of the Governmental Lender thereunder.

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

(e) There is no action, suit, proceeding, inquiry or investigation pending or, to the knowledge of the Governmental Lender, threatened against the Governmental Lender by or before any court, governmental agency or public board or body, which (i) affects or questions the existence or the territorial jurisdiction of the Governmental Lender or the title to office of any member of the

Governmental Lender; (ii) affects or seeks to prohibit, restrain or enjoin the execution and delivery of any of the Financing Documents, or the issuance, execution or delivery of the Governmental Note; (iii) affects or questions the validity or enforceability of any of the Financing Documents or the Governmental Note; (iv) questions the excludability from gross income for federal income taxation of interest on the Governmental Note; or (v) questions the power or authority of the Governmental Lender to perform its obligations under any of the Financing Documents or the Governmental Note or to carry out the transactions contemplated by any of the Financing Documents or the Governmental Note.

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

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

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

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

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

ARTICLE VI DEFAULT PROVISIONS AND REMEDIES OF FISCAL AGENT AND FUNDING LENDER.

6.01 Events of Default. The occurrence of any one or more of the following will constitute an Event of Default with respect to the Funding Loan under this Funding Loan Agreement:

(a) Failure to pay the principal of, Prepayment Premium, if any, or interest on the Funding Loan when due, whether on a Funding Loan Payment Date, at the stated maturity thereof, by proceedings for prepayment thereof, by acceleration or otherwise.

(b) Failure to observe the covenants set forth in Section 5.05 hereof.

(c) Failure to observe or perform any of the covenants, agreements or conditions on the part of Governmental Lender (other than those set forth in Sections 5.01 and 5.05 hereof) set forth in this Funding Loan Agreement or in the Governmental Note and the continuance thereof for a period of thirty (30) days (or such longer period, if any, as is specified herein for particular defaults) after written notice thereof to Governmental Lender from Fiscal Agent or Funding Lender Representative specifying such default and requiring the same to be remedied; provided that if such default cannot be cured within such thirty (30) day period through the exercise of diligence and Governmental Lender commences the required cure within such thirty (30) day period and continues the cure with diligence and Governmental Lender reasonably anticipates that the default could be cured within sixty (60) days, Governmental Lender shall have sixty (60) days following receipt of such notice to effect the cure.

(d) Receipt by Fiscal Agent of written notice from Funding Lender Representative of the occurrence of an "Event of Default" under the Project Loan Agreement or the Continuing Covenant Agreement.

Fiscal Agent will promptly notify Governmental Lender, Loan Servicer and Funding Lender Representative after a Responsible Officer obtains actual knowledge of the occurrence of an Event of Default or obtains actual knowledge of the occurrence of an event which would become an Event of Default with the passage of time or the giving of notice or both.

6.02 Acceleration; Other Remedies Upon Event of Default. Upon the occurrence of an Event of Default, Fiscal Agent shall, upon the written request of Funding Lender Representative, by notice in writing delivered to Governmental Lender, declare the principal of the Funding Loan and the interest accrued thereon immediately due and payable, and interest shall continue to accrue thereon until such amounts are paid.

At any time after the Funding Loan shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or entered, Fiscal Agent may, but only if directed in writing by Funding Lender Representative, by written notice to Governmental Lender and Fiscal Agent, rescind and annul such declaration and its consequences if Governmental Lender or Borrower shall pay to or deposit with Fiscal Agent a sum sufficient to pay all principal on the Funding Loan then due (other than solely by reason of such declaration) and all unpaid installments of interest (if any) on the Funding Loan then due, with interest at the rate borne by the Funding Loan on such overdue principal and (to the extent legally enforceable) on such overdue installments of interest, and all of Fiscal Agent's Extraordinary Fees and Expenses incurred to date shall have been made good or cured or adequate provision shall have been made therefor, and all outstanding amounts then due and unpaid under the Financing Documents (collectively, the "**Cure Amount**") shall have been paid in full, and all other defaults hereunder shall have been made good or cured or waived in writing by Funding Lender Representative; but no such rescission and annulment shall extend to or shall affect any subsequent default, nor shall it impair or exhaust any right or power consequent thereon.

Upon the occurrence and during the continuance of an Event of Default, Fiscal Agent in its own name and as trustee of an express trust, on behalf and for the benefit and protection of Funding Lender, may also proceed to protect and enforce any rights of Fiscal Agent and, to the full extent that Funding Lender itself

might do, the rights of Funding Lender under the laws of the Property Jurisdiction or under this Funding Loan Agreement by such of the following remedies as Fiscal Agent shall deem most effectual to protect and enforce such rights; provided that, Fiscal Agent may undertake any such remedy only upon the receipt of the prior written consent of Funding Lender Representative (which consent may be given in the sole discretion of Funding Lender Representative):

(a) By mandamus or other suit, action or proceeding at law or in equity, to enforce the payment of the principal of, Prepayment Premium, if any, or interest on the Funding Loan and to require Governmental Lender to carry out any covenants or agreements with or for the benefit of Funding Lender and to perform its duties under the Act, this Funding Loan Agreement, the Project Loan Agreement or the TEL Regulatory Agreement (as applicable) to the extent permitted under the applicable provisions thereof.

(b) By pursuing any available remedies under the Project Loan Agreement, the TEL Regulatory Agreement or any other Financing Document.

(c) By realizing or causing to be realized through sale or otherwise upon the Pledged Security.

(d) By action or suit in equity enjoin any acts or things that may be unlawful or in violation of the rights of Funding Lender and execute any other papers and documents and do and perform any and all such acts and things as may be necessary or advisable in the opinion of Fiscal Agent in order to have the claim of Funding Lender against Governmental Lender allowed in any bankruptcy or other proceeding.

No remedy by the terms of this Funding Loan Agreement conferred upon or reserved to Fiscal Agent or to Funding Lender 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 Fiscal Agent or Funding Lender hereunder or under the Project Loan Agreement, the TEL Regulatory Agreement, the Continuing Covenant Agreement or any other Financing Document, as applicable, or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default hereunder, whether by Fiscal Agent or Funding Lender, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

6.03 **Funding Lender Representative Control of Proceedings**. Notwithstanding anything to the contrary herein, Funding Lender Representative shall have the sole and exclusive right at any time to direct the time, 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 for the appointment of a receiver or any other proceedings hereunder, in accordance with the provisions of law and of this Funding Loan Agreement. In addition, Funding Lender Representative shall have the sole and exclusive right at any time to directly enforce all rights and remedies hereunder and under the other Financing Documents with or without the involvement of Fiscal Agent or Governmental Lender (and in connection therewith Fiscal Agent shall transfer or assign to Funding Lender Representative all of its interest in the Pledged Security at the request of Funding Lender Representative). In no event shall the exercise of any of the foregoing rights result in an acceleration of the Funding Loan without the express direction of Funding Lender Representative.

6.04 **Waiver by Governmental Lender**. Upon the occurrence of an Event of Default, to the extent that such right may then lawfully be waived, neither Governmental Lender nor anyone claiming through or under it shall set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or prepayment laws

now or hereinafter in force, in order to prevent or hinder the enforcement of this Funding Loan Agreement. Governmental Lender, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws and all right of appraisement and prepayment to which it may be entitled under the laws of the Property Jurisdiction and the United States of America.

6.05 **Application of Money After Default**. All money collected by Fiscal Agent at any time pursuant to this Article VI shall, except to the extent, if any, otherwise directed by a court of competent jurisdiction, be credited by Fiscal Agent to the Revenue Fund. Such money so credited to the Revenue Fund and all other money from time to time credited to the Revenue Fund shall at all times be held, transferred, withdrawn and applied as prescribed by the provisions of Article IV hereof and this Section 6.05.

In the event that at any time the money credited to the Revenue Fund, the Loan Payment Fund and the Loan Prepayment Fund available for the payment of interest or principal then due with respect to the Governmental Note shall be insufficient for such payment, such money shall be applied as follows and in the following order of priority:

(a) For payment of all amounts due to Fiscal Agent incurred in performance of its duties under this Funding Loan Agreement, including, without limitation, the payment of all of Fiscal Agent's Extraordinary Fees and Expenses incurred in exercising any remedies under this Funding Loan Agreement.

(b) To the extent directed in writing by Funding Lender Representative, to the reimbursement of any unreimbursed advances made by or on behalf of Funding Lender pursuant to the Continuing Covenant Agreement or the Security Instrument.

(c) Unless the full principal amount of the Funding Loan shall have become or have been declared due and payable:

FIRST, to Funding Lender, all installments of interest then due on the Funding Loan in the order of the maturity of such installments; and

SECOND, to Funding Lender, unpaid principal of and Prepayment Premium, if any, on the Funding Loan which shall have become due, whether at maturity or by call for prepayment, in the order in which they became due and payable.

(d) If the full principal amount of the Governmental Note shall have become or have been declared due and payable, to Funding Lender for the payment of the principal of, Prepayment Premium, if any, and interest then due and unpaid on the Funding Loan without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest.

6.06 **Remedies Not Exclusive**. No right or remedy conferred upon or reserved to Fiscal Agent, Funding Lender or Funding Lender Representative by the terms of this Funding Loan Agreement is intended to be exclusive of any other right or remedy, but each and every such remedy shall be cumulative and shall be in addition to every other right or remedy given to Fiscal Agent, Funding Lender or Funding Lender Representative under this Funding Loan Agreement or existing at law or in equity or by statute (including the Act).

6.07 **Fiscal Agent May Enforce Rights Without Governmental Note**. All rights of action and claims, including the right to file proof of claims, under this Funding Loan Agreement may be prosecuted and enforced by Fiscal Agent at the written direction of Funding Lender Representative without the possession of the Governmental Note or the production thereof in any trial or other proceedings relating thereto.

Subject to the rights of Funding Lender Representative to direct proceedings hereunder, any such suit or proceeding instituted by Fiscal Agent shall be brought in its name as Fiscal Agent without the necessity of joining as plaintiffs or defendants any Funding Lender, and any recovery or judgment shall be for the benefit as provided herein of Funding Lender.

6.08 Termination of Proceedings. In case Fiscal Agent (at the written direction of Funding Lender Representative) or Funding Lender Representative shall have proceeded to enforce any right under this Funding Loan Agreement by the appointment of a receiver, by entry 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 Governmental Lender, Fiscal Agent, Funding Lender Representative, Borrower and Funding Lender shall be restored to their former positions and rights hereunder with respect to the Pledged Security herein conveyed, and all rights, remedies and powers of Fiscal Agent and Funding Lender Representative shall continue as if no such proceedings had been taken.

6.09 Waivers of Events of Default. Fiscal Agent shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on the Funding Loan upon the written direction of Funding Lender Representative. In case of any such waiver or rescission, or in case any proceeding taken by Fiscal Agent on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case Governmental Lender, Fiscal Agent, Borrower, Loan Servicer, Funding Lender Representative and Funding Lender shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereto.

6.10 Interest on Unpaid Amounts and Default Rate for Nonpayment. In the event that principal of or interest payable on the Funding Loan is not paid when due, there shall be payable on the amount not timely paid, on each Funding Loan Payment Date, interest at the Default Rate, to the extent permitted by law. Interest on the Funding Loan shall accrue at the Default Rate until the unpaid amount, together with interest thereon, shall have been paid in full.

6.11 Assignment of Project Loan; Remedies Under the Project Loan.

(a) Funding Lender Representative shall have the right, with respect to the Project Loan, in its sole and absolute discretion, without directing Fiscal Agent to effect an acceleration of the Funding Loan, to instruct Fiscal Agent in writing to assign the Project Note, the Security Instrument and the other Project Loan Documents to Funding Lender Representative, in which event Fiscal Agent shall do all of the following:

(i) Endorse and deliver the Project Note to Funding Lender Representative and assign (in recordable form) the Security Instrument.

(ii) Execute and deliver to Funding Lender Representative all documents prepared by Funding Lender Representative necessary to assign (in recordable form) all other Project Loan Documents to Funding Lender Representative.

(iii) Execute all such documents prepared by Funding Lender Representative as are necessary to legally and validly effectuate the assignments provided for in the preceding clauses (i) and (ii).

(b) Fiscal Agent's assignments to Funding Lender Representative pursuant to this Section 6.11 shall be without recourse or warranty except that Fiscal Agent shall represent and warrant in connection therewith:

(i) That Fiscal Agent has not previously endorsed or assigned any such documents or instruments and

(ii) That Fiscal Agent has the corporate authority to endorse and assign such documents and instruments and such endorsements and assignments have been duly authorized.

(c) Funding Lender Representative shall have the right, in its own name or on behalf of Governmental Lender or Fiscal Agent, to declare any default and exercise any remedies under the Project Loan Agreement, the Project Note or the Security Instrument, whether or not the Governmental Note has been accelerated or declared due and payable by reason of an Event of Default or the occurrence of a mandatory prepayment.

6.12 **Substitution**. Upon receipt of written notice from Funding Lender Representative and the written approval of Governmental Lender as and to the extent permitted under the TEL Regulatory Agreement, Fiscal Agent shall exchange the Project Note and the Security Instrument for a new Project Note and Security Instrument, evidencing and securing a new loan (the "**New Project Loan**"), which may be executed by a Person other than Borrower (the "**New Borrower**"), provided that if Fiscal Agent, Funding Lender or a nominee of Fiscal Agent or Funding Lender has acquired the Project through foreclosure, by accepting a deed in lieu of foreclosure or by comparable conversion of the Project, no approval from Governmental Lender of such exchange shall be required. Prior to accepting a New Project Loan, Fiscal Agent shall have received (i) written evidence that the New Borrower shall have executed and recorded a document substantially in the form of the TEL Regulatory Agreement (or executed and recorded an assumption of all of Borrower's obligations under the TEL Regulatory Agreement) and that the Project Loan Documents have been modified as necessary to be applicable to the New Project Loan, and (ii) an opinion of Bond Counsel to the effect that such exchange and modification, in and of itself, will not adversely affect the exclusion of interest on the Governmental Note from the gross income of the holders thereof for federal income tax purposes.

ARTICLE VII CONCERNING FISCAL AGENT.

7.01 **Standard of Care**. Fiscal Agent, prior to an Event of Default as defined in Section 6.01 hereof and after the curing or waiver of all such events which may have occurred, shall perform such duties and only such duties as are specifically set forth in this Funding Loan Agreement and no implied covenants or obligations shall be read into this Funding Loan Agreement against Fiscal Agent. Fiscal Agent, during the existence of any such Event of Default (which shall not have been cured or waived), shall exercise such rights and powers vested in it by this Funding Loan Agreement and use the same degree of care and skill in its exercise as a prudent Person would exercise or use under similar circumstances in the conduct of such Person's own affairs. For the avoidance of doubt, the permissive right of Fiscal Agent to do things enumerated in this Funding Loan Agreement or the Project Loan Agreement shall not be construed as a duty.

No provision of this Funding Loan Agreement shall be construed to relieve Fiscal Agent from liability for its breach of trust, own negligence or willful misconduct, except that:

(a) Prior to an Event of Default hereunder, and after the curing or waiver of all such Events of Default which may have occurred:

(i) The duties and obligations of Fiscal Agent shall be determined solely by the express provisions of this Funding Loan Agreement, and Fiscal Agent shall not be liable except with regard to the performance of such duties and obligations as are specifically set forth in this Funding Loan Agreement; and

(ii) In the absence of bad faith on the part of Fiscal Agent, Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to Fiscal Agent by the Person or Persons authorized to furnish the same.

(b) At all times, regardless of whether or not any such Event of Default shall exist:

(i) Fiscal Agent shall not be liable for any error of judgment made in good faith by an officer or employee of Fiscal Agent except for willful misconduct or negligence by the officer or employee of Fiscal Agent as the case may be; and

(ii) Fiscal Agent shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of Funding Lender Representative relating to the time, method and place of conducting any proceeding for any remedy available to Fiscal Agent, or exercising any trust or power conferred upon Fiscal Agent under this Funding Loan Agreement.

When Fiscal Agent incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

7.02 Reliance Upon Documents. Except as otherwise provided in Section 7.01 hereof:

(a) Fiscal Agent may rely upon the authenticity or truth of the statements and the correctness of the opinions expressed in, and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, notarial seal, stamp, acknowledgment, verification, request, consent, order, bond, or other paper or document in good faith deemed by it to be genuine and correct and to have been signed or sent by the proper party or parties, including any Electronic Instruction and Notice as permitted hereunder or under the Project Loan Agreement. Fiscal Agent shall have no duty to confirm or verify the source or authenticity of any Electronic Instruction and Notice and shall be entitled to rely conclusively on any Electronic Instruction and Notice that appears to have been sent from the electronic mail address of an Authorized Officer of the sending party, and the sending party assumes all risk of unauthorized or fraudulent Electronic Instructions and Notices.

(b) Any notice, request, direction, election, order or demand of Governmental Lender mentioned herein shall be sufficiently evidenced by an instrument signed in the name of Governmental Lender by an Authorized Officer of Governmental Lender (unless other evidence in respect thereof be herein specifically prescribed), and any resolution of Governmental Lender may be evidenced to Fiscal Agent by a copy of such resolution duly certified by an Authorized Officer of Governmental Lender.

(c) Any notice, request, certificate, statement, requisition, direction, election, order or demand of Borrower mentioned herein shall be sufficiently evidenced by an instrument purporting to be signed in the name of Borrower by any Authorized Officer of Borrower (unless other evidence in respect thereof be herein specifically prescribed), and any resolution or certification of Borrower may be evidenced to Fiscal Agent by a copy of such resolution duly certified by a secretary or other authorized signatory of Borrower.

(d) Any notice, request, certificate, statement, requisition, direction, election, order or demand of Loan Servicer mentioned herein shall be sufficiently evidenced by an instrument signed in the name of Loan Servicer by an Authorized Officer of Loan Servicer (unless other evidence in respect thereof be herein specifically prescribed).

(e) Any notice, request, direction, election, order or demand of Funding Lender Representative mentioned herein shall be sufficiently evidenced by an instrument purporting to be signed in the name of Funding Lender Representative by any Authorized Officer of Funding Lender Representative (unless other evidence in respect thereof be herein specifically prescribed).

(f) In the administration of the trusts of this Funding Loan Agreement:

(i) Fiscal Agent may execute any of the trusts or powers hereby granted directly or through its agents, custodians, nominees, receivers or attorneys appointed with due care, and

(ii) Fiscal Agent may consult with counsel (who may be counsel for Governmental Lender, Loan Servicer or Funding Lender Representative) concerning all matters of trusts hereof and duties hereunder, and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the opinion of such counsel.

(g) Whenever in the administration of the trusts of this Funding Loan Agreement, Fiscal Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or permitting any action hereunder, such matters (unless other evidence in respect thereof be herein specifically prescribed), may in the absence of negligence or willful misconduct on the part of Fiscal Agent, be deemed to be conclusively proved and established by a certificate of an officer or authorized agent of Governmental Lender or Borrower and such certificate shall in the absence of bad faith on the part of Fiscal Agent be full warrant to Fiscal Agent for any action taken or permitted by it under the provisions of this Funding Loan Agreement, but in its discretion Fiscal Agent may in lieu thereof accept other evidence of such matter or may require such further or additional evidence as it may deem reasonable.

(h) The recitals herein and in the Governmental Note (except Fiscal Agent's certificate of authentication thereon) shall not be considered as made by or imposing any obligation or liability upon Fiscal Agent. Fiscal Agent makes no representations as to the value or condition of the Pledged Security or any part thereof, or as to the title of Governmental Lender or Borrower to the Pledged Security, or as to the security of this Funding Loan Agreement, or of the Governmental Note issued hereunder, and Fiscal Agent shall incur no liability or responsibility in respect of any of such matters.

(i) Fiscal Agent shall not be personally liable for debts contracted or liability for damages incurred in the management or operation of the Pledged Security except for its own willful misconduct or negligence, and every provision of this Funding Loan Agreement relating to the conduct or affecting the liability of or affording protection to Fiscal Agent shall be subject to the provisions of this Section 7.02(i).

(j) Fiscal Agent shall not be required to ascertain or inquire as to the performance or observance of any of the covenants or agreements (except to the extent they obligate Fiscal Agent) herein or in any contracts or securities assigned or conveyed to or pledged with Fiscal Agent hereunder, except Events of Default that are evident under Section 6.01(a) hereof. Fiscal Agent shall not be required to take notice or be deemed to have notice or actual knowledge of any default or Event of Default

specified in Section 6.01 hereof (except defaults under Section 6.01(a) hereof to the extent it is collecting loan payments hereunder) unless Fiscal Agent shall receive from Governmental Lender or Funding Lender Representative written notice stating that a default or Event of Default has occurred and specifying the same, and in the absence of such notice Fiscal Agent may conclusively assume that there is no such default. Every provision contained in this Funding Loan Agreement or related instruments or in any such contract or security wherein the duty of Fiscal Agent depends on the occurrence and continuance of such default shall be subject to the provisions of this Section 7.02(j).

(k) Fiscal Agent shall be under no duty to confirm or verify any financial or other statements or reports or certificates furnished pursuant to any provisions hereof, except to the extent such statement or reports are furnished by or under the direction of Fiscal Agent, and shall be under no other duty in respect of the same except to retain the same in its files and permit the inspection of the same at reasonable times by Funding Lender.

(l) Fiscal Agent shall be under no obligation to exercise those rights or powers vested in it by this Funding Loan Agreement, other than such rights and powers which it shall be obliged to exercise in the ordinary course of acting as Fiscal Agent under the terms and provisions of this Funding Loan Agreement and as required by law, at the request or direction of Funding Lender Representative, Loan Servicer, Governmental Lender or Borrower, unless the party so requesting or directing shall have first offered to Fiscal Agent security or indemnity satisfactory to Fiscal Agent against losses, claims, damages, the costs, expenses (including reasonable attorneys' fees and expenses) and liabilities which might be incurred by it in the compliance with such request or direction.

None of the provisions contained in this Funding Loan Agreement shall require Fiscal Agent to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

Fiscal Agent is authorized and directed to execute in its capacity as Fiscal Agent, the Project Loan Agreement and the TEL Regulatory Agreement and shall have no responsibility or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the delivery of the Governmental Note and no responsibility for compliance with any state or federal securities laws in connection with the Governmental Note. In acting or omitting to act pursuant to the Project Loan Agreement, the TEL Regulatory Agreement or any other documents executed in connection herewith, Fiscal Agent shall be entitled to all of the rights, immunities and indemnities accorded to it under this Funding Loan Agreement, including, but not limited to, this Article VII.

Fiscal Agent or any of its affiliates may act as advisor or sponsor with respect to any Qualified Investments.

Any resolution, certification, notice, request, direction, election, order or demand delivered to Fiscal Agent pursuant to this Section 7.02 shall remain in effect until Fiscal Agent receives written notice to the contrary from the party that delivered such instrument accompanied by revised information for such party.

Fiscal Agent shall have no responsibility for the value of any collateral or with respect to the perfection or priority of any security interest in any collateral except as otherwise provided in Section 7.15 hereof.

Notwithstanding anything contained herein or in the Security Instrument to the contrary, upon the occurrence and continuance of an Event of Default, before taking any foreclosure action or any action which may subject Fiscal Agent to liability under any environmental law, statute, regulation or similar requirement relating to the environment, Fiscal Agent may require that a satisfactory indemnity bond, indemnity or

environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such foreclosure or other action. Fiscal Agent shall not be required to take any action to foreclose or otherwise enforce the Security Instrument unless indemnified to its satisfaction and will not be required to foreclose if doing so will subject it to environmental liability or will require the approval of a governmental regulator that cannot be obtained.

7.03 **Use of Proceeds**. Fiscal Agent shall not be accountable for the use or application of the Governmental Note authenticated or delivered hereunder or of the proceeds of the Funding Loan or any other moneys paid over by Fiscal Agent in accordance with the provisions of this Funding Loan Agreement except as provided herein.

7.04 **Trust Imposed**. All money received by Fiscal Agent shall, until used or applied as herein provided, be held in trust for the purposes for which it was received.

7.05 **Compensation of Fiscal Agent**. Fiscal Agent shall be entitled to its Fiscal Agent's Ordinary Fees and Expenses in connection with the services rendered by it in the execution of the trusts hereby created and in the exercise and performance of any of the powers and duties of Fiscal Agent hereunder or under any Financing Document to the extent money is available therefor, in accordance with Section 4.06 hereof, exclusive of Extraordinary Services. Fiscal Agent shall be entitled to Fiscal Agent's Extraordinary Fees and Expenses in connection with any Extraordinary Services performed consistent with the duties hereunder or under any of the Financing Documents; provided Fiscal Agent shall not perform any Extraordinary Services or incur any Fiscal Agent's Extraordinary Fees and Expenses without the consent of Funding Lender Representative. If any property, other than cash, shall at any time be held by Fiscal Agent subject to this Funding Loan Agreement, or any supplement hereto, as security for the Funding Loan, Fiscal Agent, if and to the extent authorized by a receivership, bankruptcy, or other court of competent jurisdiction or by the instrument subjecting such property to the provisions of this Funding Loan Agreement as such security for the Funding Loan, shall be entitled to make advances for the purpose of preserving such property or of discharging tax liens or other liens or encumbrances thereon. Payment to Fiscal Agent for its services and reimbursement to Fiscal Agent for its expenses, disbursements, liabilities and advances, shall be limited to the sources described in the Project Loan Agreement and in Sections 4.06, 4.09 and 6.05 hereof. Governmental Lender shall have no liability for Fiscal Agent's fees, costs or expenses. Subject to the provisions of Section 7.08 hereof, Fiscal Agent agrees that it shall continue to perform its duties hereunder and under the Financing Documents even in the event that money designated for payment of its fees shall be insufficient for such purposes or in the event that Borrower fails to pay the Fiscal Agent's Ordinary Fees and Expenses or, if applicable, the Fiscal Agent's Extraordinary Fees and Expenses as required by the Project Loan Agreement.

Borrower shall indemnify and hold harmless Fiscal Agent and its officers, directors, officials, employees, agents, receivers, attorneys, accountants, advisors, consultants and servants, past, present or future, from and against all of the following:

(a) Any and all claims by or on behalf of any Person arising from any cause whatsoever in connection with this Funding Loan Agreement or transactions contemplated hereby, the Project, or the delivery of the Governmental Note or the Loans.

(b) Any and all claims arising from any act or omission of Borrower or any of its agents, contractors, servants, employees or licensees in connection with the Project, or the delivery of the Governmental Note or the Loans.

(c) All costs, counsel fees, expenses or liabilities incurred in connection with any such claim or proceeding brought thereon; except that Borrower shall not be required to indemnify any Person for damages caused by the gross negligence, willful misconduct or unlawful acts of such Person or which arise from events occurring after Borrower ceases to own the Project.

In the event that any action or proceeding is brought or claim made against Fiscal Agent, or any of its officers, directors, officials, employees, agents, receivers, attorneys, accountants, advisors, consultants or servants, with respect to which indemnity may be sought hereunder, Borrower, upon written notice thereof from the indemnified party, shall assume the investigation and defense thereof, including the employment of counsel and the payment of all expenses (except for matters attributable to the negligence or willful misconduct of such Person). The indemnified party shall have the right to approve a settlement to which it is a party and to employ separate counsel in any such action or proceedings and to participate in the investigation and defense thereof, and Borrower shall pay the reasonable fees and expenses of such separate counsel. The provisions of this Section 7.05 shall survive the termination of this Funding Loan Agreement and the resignation or removal of the Fiscal Agent.

7.06 **Qualifications of Fiscal Agent**. There shall at all times be a Fiscal Agent hereunder which shall be an association or a corporation organized and doing business under the laws of the United States of America or any state thereof, authorized under such laws to exercise corporate trust powers. Any successor Fiscal Agent shall have a combined capital and surplus of at least $50,000,000 (or shall be a wholly-owned subsidiary of an association or corporation that has such combined capital and surplus), and be subject to supervision or examination by federal or state authority, or shall have been appointed by a court of competent jurisdiction pursuant to Section 7.10 hereof. If such association or corporation publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority referred to above, then for the purposes of this Section 7.06, the combined capital and surplus of such association or corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time Fiscal Agent shall cease to be eligible in accordance with the provisions of this Section 7.06 and another association or corporation is eligible, Fiscal Agent shall resign immediately in the manner and with the effect specified in Section 7.08 hereof.

7.07 **Merger of Fiscal Agent**. Any association or corporation into which Fiscal Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any association or corporation resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party shall, ipso facto, be and become successor Fiscal Agent hereunder and vested with all the title to the whole property or Pledged Security and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instruments or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding, and shall also be and become successor Fiscal Agent in respect of the legal interest of Fiscal Agent in the Loans.

7.08 **Resignation by Fiscal Agent**. Fiscal Agent may at any time resign from the trusts hereby created by giving written notice to Governmental Lender, Borrower, Loan Servicer and Funding Lender Representative. Such notice to Governmental Lender, Borrower, Loan Servicer and Funding Lender Representative may be served personally or sent by certified mail or overnight delivery service. The resignation of Fiscal Agent shall not be effective until a successor Fiscal Agent has been appointed as provided herein and such successor Fiscal Agent shall have agreed in writing to be bound by the duties and obligations of Fiscal Agent hereunder; provided, however, that after giving notice of resignation, Fiscal Agent may petition any court of competent jurisdiction for appointment of a temporary Fiscal Agent until a successor Fiscal Agent is appointed. The rights of Fiscal Agent to indemnity, compensation and reimbursement of fees and expenses shall survive Fiscal Agent's resignation as set forth herein and in Section 6.01(d) of the Project Loan Agreement.

7.09 **Removal of Fiscal Agent**. Fiscal Agent may be removed at any time, either with or without cause, with the consent of Funding Lender Representative (which consent of Funding Lender Representative shall not be unreasonably withheld), by a written instrument signed by Governmental Lender and delivered to Fiscal Agent, Loan Servicer and Borrower. Fiscal Agent may also be removed by a written instrument signed by Funding Lender Representative and delivered to Fiscal Agent, Loan Servicer, Governmental Lender and Borrower. In each case written notice of such removal shall be given to Loan Servicer, Borrower and to Funding Lender. Any such removal shall take effect on the day specified in such written instrument(s), but Fiscal Agent shall not be discharged from the trusts hereby created until a successor Fiscal Agent has been appointed and has accepted such appointment and has agreed in writing to be bound by the duties and obligations of Fiscal Agent hereunder. The rights of Fiscal Agent to indemnity, compensation and reimbursement of fees and expenses shall survive Fiscal Agent's removal as set forth herein and in Section 6.01(d) of the Project Loan Agreement.

7.10 **Appointment of Successor Fiscal Agent**.

(a) In case at any time Fiscal Agent shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or shall be adjudged a bankrupt or insolvent, or if a receiver of Fiscal Agent or of its property shall be appointed, or if a public supervisory office shall take charge or control of Fiscal Agent or of its property or affairs, a vacancy shall forthwith and ipso facto be created in the office of such Fiscal Agent hereunder, and Governmental Lender, with the written consent of Funding Lender Representative, shall promptly appoint a successor Fiscal Agent. Any such appointment shall be made by a written instrument executed by an Authorized Officer of Governmental Lender. If Governmental Lender fails to appoint a successor Fiscal Agent within ten (10) days following receipt of notice of the resignation or removal of Fiscal Agent pursuant to Section 7.08 or Section 7.09 hereunder, as applicable, Funding Lender Representative may appoint a successor Fiscal Agent.

(b) If, in a proper case, no appointment of a successor Fiscal Agent shall be made pursuant to subsection (a) of this Section 7.10 within sixty (60) days following delivery of all required notices of resignation given pursuant to Section 7.08 hereof or of removal of Fiscal Agent pursuant to Section 7.09 hereof, the retiring Fiscal Agent may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. The court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Fiscal Agent.

7.11 **Concerning Any Successor Fiscal Agent**. Every successor Fiscal Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to Governmental Lender a written instrument accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the Pledged Security and the rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of Governmental Lender, Borrower or Funding Lender Representative, or of its successor, and upon payment of all amounts due such predecessor, including but not limited to fees and expenses of counsel, execute and deliver such instruments as may be appropriate to transfer to such successor Fiscal Agent all the Pledged Security and the rights, powers and trusts of such predecessor hereunder; and every predecessor Fiscal Agent shall deliver all securities and money held by it as Fiscal Agent hereunder to its successor. Should any instrument in writing from Governmental Lender be required by a successor Fiscal Agent for more fully and certainly vesting in such successor the Pledged Security and all rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by Governmental Lender. The resignation of any Fiscal Agent and the instrument or instruments removing any Fiscal Agent and appointing a successor hereunder,

together with all other instruments provided for in this Article VII, shall be filed and/or recorded by the successor Fiscal Agent in each recording office where this Funding Loan Agreement shall have been filed and/or recorded. Each successor Fiscal Agent shall mail notice by first class mail, postage prepaid, at least once within thirty (30) days of such appointment, to Funding Lender.

7.12 **Successor Fiscal Agent**. In the event of a change in the office of Fiscal Agent, the predecessor Fiscal Agent which shall have resigned or shall have been removed shall cease to be Fiscal Agent with respect to the Governmental Note, and the successor Fiscal Agent shall become such Fiscal Agent.

7.13 **Appointment of Co-Fiscal Agent or Separate Fiscal Agent**. It is the intent of Governmental Lender and Fiscal Agent that there shall be no violation of any law of any jurisdiction (including particularly the laws of the Property Jurisdiction) denying or restricting the right of banking corporations or associations to transact business as Fiscal Agent in such jurisdiction. It is recognized that in case of litigation under or connected with this Funding Loan Agreement, the Project Loan Agreement or any of the other Financing Documents, and, in particular, in case of the enforcement of any remedies on default, or in case Fiscal Agent deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein or therein granted to Fiscal Agent or hold title to the properties in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that Fiscal Agent, with the consent of Governmental Lender and Funding Lender Representative, appoint an additional individual or institution as a co-fiscal agent or separate fiscal agent.

In the event that Fiscal Agent appoints an additional individual or institution as a co-fiscal agent or separate fiscal agent, in the event of the incapacity or lack of authority of Fiscal Agent, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers, trusts and remedies granted to Fiscal Agent herein or to hold title to the Pledged Security or to take any other action that may be necessary or desirable in connection therewith, each and every remedy, power, right, obligation, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Funding Loan Agreement to be imposed upon, exercised by or vested in or conveyed to Fiscal Agent with respect thereto shall be imposed upon, exercisable by and vest in such separate fiscal agent or co-fiscal agent, but only to the extent necessary to enable such co-fiscal agent or separate fiscal agent to exercise such powers, rights, trusts and remedies, and every covenant and obligation necessary to the exercise thereof by such co-fiscal agent or separate fiscal agent shall run to and be enforceable by either of them, subject to the remaining provisions of this Section 7.13. Such co-fiscal agent or separate fiscal agent shall deliver an instrument in writing acknowledging and accepting its appointment hereunder to Governmental Lender and Fiscal Agent.

Should any instrument in writing from Governmental Lender be required by the co-fiscal agent or separate fiscal agent so appointed by Fiscal Agent for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by Governmental Lender, Fiscal Agent and Borrower. If Governmental Lender shall fail to deliver the same within thirty (30) days of such request, Fiscal Agent is hereby appointed attorney-in-fact for Governmental Lender to execute, acknowledge and deliver such instruments in Governmental Lender's name and stead. In case any co-fiscal agent or separate fiscal agent, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such co-fiscal agent or separate fiscal agent, so far as permitted by law, shall vest in and be exercised by Fiscal Agent until the appointment of a new Fiscal Agent or successor to such co-fiscal agent or separate fiscal agent.

Every co-fiscal agent or separate fiscal agent shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

(a) The Governmental Note shall be authenticated and delivered, and all rights, powers, trusts, duties and obligations by this Funding Loan Agreement conferred upon Fiscal Agent in respect of the custody, control or management of money, papers, securities and other personal property shall be exercised solely by Fiscal Agent.

(b) All rights, powers, trusts, duties and obligations conferred or imposed upon Fiscal Agent shall be conferred or imposed upon or exercised or performed by Fiscal Agent, or by Fiscal Agent and such co-fiscal agent, or separate fiscal agent jointly, as shall be provided in the instrument appointing such co-fiscal agent or separate fiscal agent, except to the extent that under the law of any jurisdiction in which any particular act or acts are to be performed Fiscal Agent shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co-fiscal agent or separate fiscal agent.

(c) Any request in writing by Fiscal Agent to any co-fiscal agent or separate fiscal agent to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking or the refraining from taking of such action by such co-fiscal agent or separate fiscal agent.

(d) Any co-fiscal agent or separate fiscal agent to the extent permitted by law shall delegate to Fiscal Agent the exercise of any right, power, trust, duty or obligation, discretionary or otherwise.

(e) Fiscal Agent at any time by an instrument in writing with the concurrence of Governmental Lender evidenced by a certified resolution may accept the resignation of or remove any co-fiscal agent or separate fiscal agent appointed under this Section 7.13 and in case an Event of Default shall have occurred and be continuing, Fiscal Agent shall have power to accept the resignation of or remove any such co-fiscal agent or separate fiscal agent without the concurrence of Governmental Lender, and upon the request of Fiscal Agent, Governmental Lender shall join with Fiscal Agent in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-fiscal agent or separate fiscal agent so resigned or removed may be appointed in the manner provided in this Section 7.13.

(f) No Fiscal Agent or co- fiscal agent hereunder shall be personally liable by reason of any act or omission of any other Fiscal Agent hereunder.

(g) Any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing executed by Funding Lender Representative and delivered to Fiscal Agent shall be deemed to have been delivered to each such co-fiscal agent or separate fiscal agent.

(h) Any money, papers, securities or other items of personal property received by any such co-fiscal agent or separate fiscal agent hereunder shall forthwith, so far as may be permitted by law, be turned over to Fiscal Agent.

7.14 **Notice of Certain Events**. Fiscal Agent shall give written notice to Governmental Lender, Loan Servicer and Funding Lender Representative of any failure by Borrower to comply with the terms of the TEL Regulatory Agreement or any Determination of Taxability of which a Responsible Officer has actual knowledge.

7.15 **Filing of Financing Statements**. Fiscal Agent shall, at the expense of Borrower, file or record or cause to be filed or recorded all continuation statements for financing statements that have been delivered to Fiscal Agent on which Fiscal Agent is named as a secured party or additional secured party for the purpose of continuing without lapse the effectiveness of those financing statements which have been filed on or approximately on the Delivery Date in connection with the security for the Funding Loan pursuant to the

authority of the Uniform Commercial Code. Upon the filing of any such continuation statement Fiscal Agent shall immediately notify Governmental Lender, Borrower, Funding Lender Representative and Loan Servicer that the same has been done. If direction is given by Loan Servicer or Funding Lender Representative, Fiscal Agent shall file all continuation statements in accordance with such directions.

Notwithstanding anything to the contrary contained herein, Fiscal Agent shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the Uniform Commercial Code and unless Fiscal Agent shall have been notified by Funding Lender that any such initial filing or description of collateral was or has become defective, Fiscal Agent shall be fully protected in relying on such initial filing and descriptions in filing any continuation statements or modifications thereto pursuant to this Section 7.15 and in filing any continuation statements in the same filing offices as the initial filings were made.

7.16 **USA Patriot Act Requirements of Fiscal Agent**. To help the government of the United States of America fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each Person who opens an account. For a non-individual Person such as a business entity, a charity, a trust, or other legal entity, Fiscal Agent may request documentation to verify such Person's formation and existence as a legal entity. Fiscal Agent may also request financial statements, licenses, identification and authorization documents from individuals claiming authority to represent such Person or other relevant documentation.

7.17 **Force Majeure.** In no event shall Fiscal Agent be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its reasonable control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, pandemics or epidemics, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that Fiscal Agent shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

ARTICLE VIII AMENDMENTS OF CERTAIN DOCUMENTS.

8.01 **Amendments to Funding Loan Agreement**. Any of the terms of this Funding Loan Agreement and the Governmental Note may be amended or waived only by an instrument signed by Fiscal Agent and Governmental Lender, and with the prior written consent of Funding Lender Representative.

8**.02** **Amendments to Financing Documents Require Consent of Funding Lender Representative**. Neither Governmental Lender nor Fiscal Agent shall consent to any amendment, change or modification of any Financing Document without the prior written consent of Funding Lender Representative. Fiscal Agent shall enter into such amendments to the Financing Documents as shall be directed by Funding Lender Representative, so long as Fiscal Agent is fully paid and/or reimbursed by and at the sole expense of Borrower for any services and/or expenses incurred in connection with such amendment; provided, however, that Fiscal Agent shall not be obligated to enter into any such amendments which adversely affect Fiscal Agent's rights, duties or immunities under such Financing Documents, or otherwise.

8.03 **Opinion of Bond Counsel Required**. No amendment to this Funding Loan Agreement, the Governmental Note, the Project Loan Agreement, the Project Note, the Security Instrument or the TEL Regulatory Agreement shall become effective unless and until all of the following have occurred:

(a) Funding Lender Representative shall have consented to the same in writing in its sole discretion.

(b) Funding Lender Representative, Governmental Lender and Fiscal Agent shall have received, at the expense of Borrower:

(i) An opinion of Bond Counsel to the effect that such amendment, change or modification will not, in and of itself, cause interest on the Governmental Note to be includable in the gross income of the holders thereof for federal income tax purposes, and

(ii) An opinion of counsel acceptable to Funding Lender Representative to the effect that any such proposed such amendment, change or modification is authorized and complies with the provisions of this Funding Loan Agreement and is a legal, valid and binding obligation of the parties thereto, subject to normal exceptions relating to bankruptcy, insolvency and equitable principles limitations.

ARTICLE IX SATISFACTION AND DISCHARGE OF FUNDING LOAN AGREEMENT.

9.01 Discharge of Lien.

(a) These presents and the estates and rights hereby granted shall cease, determine and be void if Governmental Lender shall:

(i) Pay or cause to be paid to Funding Lender the principal, interest and Prepayment Premium, if any, to become due with respect to the Funding Loan at the times and in the manner stipulated herein and in the Governmental Note, in any one or more of the following ways:

(A) By the payment of all unpaid principal of (including Prepayment Premium, if any) and interest on the Funding Loan,

(B) Prior to the Window Period, by the deposit to the account of Fiscal Agent, in trust, of money or securities in the necessary amount to pay the principal, Prepayment Premium and interest to the Maturity Date, or

(C) By the delivery of the Governmental Note by Funding Lender to Fiscal Agent for cancellation; and

(ii) Have paid all amounts due and owing under the other Financing Documents;

(iii) Have paid all fees and expenses of and any other amounts due to Fiscal Agent, Loan Servicer and Rebate Analyst; and

(iv) Keep, perform and observe all and singular the covenants and promises in the Governmental Note and in this Funding Loan Agreement expressed as to be kept, performed and observed by it or on its part.

(b) Upon satisfaction of each of the requirements of Section 9.01(a), Fiscal Agent shall cancel and discharge the lien of this Funding Loan Agreement and execute and deliver to Governmental Lender such instruments in writing as shall be requisite to satisfy the lien hereof, and reconvey to Governmental Lender the estate hereby conveyed, and assign and deliver to Governmental Lender

any interest in property at the time subject to the lien of this Funding Loan Agreement which may then be in its possession, except amounts held by Fiscal Agent for the payment of principal of, interest and Prepayment Premium, if any, on the Governmental Note, and the payment of any amounts owed to the United States of America pursuant to Section 4.10 hereof.

(c) Prior to the Window Period and subject to the satisfaction of the conditions set forth in Section 4.04(c) of the Project Loan Agreement, the Funding Loan shall, prior to the Maturity Date, be deemed to have been paid within the meaning and with the effect expressed in Section 9.01(a) based on a deposit of moneys or securities with Fiscal Agent pursuant to Section 9.01(a)(i)(B) if, under circumstances which do not cause interest on the Governmental Note to become includable in the gross income of the holders thereof for federal income tax purposes, each of the following conditions shall have been fulfilled:

(i) There shall be on deposit with Fiscal Agent either money or noncallable and nonprepayable direct obligations of the United States of America (or other defeasance securities constituting Qualified Investments approved in writing by Funding Lender Representative) in an amount, together with anticipated earnings thereon (but not including any reinvestment of such earnings), which will be sufficient to pay, when due, the principal and interest due and to become due on the Funding Loan up to and on the Maturity Date.

(ii) Fiscal Agent shall have received a verification report of a firm of certified public accountants or financial analyst reasonably acceptable to Fiscal Agent and Funding Lender Representative as to the adequacy of the amounts or securities so deposited to fully pay the Funding Loan.

(iii) Fiscal Agent and Funding Lender Representative shall have received a written opinion of nationally recognized counsel experienced in bankruptcy matters to the effect that if Borrower, any general partner, member or guarantor of Borrower, or Governmental Lender were to become a debtor in a proceeding under the Bankruptcy Code:

(A) Payment of such money to Funding Lender would not constitute a voidable preference under Section 547 of the Bankruptcy Code and

(B) The automatic stay provisions of Section 362(a) of the Bankruptcy Code would not prevent application of such money to the payment of the Funding Loan.

(iv) Fiscal Agent and Funding Lender Representative shall have received an opinion of Bond Counsel to the effect that the defeasance of the Funding Loan is in accordance with the provisions of this Funding Loan Agreement and that such defeasance will not adversely affect the exclusion of interest on the Governmental Note from the gross income of the holders thereof for federal income tax purposes.

(v) Fiscal Agent shall have received written confirmation that all fees, expenses or reimbursement of any advances due to Funding Lender and Loan Servicer under the Financing Documents have been fully paid.

9.02 Discharge of Liability on Funding Loan. Upon the deposit with Fiscal Agent, in trust, on or before the Maturity Date, of money or securities in the necessary amount (as provided in Section 9.01 above) to pay or prepay the Funding Loan (whether upon or prior to the Maturity Date or the prepayment date of the Funding Loan) provided that, if the Funding Loan is to be prepaid prior to the maturity thereof, notice of such prepayment shall have been given as provided in Article III or provision satisfactory to Fiscal Agent

shall have been made for the giving of such notice, all liability of Governmental Lender in respect of the Funding Loan shall cease, terminate and be completely discharged, except only that thereafter Funding Lender shall be entitled to payment by Governmental Lender, and Governmental Lender shall remain liable for such payment, but only out of the money or securities deposited with Fiscal Agent as aforesaid for their payment, subject, however, to the provisions of Section 9.03 hereof.

9.03 Payment of Funding Loan After Discharge of Funding Loan Agreement. Notwithstanding any provisions of this Funding Loan Agreement, and subject to applicable unclaimed property laws of the Property Jurisdiction, any money deposited with Fiscal Agent or any paying agent in trust for the payment of the principal of, interest or Prepayment Premium on the Governmental Note remaining unclaimed for [_____] years after the maturity or earlier payment date: to the extent permitted by applicable law, shall be paid to Borrower, whereupon all liability of Governmental Lender and Fiscal Agent with respect to such money shall cease, and Funding Lender shall thereafter look solely to Borrower for payment of any amounts then due. All money held by Fiscal Agent and subject to this Section 9.03 shall be held uninvested and without liability for interest thereon.

ARTICLE X MISCELLANEOUS.

10.01 Servicing of the Loans. Funding Lender Representative may appoint a Loan Servicer (which may be Funding Lender Representative if Funding Lender Representative elects to service the Loans) to service the Loans as provided in Section 3.02 of the Project Loan Agreement.

10.02 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed 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, Funding Lender, Funding Lender Representative, Loan Servicer and Borrower, any legal or equitable right, remedy or claim under or in respect to this Funding Loan Agreement or any covenants, conditions and provisions hereof.

10.03 Construction of Conflicts; Severability.

(a) Notwithstanding anything provided herein, or in any of the documents referred to herein, in the event that any contracts or other documents executed by Borrower or any other arrangements agreed to by Borrower in order to finance or refinance the Project with the proceeds of the Funding Loan, the interest on which is excluded from the gross income of the holders thereof for federal income tax purposes under Section 103(a) of the Code are inconsistent with the Project Loan Documents, then the Project Loan Documents shall be controlling in all respects. If any provision of this Funding Loan Agreement shall be held or deemed to be, or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution, statute, rule of law or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

(b) The invalidity of any one or more phrases, sentences, clauses or sections in this Funding Loan Agreement contained, shall not affect the remaining portions of this Funding Loan Agreement, or any part thereof.

10.04 Notices.

(a) Whenever in this Funding Loan Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the Person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Any notice, request, complaint, demand, communication or other paper required or permitted to be delivered to Governmental Lender, Fiscal Agent, Funding Lender Representative, Borrower or Loan Servicer shall be sufficiently given and shall be deemed given (unless another form of notice shall be specifically set forth herein) on the Business Day following the date on which such notice or other communication shall have been delivered to a national overnight delivery service (receipt of which to be evidenced by a signed receipt from such overnight delivery service) addressed to the appropriate party at the addresses set forth below or as may be required or permitted by this Funding Loan Agreement by Electronic Instruction and Notice. Governmental Lender, Fiscal Agent, Funding Lender Representative, Borrower or Loan Servicer may, by notice given as provided in this paragraph, designate any further or different address to which subsequent notices or other communication shall be sent.

Notice Addresses	
If to Governmental Lender:	Austin Housing Finance Corporation 1000 E. 11th Street Austin, Texas 78702 Attention: Program Manager
If to Fiscal Agent:	UMB Bank, N.A. _____ _____ Attention: Corporate Trust - _____ Email: Telephone:
If to Borrower:	Elm Ridge Preservation, LP 550 California Street, Suite 620 San Francisco, California 94104 Attention: Patrick Berry Email: Patrick.berry@belveron.com Telephone: (978) 760-1547 *With a copy to (which copy shall not constitute notice to Borrower):* Cannon Heyman & Weiss, LLP 54 State Street, 5th Floor Albany, New York 12207 Attention: David C. Kuracina, Esq. Email: dkuracina@chwattys.com

If to Initial Funding Lender or Loan Servicer:	Berkadia Commercial Mortgage LLC 323 Norristown Road, Suite 300 Ambler, PA 19002 Attn: Servicing – Executive Vice President
If to Funding Lender Representative (as of the Freddie Mac Purchase Date):	Federal Home Loan Mortgage Corporation 8100 Jones Branch Drive McLean, Virginia 22102 Attention: Multifamily Operations - Loan Accounting Email: mfla@freddiemac.com Telephone: (703) 714-4177 *With a copy to (which copy shall not constitute notice to Funding Lender Representative):* Federal Home Loan Mortgage Corporation 8200 Jones Branch Drive McLean, Virginia 22102 Attention: Managing Associate General Counsel - Multifamily Legal Division Email: jennifer_davila@freddiemac.com Telephone: (703) 903-2000
If to Equity Investor:	Berkadia Elm Ridge Apartments MTE LLC Two Liberty Place 50 South 16th Street Suite 2825 Philadelphia, PA 19102 Attention: Managing Director *With a copy to (which copy shall not constitute notice to Equity Investor):* Holland & Knight LLP 10 St. James Avenue, 11th Floor Boston, MA 02116 Attention: Sara C. Heskett, Esq.

A duplicate copy of each notice or other communication given hereunder by any party to Loan Servicer shall also be given to Funding Lender Representative and by any party to Funding Lender Representative to Loan Servicer.

Fiscal Agent agrees to accept and act upon Electronic Instruction and Notice pursuant to this Funding Loan Agreement.

(b) Fiscal Agent shall provide to Funding Lender Representative and Loan Servicer (i) prompt notice of the occurrence of any Event of Default pursuant to Section 6.01 hereof and (ii) any written information or other written communication received by Fiscal Agent hereunder within ten (10) Business Days of receiving a written request from Funding Lender Representative and Loan Servicer for any such information or other communication.

10.05 Funding Lender Representative.

(a) Initial Funding Lender is the initial Funding Lender Representative with respect to the Governmental Note. Upon the Freddie Mac Purchase Date, Freddie Mac shall be Funding Lender Representative. Funding Lender Representative shall be entitled to all the rights and privileges of Funding Lender hereunder and under the other Financing Documents.

(b) Funding Lender Representative may provide written notice to Fiscal Agent designating particular individuals or Persons authorized to execute any consent, waiver, approval, direction or other instrument on behalf of Funding Lender Representative, and such notice may be amended or rescinded by Funding Lender Representative at any time by subsequent written notice. Funding Lender Representative may be removed and a successor appointed by a written notice in the form of Exhibit B hereto given by Funding Lender to Fiscal Agent, Governmental Lender, Loan Servicer and Borrower. The removal and reappointment shall be effective immediately upon receipt of such notice by Fiscal Agent. Funding Lender may appoint any Person to act as Funding Lender Representative, including, without limitation, Loan Servicer. If, for any reason, a Funding Lender Representative resigns by written notice provided to Fiscal Agent, Funding Lender, Governmental Lender, Loan Servicer and Borrower, all references to Funding Lender Representative herein and in the other Financing Documents shall be deemed to refer to Funding Lender until a successor Funding Lender Representative is appointed by Funding Lender.

(c) Whenever pursuant to this Funding Loan Agreement or any other Financing Document, Funding Lender Representative exercises any right given to it to approve or disapprove, any arrangement or term hereof, the decision of Funding Lender Representative to approve or disapprove or to decide whether arrangements or terms are acceptable or not acceptable shall be in the sole discretion of Funding Lender Representative, except as otherwise specifically indicated.

(d) Each Funding Lender, by their purchase or other acquisition of the Funding Loan, shall be deemed to have acknowledged and agreed to the provisions of this Funding Loan Agreement and the other Financing Documents with respect to Funding Lender Representative and the rights and privileges thereof, including but not limited to the right to control all remedies in respect of the Governmental Note and the Loans.

10.06 Payments Due on Non-Business Days. In any case where a date of payment with respect to the Funding Loan shall be a day other than a Business Day, then such payment need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on such date, and no interest shall accrue for the period after such date provided that payment is made on such next succeeding Business Day.

10.07 Counterparts. 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.

10.08 Laws Governing This Funding Loan Agreement. The effect and meaning of this Funding Loan Agreement and the rights of all parties hereunder shall be governed by, and construed according to, the internal laws of the Property Jurisdiction without regard to conflicts of laws principles.

10.09 No Recourse. No recourse under or upon any obligation, covenant or agreement contained in this Funding Loan Agreement or in the Governmental Note shall be had against any member, officer, commissioner, director or employee (past, present or future) of Governmental Lender, either directly or through Governmental Lender or its governing body or otherwise, for the payment for or to Governmental Lender or any receiver thereof, or for or to Funding Lender, or otherwise, of any sum that may be due and unpaid

by Governmental Lender or its governing body upon the Governmental Note. Any and all personal liability of every nature whether at common law or in equity or by statute or by constitution or otherwise of any such member, officer, commissioner, director or employee, as such, to respond by reason of any act of omission on his/her part or otherwise, for the payment for or to Funding Lender or otherwise of any sum that may remain due and unpaid with respect to the Funding Loan hereby secured is, by the acceptance hereof, expressly waived and released as a condition of and in consideration for the execution of this Funding Loan Agreement and the delivery of the Governmental Note.

10.10 **Successors and Assigns**. All the covenants and representations contained in this Funding Loan Agreement by or on behalf of the parties hereto shall bind and inure to the benefit of their successors and assigns, whether so expressed or not.

[SIGNATURE PAGES FOLLOW]

GOVERNMENTAL LENDER:

AUSTIN HOUSING FINANCE CORPORATION,
a Texas public nonprofit housing finance corporation

By: _____
Name: Deletta Dean
Title: Treasurer

SIGNATURES CONTINUE ON FOLLOWING PAGE

FISCAL AGENT:

UMB BANK, N.A.,
a national banking association

By: _____
Name:
Title:

SIGNATURES CONTINUE ON FOLLOWING PAGE

INITIAL FUNDING LENDER:

BERKADIA COMMERCIAL MORTGAGE LLC,
a Delaware limited liability company

By: _____
Name:
Title:

Schedule I

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Exhibit A

Form of Governmental Note

THIS GOVERNMENTAL 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.

$[33,000,000]
AUSTIN HOUSING FINANCE CORPORATION
MULTIFAMILY HOUSING REVENUE NOTE
(ELM RIDGE APARTMENTS),
SERIES 2026

DELIVERY DATE: _____, 2026

No. _-_ **US $[AMOUNT]**

FOR VALUE RECEIVED, the undersigned, AUSTIN HOUSING FINANCE CORPORATION (the "**Obligor**" or "**Governmental Lender**"), promises to pay (but solely from the sources and in the manner provided for in the Funding Loan Agreement referenced below) to the order of BERKADIA COMMERCIAL MORTGAGE LLC (the "**Funding Lender**"), and its assigns, the principal sum of [AMOUNT OF FUNDING LOAN] (US $[AMOUNT]), plus Prepayment Premium, if any, and interest thereon and to pay the other amounts owing from time to time hereunder, all as set forth below.

This Multifamily Housing Revenue Note (Elm Ridge Apartments), Series 2026 (this "**Governmental Note**") is being delivered pursuant to that certain Funding Loan Agreement dated as of November 1, 2026 (together with any and all amendments, modifications, supplements and restatements, the "**Funding Loan Agreement**"), among Funding Lender, the Obligor and UMB Bank, N.A. (the "**Fiscal Agent**"), pursuant to which the Obligor has incurred a loan in the original principal amount of $[33,000,000] (the "**Funding Loan**"), and this Governmental Note is entitled to the benefits of the Funding Loan Agreement and is subject to the terms, conditions and provisions thereof. The Obligor is using the proceeds of the Funding Loan to make a loan to ELM RIDGE PRESERVATION, LP (the "**Borrower**") pursuant to the Project Loan Agreement dated as of November 1, 2026 (the "**Project Loan Agreement**"), among the Obligor, Borrower, and Fiscal Agent.

1. **Defined Terms**. As used in this Governmental Note, (i) the term "**Funding Lender**" means the holder of this Governmental Note, and (ii) the term "**Indebtedness**" means the principal of, Prepayment Premium, if any, and interest on or any other amounts due at any time under this Governmental Note or the Funding Loan Agreement. "**Event of Default**" and other capitalized terms used but not defined in this Governmental Note shall have the meanings given to such term in the Funding Loan Agreement.

2. **Payments of Principal and Interest**. The Obligor shall pay (but solely from the sources and in the manner provided for in the Funding Loan Agreement) on the first calendar day of each month commencing [December 1, 2026], interest on this Governmental Note at the rate of [_____]% per annum (or such higher rate of interest borne by the Funding Loan upon any default) (the "**Interest Rate**") on the outstanding principal balance of this Governmental Note, and shall also pay interest on this Governmental Note at the Interest Rate on the date of any optional or mandatory prepayment or acceleration of all or part of the

Funding Loan pursuant to the Funding Loan Agreement, in an amount equal to the accrued and unpaid interest to the date of prepayment on the portion of this Governmental Note subject to prepayment. Interest on this Governmental Note shall be computed on the basis of a 360-day year and the actual number of days elapsed.

The Obligor shall pay (but solely from the sources and in the manner provided for in the Funding Loan Agreement) the outstanding principal of this Governmental Note in full on [December 1, 2042] (the "**Maturity Date**") and in monthly installments on each date set forth on the Funding Loan Amortization Schedule attached as Schedule 1 hereto in an amount equal to the corresponding amounts set forth thereon, or at such earlier times and in such amounts as may be required, in the event of an optional or mandatory prepayment or acceleration of the Funding Loan pursuant to the Funding Loan Agreement. The outstanding principal hereof is subject to acceleration at the time or times and under the terms and conditions, and with notice, if any, as provided under the Funding Loan Agreement.

3. **Manner of Payment**. All payments under this Governmental Note shall be made in lawful currency of the United States and in immediately available funds as provided for herein and in the Funding Loan Agreement.

4. **Application of Payments**. If at any time Funding Lender receives any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, Funding Lender may apply that payment to amounts then due and payable in any manner and in any order determined by Funding Lender, in Funding Lender's discretion. Neither Funding Lender's acceptance of a payment in an amount that is less than all amounts then due and payable nor Funding Lender's application of such payment shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction.

5. **Security**. The Indebtedness is secured by, among other things, the Pledged Security pledged pursuant to the Funding Loan Agreement.

6. **Acceleration**. If an Event of Default has occurred and is continuing, the entire unpaid principal balance, any accrued interest, and all other amounts payable under this Governmental Note shall at once become due and payable, at the option of Funding Lender, as governed by the Funding Loan Agreement, without any prior notice to the Obligor (unless required by applicable law). Funding Lender may exercise this option to accelerate regardless of any prior forbearance.

7. **Prepayment; Prepayment Premium**. This Governmental Note is subject to prepayment as specified in the Funding Loan Agreement. Prepayment Premium shall be payable as specified in the Funding Loan Agreement.

8. **Forbearance**. Any forbearance by Funding Lender in exercising any right or remedy under this Governmental Note or any other document evidencing or securing the Funding Loan or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of that or any other right or remedy. The acceptance by Funding Lender of any payment after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of Funding Lender's right to require prompt payment when due of all other payments or to exercise any right or remedy with respect to any failure to make prompt payment. Enforcement by Funding Lender of any security for the obligations under this Governmental Note shall not constitute an election by Funding Lender of remedies so as to preclude the exercise of any other right or remedy available to Funding Lender.

9. **Waivers**. Presentment, demand, notice of dishonor, protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for payment, notice of nonpayment, grace and

diligence in collecting the Indebtedness are waived by the Obligor and all endorsers and guarantors of this Governmental Note and all other third-party obligors.

10. **Loan Charges**. Neither this Governmental Note nor any of the other Financing Documents will be construed to create a contract for the use, forbearance, or detention of money requiring payment of interest at a rate greater than the rate of interest which results in the maximum amount of interest allowed by applicable law (the "**Maximum Interest Rate**"). If any applicable law limiting the amount of interest or other charges permitted to be collected from Obligor in connection with the Funding Loan is interpreted so that any interest or other charge provided for in any Financing Document, whether considered separately or together with other charges provided for in any other Financing Document, violates that law, and Obligor is entitled to the benefit of that law, that interest or charge is hereby reduced to the extent necessary to eliminate that violation. The amounts, if any, previously paid to Funding Lender in excess of the permitted amounts will be applied by Funding Lender to reduce the unpaid principal balance of this Governmental Note. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Obligor has been violated, all indebtedness that constitutes interest, as well as all other charges made in connection with the indebtedness that constitute interest, will be deemed to be allocated and spread ratably over the stated term of this Governmental Note. Unless otherwise required by applicable law, such allocation and spreading will be effected in such a manner that the rate of interest so computed is uniform throughout the stated term of this Governmental Note.

11. **Governing Law**. This Governmental Note shall be governed by the internal law of the Property Jurisdiction.

12. **Captions**. The captions of the paragraphs of this Governmental Note are for convenience only and shall be disregarded in construing this Governmental Note.

13. **Address for Payment**. All payments due under this Governmental Note shall be payable at the principal office of Funding Lender as designated by Funding Lender in writing to Fiscal Agent and Loan Servicer.

14. **Default Rate**. So long as (a) any monthly installment under this Governmental Note remains past due, or (b) any other Event of Default has occurred and is continuing, interest under this Governmental Note shall accrue on the unpaid principal balance from the earlier of the due date of the first unpaid monthly installment or the occurrence of such other Event of Default, as applicable, at a rate (the "**Default Rate**") equal to the lesser of (i) the Interest Rate otherwise in effect notwithstanding the default plus four percent (4%) per annum or (ii) the Maximum Interest Rate. If the unpaid principal balance and all accrued interest are not paid in full on the Maturity Date, the unpaid principal balance and all accrued interest shall bear interest from the Maturity Date at the Default Rate.

15. **Limited Obligation**. Notwithstanding any other provision of the Funding Loan Agreement to the contrary, **THE GOVERNMENTAL LENDER SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON, THE GOVERNMENTAL NOTE SOLELY OUT OF THE SECURITY, INCLUDING PLEDGED REVENUES. THE GOVERNMENTAL NOTE SHALL BE A SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL LENDER PAYABLE SOLELY FROM THE SECURITY, INCLUDING PLEDGED REVENUES. THE GOVERNMENTAL NOTE SHALL CONSTITUTE A VALID CLAIM OF THE RESPECTIVE NOTEOWNERS THEREOF AGAINST THE SECURITY, WHICH IS PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE GOVERNMENTAL NOTE AND WHICH SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THE FUNDING LOAN AGREEMENT. THE GOVERNMENTAL NOTE DOES NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION, AN INDEBTEDNESS, AN OBLIGATION**

OR A LOAN OF CREDIT OF THE STATE OF TEXAS (THE "STATE"), CITY OF AUSTIN, TEXAS (THE "CITY"), THE SPONSOR, OR ANY OTHER MUNICIPALITY, CITY OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE. NEITHER THE FAITH AND CREDIT OF THE STATE, THE CITY OR OTHER POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE GOVERNMENTAL NOTE. THE GOVERNMENTAL LENDER HAS NO TAXING POWER.

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

This Governmental 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.

IN WITNESS WHEREOF, the Obligor has caused this Governmental Note to be duly executed by the manual or facsimile signature of its Treasurer and attested by the manual or facsimile signature of its Secretary.

AUSTIN HOUSING FINANCE CORPORATION

By: _____
Name: Deletta Dean
Title: Treasurer

ATTEST:

By: _____
Name: Erika Brady
Title: Secretary

CERTIFICATE OF AUTHENTICATION

This Governmental Note is issued under the provisions of and described in the within mentioned Funding Loan Agreement.

Date of Authentication: _____

UMB BANK, N.A. as Fiscal Agent

By: _____
Authorized Signer

SCHEDULE 1

FUNDING LOAN AMORTIZATION SCHEDULE

Exhibit B

Notice of Appointment of Funding Lender Representative

UMB Bank, N.A., as Fiscal Agent
6034 West Courtyard Drive, Suite 370
Austin, Texas 78730

Elm Ridge Preservation, LP
550 California Street, Suite 620
San Francisco, California 94104

Austin Housing Finance Corporation
1000 E. 11th Street
Austin, Texas 78702

Berkadia Commercial Mortgage LLC
323 Norristown Road, Suite 300
Ambler, PA 19002

Re: Elm Ridge Apartments

Ladies and Gentlemen:

The undersigned is the holder (the "**Funding Lender**") of the Multifamily Housing Revenue Note (Elm Ridge Apartments), Series 2026 dated _____, 2026 (the "**Governmental Note**") delivered pursuant to the Funding Loan Agreement dated as of November 1, 2026 (the "**Funding Loan Agreement**"), among Berkadia Commercial Mortgage LLC (the "**Initial Funding Lender**"), Austin Housing Finance Corporation (the "**Governmental Lender**") and UMB Bank, N.A. (the "**Fiscal Agent**"). Pursuant to Section 10.05 of the Funding Loan Agreement, you are hereby notified that, effective immediately upon receipt of this notice by Fiscal Agent, Funding Lender Representative appointed under Section 10.05 of the Funding Loan Agreement shall be Freddie Mac. The Person previously appointed as Funding Lender Representative, if any, shall upon the effectiveness of this notice no longer have any further rights or obligations as Funding Lender Representative.

The following individual or individuals shall have the authority to execute any consent, waiver, approval, direction or other instrument on behalf of Funding Lender Representative and the signature(s) set forth next to his/her/their name(s) is/are his/her/their true and correct signature(s).

Name	Signature

Additional individuals may be given such authority by written notice to you from Funding Lender Representative or from Funding Lender.

This notice is dated as of the _____ day of _____, _____.

FUNDING LENDER:

BERKADIA COMMERCIAL MORTGAGE LLC,
a Delaware limited liability company

By: _____
Name:
Title:

Exhibit C

Form of Transferee Representations Letter

UMB Bank, N.A., as Fiscal Agent
6034 West Courtyard Drive, Suite 370
Austin, Texas 78730

Elm Ridge Preservation, LP
550 California Street, Suite 620
San Francisco, California 94104

Austin Housing Finance Corporation
1000 E. 11th Street
Austin, Texas 78702

Berkadia Commercial Mortgage LLC
323 Norristown Road, Suite 300
Ambler, PA 19002

Re: Elm Ridge Apartments

Ladies and Gentlemen:

The undersigned (the "**Funding Lender**") hereby acknowledges receipt of the Multifamily Housing Revenue Note (Elm Ridge Apartments), Series 2026 dated _____, 2026 (the "**Governmental Note**") delivered pursuant to the Funding Loan Agreement dated as of November 1, 2026 (the "**Funding Loan Agreement**"), among Berkadia Commercial Mortgage LLC (the "**Initial Funding Lender**"), Austin Housing Finance Corporation (the "**Governmental Lender**") and UMB Bank, N.A. (the "**Fiscal Agent**"). Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Funding Loan Agreement.

In connection with the [origination][purchase] of the Funding Loan by Funding Lender, Funding Lender hereby makes the following representations upon which you may rely:

1. Funding Lender has authority to [originate][purchase] the Funding Loan and to execute this letter, and any other instruments and documents required to be executed by Funding Lender in connection with the [origination][purchase] of the Funding Loan.

2. Funding Lender is an "accredited investor" under Regulation D of the Securities Act of 1933 (the "**Act**") or a "qualified institutional buyer" under Rule 144(a) of said Act (such "accredited investor" or "qualified institutional buyer", a "**Qualified Transferee**"), and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Funding Loan.

3. Funding Lender acknowledges that it is [originating][purchasing] the Funding Loan for investment for its own account and not with a present view toward resale or the distribution thereof (except as set forth below), in that it does not now intend to resell or otherwise dispose of all or any part of its interests in the Funding Loan (except as set forth below); provided, however, that Funding Lender may, notwithstanding the foregoing and the terms of Paragraph 4 below, (a) transfer the Funding Loan to any affiliate or other party related to Funding Lender that is a Qualified Transferee or (b) sell or transfer the Funding Loan to a special purpose entity, a trust or a custodial or similar pooling arrangement from which the Funding Loan or

securitized interests therein are not expected to be sold except to (i) owners or beneficial owners thereof that are Qualified Transferees or (ii) in circumstances where secondary market credit enhancement is provided for such securitized interests resulting in a rating thereof of at least "A" or better [; provided, further, however, Funding Lender has originated and funded the Funding Loan with the expectation that the Funding Loan will be sold to the Federal Home Loan Mortgage Corporation ("**Freddie Mac**") pursuant to the commitment dated [DATE] (the "**Freddie Mac Commitment**")].

4. In addition to the right to sell or transfer the Funding Loan as set forth in Paragraph 3 above, Funding Lender further acknowledges its right to sell or transfer the Funding Loan, subject, as required under the Funding Loan Agreement, to the delivery to Fiscal Agent of a transferee representations letter from the transferee to substantially the same effect as this Transferee Representations Letter or in such other form authorized by the Funding Loan Agreement with no revisions except as may be approved in writing by Governmental Lender.

5. Funding Lender understands that the Governmental Note is not registered under the Act and that such registration is not legally required as of the date hereof; and further understands that the Governmental Note (a) is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating service and (d) will be delivered in a form which may not be readily marketable.

6. Funding Lender understands that (a) the Funding Loan 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 (b) the Funding Loan does not and will not represent or constitute a general obligation or a pledge of the faith and credit of Governmental Lender, the State of Texas or any political subdivision thereof; and (c) the liability of Governmental Lender with respect to the Funding Loan is limited to the Pledged Security as set forth in the Funding Loan Agreement.

7. Funding Lender has either been supplied with or been given access to information, including financial statements and other financial information, which it considers necessary to make an informed decision in connection with the [origination][purchase] of the Funding Loan. Funding Lender has not relied upon Governmental Lender for any information in connection with its purchase of the Funding Loan.

8. Funding Lender has made its own inquiry and analysis with respect to the Funding Loan and the security therefor, and other material factors affecting the security and payment of the Funding Loan. Funding Lender is aware that the business of Borrower involves certain economic variables and risks that could adversely affect the security for the Funding Loan.

All agreements, representations and warranties made herein shall survive the execution and delivery of this letter agreement and, notwithstanding any investigation heretofore or hereafter, shall continue in full force and effect.

This notice is letter agreement as of the _____ day of _____, _____.

FUNDING LENDER:

BERKADIA COMMERCIAL MORTGAGE LLC,
a Delaware limited liability company

By: _____
Name:
Title:

Exhibit D

Costs of Issuance Fund Requisition

UMB Bank, N.A., as Fiscal Agent

Re: Elm Ridge Apartments

Fiscal Agent:

You are requested to disburse funds from the **Costs of Issuance Fund** pursuant to Section 4.11 of the Funding Loan Agreement in the amount(s), to the Person(s) and for the purpose(s) set forth in this requisition ("**Requisition**"). The terms used in this requisition shall have the meaning given to those terms in the Funding Loan Agreement (the "**Funding Loan Agreement**"), dated as of November 1, 2026, among Berkadia Commercial Mortgage LLC (the "**Initial Funding Lender**"), Austin Housing Finance Corporation, and UMB Bank, N.A., as Fiscal Agent, securing the Multifamily Housing Revenue Note (Elm Ridge Apartments), Series 2026 dated _____, 2026 (the "**Governmental Note**").

Requisition No.:	
Payment Due To:	
Amount To Be Disbursed:	

The undersigned, on behalf of Elm Ridge Preservation, LP, a Texas limited partnership duly organized and existing under the laws of the State of Texas (the "**Borrower**"), certifies that:

(a) the expenditures for which money is requisitioned by this Requisition represent proper charges against the Costs of Issuance Fund, have not been included in any previous requisition and are set forth in the Schedule attached to this Requisition, with invoices attached for any sums for which reimbursement is requested;

(b) the money requisitioned is not greater than those necessary to meet obligations due and payable or to reimburse the applicable party for funds actually advanced for Costs of Issuance; and

(c) it has reviewed any wire instructions set forth herein to confirm such wire instructions are accurate, (ii) agrees to indemnify and hold harmless the Fiscal Agent from and against any and all claim, demand, loss, liability, or expense sustained, including but not limited to attorney fees, and expenses resulting directly or indirectly as a result of making the disbursement requested hereunder, constituting extraordinary expenses and (iii) agrees it will not seek recourse from the Fiscal Agent as a result of losses incurred by it for making the disbursement in accordance with its instructions herein.

Attached to this Requisition is a Schedule, together with copies of invoices or bills of sale covering all items for which payment is being requested.

Date of Requisition: _____

BORROWER:

ELM RIDGE PRESERVATION, LP
a Texas limited partnership

By: _____
Name: Josh Plattner
Title: Authorized Signatory

Exhibit E

Project Loan Fund Requisition

UMB Bank, N.A., as Fiscal Agent

Re: Elm Ridge Apartments

Fiscal Agent:

You are requested to disburse funds from the **Project Loan Fund** pursuant to Section 4.02 of the Funding Loan Agreement in the amount(s), to the Person(s) and for the purpose(s) set forth in this requisition ("**Requisition**"). The terms used in this Requisition shall have the meaning given to those terms in the Funding Loan Agreement (the "**Funding Loan Agreement**"), dated as of November 1, 2026, among Berkadia Commercial Mortgage LLC (the "**Initial Funding Lender**"), Austin Housing Finance Corporation and UMB Bank, N.A., as Fiscal Agent, securing the Multifamily Housing Revenue Note (Elm Ridge Apartments), Series 2026 dated _____, 2026 (the "**Governmental Note**").

Requisition No.:		
Payment Due To:		
Amount(s) To Be Disbursed:	$ $	from the Project Account from the Borrower Equity Account

The undersigned Borrower hereby represents and warrants that the following information and certifications provided in connection with this Requisition are true and correct as of the date hereof and authorizes Loan Servicer to submit this Requisition to Fiscal Agent on behalf of Borrower:

1. The purpose(s) for which disbursement is requested and the party or parties to whom the disbursements shall be made are specified in the Schedule 1 attached hereto (and may include the undersigned in the case of reimbursement for advances and payments made or cost incurred for work done by the undersigned; provided, however, that no reimbursement shall be made for advances and payments made prior to _____, 20___).

2. Attached hereto as Schedule 2 is a report setting out the progress of the Rehabilitation and all other reports or information relating to the completion of the Rehabilitation requested by Initial Funding Lender, if any.

3. Attached hereto as Schedule 3 are copies of any applicable invoices, bills, and appropriate lien waivers for the prior period for which disbursement was made, executed by all contractors and suppliers supplying labor or materials for the Rehabilitation.

4. Attached hereto as Schedule 4 is a report prepared by the professional engineer employed by Initial Funding Lender as to the status of the Rehabilitation, unless Initial Funding Lender has waived this requirement in writing.

5. The undersigned certifies as follows:

   (a) The conditions precedent to disbursement set forth in the Continuing Covenant Agreement have been satisfied.

(b) The disbursement requested pursuant to this Requisition: (i) will be used solely to pay a cost or costs allowable under the Funding Loan Agreement and the Continuing Covenant Agreement and (ii) is substantially in accordance with the proforma draw schedules previously delivered to and accepted by Initial Funding Lender.

(c) None of the items for which disbursement is requested pursuant to this Requisition has formed the basis for any disbursement previously made from the Project Loan Fund and all such items have been properly recorded in Borrower's books and are set forth on Schedule 1, along with paid invoices attached for any sum for which reimbursement is requested and invoices or bills of sales for all other items.

(d) All labor and materials for which disbursements have been requested have been incorporated into the Project in accordance with reasonable and standard building practices, the Continuing Covenant Agreement and all applicable laws, ordinances, rules and regulations of any governmental authority having jurisdiction over the Project.

(e) The materials, supplies and equipment furnished or installed for the Improvements are not subject to any lien or security interest or that the funds to be disbursed pursuant to this Requisition are to be used to satisfy any such lien or security interest.

(f) All of the funds being requisitioned are being used in compliance with all tax covenants set forth in this Funding Loan Agreement, the Project Loan Agreement, the TEL Regulatory Agreement and the Tax Certificate, including that none of the proceeds of the Funding Loan (including investment earnings thereon) will be used to provide an airplane, a skybox or any other private luxury box, any facility primarily used for gambling, health club facility or any store the principal business of which is the sale of alcoholic beverages for consumption off premises.

(g) With respect to amounts from the Project Account of the Project Loan Fund, not less than 95% of the sum of (i) the amounts requisitioned by this Requisition, plus (ii) all amounts previously requisitioned and disbursed from the Project Account of the Project Loan Fund, have been or will be applied by Borrower to pay the Costs of the Project.

(h) Borrower is not in default under the Project Loan Agreement, the Continuing Covenant Agreement or any of the other Project Loan Documents to which it is a party, and nothing has occurred to the knowledge of Borrower that would prevent the performance of its obligations under such documents.

(i) No amounts being requisitioned hereby will be used to pay, or reimburse, any Costs of Issuance incurred in connection with the delivery of the Governmental Note or to pay debt service with respect to the Loans.

(j) Funds deposited with Borrower for further disbursement to third parties shall be paid to such third parties by check dated the date of such deposit and Borrower reasonably expects such funds will be disbursed from its account within five (5) Business Days of such deposit.

(k) Borrower has not requested any disbursement pursuant to this Requisition for stored items.

[IF APPLICABLE: (l) If Equity Bridge Loan Lender's consent is required under the Equity Bridge Loan Documents for any disbursement of Equity Bridge Loan Proceeds from the Borrower Equity Account (as each of the foregoing terms is defined in the Continuing Covenant Agreement), Borrower has obtained such consent.]

[The following items may not be required for Initial Disbursement]

6. Estimated costs of completing the uncompleted Rehabilitation (as defined in the Continuing Covenant Agreement) as of the date of this Requisition: _____.

7. Percent of the Rehabilitation completed as of the date this request: _____%.

8. Borrower certifies that monthly occupancy for the month preceding this Requisition was _____, as indicated by the rent roll attached as Schedule 5 hereto, which is true, correct and complete.

9. Borrower certifies that net operating income for the month preceding this Requisition was _____, as indicated by the operating statement attached hereto as Schedule 6.

10. Borrower (i) certifies it has reviewed any wire instructions set forth herein to confirm such wire instructions are accurate, (ii) agrees to indemnify and hold harmless the Fiscal Agent from and against any and all claim, demand, loss, liability, or expense sustained, including but not limited to attorney fees, and expenses resulting directly or indirectly as a result of making the disbursement requested hereunder, constituting extraordinary expenses and (iii) agrees it will not seek recourse from the Fiscal Agent as a result of losses incurred by it for making the disbursement in accordance with its instructions herein.

Date of Requisition: _____

BORROWER:

ELM RIDGE PRESERVATION, LP
a Texas limited partnership

By: _____
Name: Josh Plattner
Title: Authorized Signatory

APPROVED BY

LOAN SERVICER:

BERKADIA COMMERCIAL MORTGAGE LLC,
a Delaware limited liability company

By: _____
Name:
Title:

EXHIBIT "B"

PROJECT LOAN AGREEMENT

PROJECT LOAN AGREEMENT – TEL (Immediate)

FIXED RATE

by and among

AUSTIN HOUSING FINANCE CORPORATION,
as Governmental Lender

UMB BANK, N.A.,
as Fiscal Agent

and

ELM RIDGE PRESERVATION, LP,
as Borrower

Dated as of November 1, 2026

Relating to:

Austin Housing Finance Corporation
Multifamily Housing Revenue Note
(Elm Ridge Apartments),
Series 2026

Maximum Project Loan Principal Amount: $[33,000,000]

All of the right, title and interest of the AUSTIN HOUSING FINANCE CORPORATION (except for its Unassigned Rights) in and to this Project Loan Agreement are being assigned to UMB BANK, N.A., as Fiscal Agent, as security for the Funding Loan made pursuant to that certain Funding Loan Agreement dated as of November 1, 2026 by and among the Governmental Lender, the Initial Funding Lender named therein and the Fiscal Agent.

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Schedule I List of Project Loan Agreement Sections

Project Loan Agreement – Fixed Rate – TEL (Immediate)
(Revised 6-27-2023)

THIS PROJECT LOAN AGREEMENT ("**Project Loan Agreement**") dated as of November 1, 2026, is made by and among AUSTIN HOUSING FINANCE CORPORATION (the "**Governmental Lender**"), UMB BANK, N.A., as fiscal agent (the "**Fiscal Agent**"), and ELM RIDGE PRESERVATION, LP (the "**Borrower**").

RECITALS

A. Pursuant to the Texas Housing Finance Corporations Act, Chapter 394 of the Texas Local Government Code, as amended (the "**Act**") and this Project Loan Agreement, Governmental Lender is agreeing to make a mortgage loan to Borrower in the original principal amount of $[33,000,000] (the "**Project Loan**") to provide for the financing of a multifamily rental housing development located at 1190 Airport Boulevard in Austin, Texas and known as Elm Ridge Apartments. The Land, Improvements, and Fixtures (each as defined in the Security Instrument) are collectively referred to herein as the "**Project**".

B. Governmental Lender is making the Project Loan with the proceeds received from the separate loan incurred by Governmental Lender pursuant to the Funding Loan Agreement, dated as of the date hereof ("**Funding Loan Agreement**"), among Berkadia Commercial Mortgage LLC, in its capacity as initial holder of the Governmental Note (the "**Initial Funding Lender**"), Governmental Lender, and Fiscal Agent, in the original principal amount of $[33,000,000] (the "**Funding Loan**" and together with the Project Loan, the "**Loans**"). The Funding Loan is being originated and funded by Initial Funding Lender under the Funding Loan Agreement and is evidenced by the Multifamily Housing Revenue Note (Elm Ridge Apartments), Series 2026, dated _____, 2026 (the "**Delivery Date**"), delivered by Governmental Lender to Initial Funding Lender (as the same may be amended, restated, supplemented or otherwise modified from time to time, or any note executed in substitution therefor, as such substitute note may be amended, restated, supplemented or otherwise modified from time to time, and together with all addenda thereto, the "**Governmental Note**").

C. Freddie Mac has entered into a commitment with Initial Funding Lender dated [DATE] (as the same may be amended, modified or supplemented from time to time, the "**Freddie Mac Commitment**") whereby Freddie Mac has agreed to purchase the Funding Loan from Initial Funding Lender on the date of satisfaction of the conditions set forth therein (the "**Freddie Mac Purchase Date**"). On the Freddie Mac Purchase Date, Initial Funding Lender will assign all of its rights and interest in the Governmental Note, the Funding Loan Agreement, the Continuing Covenant Agreement and the other Financing Documents to Freddie Mac.

D. Borrower has agreed to use the proceeds of the Project Loan to finance the acquisition and rehabilitation of the Project [and to pay certain costs incurred in connection with the Loans].

E. Borrower's payment obligations in respect of the Project Loan will be evidenced by a Project Note, dated the Delivery Date (as the same may be amended, restated, supplemented or otherwise modified from time to time, or any note executed in substitution therefor, as such substitute note may be amended, restated, supplemented or otherwise modified from time to time, and together with all riders and addenda thereto, the "**Project Note**"), delivered to Governmental Lender, which Project Note will be endorsed by Governmental Lender to Fiscal Agent as security for the Funding Loan.

F. To secure Borrower's obligations under the Project Note, Borrower will execute and deliver to Governmental Lender a Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of the Delivery Date (as the same may be amended, restated, supplemented or otherwise

modified from time to time, the "**Security Instrument**") granting a first priority mortgage and security interest in the Project in favor of Governmental Lender.

G. All of the right, title and interest of Governmental Lender (except for its Unassigned Rights) in and to this Project Loan Agreement, the Security Instrument, and the other Financing Documents are being assigned to Fiscal Agent as security for the Funding Loan.

H. As a condition to the initial funding of the Funding Loan on the Delivery Date, and the subsequent purchase of the Funding Loan by Freddie Mac on the Freddie Mac Purchase Date, Borrower is entering into a Continuing Covenant Agreement, dated as of the Delivery Date, with Initial Funding Lender (the "**Continuing Covenant Agreement**") to set forth various other requirements with respect to the Project and which will be assigned to Freddie Mac on the Freddie Mac Purchase Date.

I. On and after the Freddie Mac Purchase Date, Freddie Mac will act as Funding Lender Representative with respect to the Loans. Berkadia Commercial Mortgage LLC will act as the initial Loan Servicer for the Loans on behalf of Funding Lender Representative.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and of the origination and funding of the Project Loan by Governmental Lender, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I DEFINITIONS; INTERPRETATION; SCHEDULES.

1.01 Definitions. The terms used in this Project Loan Agreement (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Project Loan Agreement and of any amendment or supplement hereto shall have the respective meanings specified below. Terms used herein (including when used in the Recitals) not otherwise defined shall have the respective meanings set forth in the Funding Loan Agreement and the Continuing Covenant Agreement.

"**Act**" is defined in the Recitals of this Project Loan Agreement.

"**Additional Loans**" is defined in Section 8.13 of this Project Loan Agreement.

"**Borrower**" means the entity identified as "Borrower" in the Recitals of this Project Loan Agreement, together with any of its permitted successors and assigns, as owner of the Project.

"**Continuing Covenant Agreement**" is defined in the Recitals of this Project Loan Agreement.

"**Delivery Date**" means the date identified as "Delivery Date" in the Recitals of this Project Loan Agreement, which is the date of funding of the Funding Loan and the delivery of the Governmental Note by Governmental Lender to Initial Funding Lender.

"**Event of Default**" means the occurrence of any event listed in Section 7.01 hereof.

"**Fee Component**" means the regular, ongoing fees due from time to time to Governmental Lender, Fiscal Agent and the Rebate Analyst, if any, expressed as a flat, fixed amount or in terms of a percentage of the unpaid principal amount of the Funding Loan on an annual basis.

"**Fiscal Agent**" means the entity identified as "Fiscal Agent" on Page 1 of this Project Loan Agreement, together with any successor Fiscal Agents appointed under the Funding Loan Agreement.

"**Freddie Mac**" means the Federal Home Loan Mortgage Corporation, a shareholder owned government sponsored enterprise organized and existing under the laws of the United States of America, and its successors and assigns.

"**Freddie Mac Commitment**" is defined in the Recitals of this Project Loan Agreement.

"**Freddie Mac Purchase Date**" is defined in the Recitals of this Project Loan Agreement.

"**Funding Loan**" is defined in the Recitals of this Project Loan Agreement.

"**Funding Loan Agreement**" is defined in the Recitals of this Project Loan Agreement.

"**Governmental Lender**" means the entity identified as "Governmental Lender" on Page 1 of this Project Loan Agreement.

"**Governmental Note**" is defined in the Recitals of this Project Loan Agreement.

"**Initial Funding Lender**" is defined in the Recitals of this Project Loan Agreement.

"**Loans**" is defined in the Recitals of this Project Loan Agreement.

"**Project**" is defined in the Recitals of this Project Loan Agreement.

"**Project Loan**" is defined in the Recitals of this Project Loan Agreement.

"**Project Loan Agreement**" means this Project Loan Agreement, together with any amendments hereto.

"**Project Loan Amortization Schedule**" means the Project Loan Amortization Schedule attached as Schedule 1 to the Project Note.

"**Project Loan Payment**" means each payment of the Project Loan on each Project Loan Payment Date pursuant to the Project Note and this Project Loan Agreement.

"**Project Loan Payment Date**" means (a) the first day of each calendar month, commencing December 1, 2026, or (b) any other date on which the Project Loan is prepaid or paid, whether at scheduled maturity or upon prepayment or acceleration of the maturity thereof; provided, however, that if a Project Loan Payment Date is not a Business Day, payment shall be made on the first Business Day following such Project Loan Payment Date as provided in Section 4.01(c) hereof.

"**Project Note**" is defined in the Recitals of this Project Loan Agreement.

"**Property Jurisdiction**" means the State of Texas.

"**Security Instrument**" is defined in the Recitals of this Project Loan Agreement.

"**Servicing Fee**" means the ordinary fee payable to Loan Servicer in connection with the servicing of the Loans payable monthly in an amount equal to one twelfth of [0.11]% of the outstanding principal balance of the Project Loan, computed on the basis of a 360-day year and the actual number of days elapsed.

"**Taxes**" means all taxes, water rents, sewer rents, assessments and other governmental or municipal or public or private dues, fees, charges and levies and any liens (including federal tax liens) which are or may be levied, imposed or assessed upon the Project or any part thereof, or upon any leases pertaining thereto, or upon the rents, issues, income or profits thereof, whether any or all of the aforementioned be levied directly or indirectly or as excise taxes or as income taxes.

1.02 Interpretation. The words "hereof," "herein," "hereunder," and other words of similar import refer to this Project Loan Agreement as a whole and not to any particular Article, Section or other subdivision. References to Articles, Sections, and other subdivisions of this Project Loan Agreement are to the designated Articles, Sections and other subdivisions of this Project Loan Agreement as originally executed. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. Words importing persons include firms, partnerships, limited liability companies, joint ventures, associations and corporations. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as in effect from time to time. The headings of this Project Loan Agreement are for convenience only and shall not define or limit the provisions hereof.

1.03 Schedules

Schedules	
Schedule I	List of Project Loan Agreement Sections

ARTICLE II REPRESENTATIONS, WARRANTIES AND COVENANTS.

2.01 Representations, Warranties and Covenants of Governmental Lender. Governmental Lender makes the following representations, warranties and covenants for the benefit of Borrower, Fiscal Agent, Funding Lender and Loan Servicer:

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

(b) Governmental Lender has all necessary power and authority to incur the indebtedness of the Funding Loan evidenced by the Governmental Note and to make the Project Loan from the proceeds thereof, and to execute, and deliver this Project Loan Agreement, the Funding Loan Agreement, and the other Financing Documents to which it is a party, and to perform its duties and discharge its obligations hereunder and thereunder.

(c) Governmental Lender has taken all action on its part to incur the Funding Loan evidenced by the Governmental Note and make the Project Loan from the proceeds thereof and for the sale, execution and delivery thereof.

(d) Each of the Financing Documents to which Governmental Lender is a party has been duly and validly authorized, executed and delivered by Governmental Lender and, assuming due authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of Governmental Lender, enforceable against Governmental Lender in accordance with its respective terms, except as enforceability may be limited by bankruptcy,

insolvency, moratorium or other laws affecting creditors' rights generally and the application of equitable principles.

(e) Governmental Lender has complied with the provisions of the laws of the Property Jurisdiction, including, but not limited to, the Act, which are prerequisites to the consummation of the transactions on the part of Governmental Lender described or contemplated in the Financing Documents. The execution and delivery of the Governmental Note and the Financing Documents to which Governmental Lender is a party, the consummation of the transactions on the part of Governmental Lender contemplated thereby and the fulfillment of or compliance with the terms and conditions thereof do not conflict with or result in the breach of any of the terms, conditions or provisions of any agreement or instrument or judgment, order or decree to which Governmental Lender is now a party or by which it is bound, nor do they constitute a default under any of the foregoing or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature upon any property or assets of Governmental Lender under the terms of any instrument or agreement.

(f) No authorization, consent, approval, order, registration, declaration or withholding of objection on the part of, or filing of or with any governmental authority, other than those already obtained, is required for the due execution and delivery by Governmental Lender of, and performance by Governmental Lender of its obligations under, the Financing Documents.

(g) There is no action, suit, proceeding, inquiry or investigation pending or, to the knowledge of Governmental Lender, threatened against Governmental Lender by or before any court, governmental agency or public board or body, nor, to Governmental Lender's knowledge, is there any basis therefor, which (i) affects or questions the existence or the territorial jurisdiction of Governmental Lender or the title to office of any member of the governing body of Governmental Lender; (ii) affects or seeks to prohibit, restrain or enjoin the execution and delivery of any Financing Documents or the issuance, sale, execution or delivery of the Governmental Note; (iii) affects or questions the validity or enforceability of the Governmental Note or any Financing Document; (iv) questions the tax-exempt status of the Governmental Note; or (v) questions the power or authority of Governmental Lender to perform its obligations under the Governmental Note or any Financing Document, or to carry out the transactions contemplated by the Governmental Note and the Financing Documents.

(h) No officer or other official of Governmental Lender has any personal financial interest in the Project or Borrower or in the transactions contemplated by this Project Loan Agreement.

(i) Upon the discovery by Governmental Lender of any noncompliance by Borrower with this Project Loan Agreement, the Tax Certificate or the TEL Regulatory Agreement, Governmental Lender will promptly notify Fiscal Agent, Loan Servicer and Funding Lender Representative of such noncompliance and will, subject to the provisions of Article VII hereof, promptly institute action, or cause Fiscal Agent to institute action, to correct such noncompliance, will diligently pursue such action and will attempt to correct such noncompliance within sixty (60) days after such discovery, subject to the provisions of the Funding Loan Agreement, this Project Loan Agreement, the Tax Certificate and the TEL Regulatory Agreement.

It is expressly acknowledged that Governmental Lender makes no representation as to the financial position or business condition of Borrower and does not represent or warrant as to any of the statements, materials (financial or otherwise), representations or certifications furnished or to be made and furnished by Borrower in connection with the issuance, sale, execution and delivery of the Governmental Note, or as to the correctness, completeness or accuracy of such statements.

2.02 Representations, Warranties and Covenants of Borrower. Borrower makes the following representations, warranties and covenants, all of which, together with the other representations and agreements of Borrower contained in this Project Loan Agreement, are relied upon by Governmental Lender, Funding Lender, Loan Servicer and Fiscal Agent and serve as a basis for the undertakings of Governmental Lender, Loan Servicer and Fiscal Agent contained in this Project Loan Agreement:

(a) Borrower is a Texas limited partnership duly organized, validly existing and in good standing under the laws of the state in which it has been organized and is duly qualified to conduct its business under the laws of the Property Jurisdiction and in every other state in which the nature of its business requires such qualification, has full legal right, power and authority to enter into this Project Loan Agreement and the other Financing Documents, and to carry out and consummate all transactions contemplated hereby and by the other Financing Documents, and by proper action has duly authorized the execution, delivery and performance of this Project Loan Agreement and the other Financing Documents. All corporate general partners, if any, of Borrower are duly organized and in good standing under the laws of their respective states of organization and are duly qualified to transact business in the Property Jurisdiction as either domestic or foreign corporations, as applicable. All partnership general partners, if any, are duly formed and in good standing under the laws of their respective states of formation and, to the extent required by the laws of the Property Jurisdiction, are duly qualified to transact business in the Property Jurisdiction as either domestic or foreign partnerships or limited liability companies, as applicable.

(b) Borrower has the legal right, power and authority (i) to own its properties and assets, including, but not limited to, the Project, (ii) to carry on its business as now being conducted and Borrower contemplates it to be conducted with respect to the Project and (iii) to execute and deliver, carry out its obligations under, and close the transactions provided for in the Financing Documents to which it is a party.

(c) Each of the Financing Documents to which Borrower is a party has been duly authorized, executed and delivered by Borrower and, assuming due authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of Borrower, enforceable against Borrower in accordance with its respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and general principles of equity.

(d) No authorization, consent, approval, order, registration, declaration or withholding of objection on the part of, or filing of or with any governmental authority, other than those already obtained or those necessary to be obtained during the course of rehabilitation of the Project, is required for the due execution and delivery or approval, as the case may be, by Borrower of, and the performance by Borrower of its obligations under, the Financing Documents.

(e) None of the execution and delivery of the Financing Documents to which Borrower is a party, the consummation of the transactions provided for in the Financing Documents, or Borrower's fulfillment of or compliance with the terms and conditions of the Financing Documents (i) violates or will violate any law, rule or regulation of any governmental agency or body having jurisdiction over Borrower, or any of its activities or properties, or any judgment, order, writ, injunction or decree to which Borrower is subject, or any of the organizational or other governing documents of Borrower, (ii) conflicts or will conflict with any agreement, instrument or license to which Borrower is now a party or by which it or any of its properties or assets is bound or results or will result in a breach of, or constitutes or will constitute a default (with due notice or the passage of time or both) under, any such agreement, instrument or license, (iii) contravenes or will contravene

any such law, rule or regulation or any such judgment, order, writ, injunction or decree, or (iv) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of Borrower, except for any lien, charge or encumbrance permitted under the terms of the Financing Documents.

(f) Reserved.

(g) There is no action, suit, proceeding, inquiry or investigation pending or, to Borrower's knowledge, threatened against or affecting Borrower or any of its properties (including, without limitation, the Project), which, if adversely determined, would (i) impair the right of Borrower to carry on its business substantially as now conducted and as contemplated by the Financing Documents, (ii) adversely affect the financial condition of Borrower, (iii) prohibit, restrain or enjoin the making of the Funding Loan or the Project Loan or the execution and delivery of any of the Financing Documents, (iv) adversely affect the validity or enforceability of any of the Financing Documents, or (v) adversely affect the exclusion of interest on the Governmental Note from the gross income of the holders thereof for federal income tax purposes.

(h) The Project and the operation of the Project (in the manner contemplated by the Financing Documents) conform and, following completion of the rehabilitation of the Project, will continue to conform in all material respects with the requirements of the Act as well as all applicable zoning, planning, building and environmental laws, ordinances and regulations of governmental authorities having jurisdiction over the Project.

(i) Borrower has filed or caused to be filed all federal, state and local tax returns which are required to be filed or has obtained appropriate extensions therefor, and has paid or caused to be paid all taxes as shown on said returns or on any assessment received by it, to the extent that such taxes have become due.

(j) Borrower is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party which default would materially adversely affect the transactions contemplated by the Financing Documents or the operations of Borrower or the enforceability of the Financing Documents to which Borrower is a party or the ability of Borrower to perform all obligations thereunder.

(k) Borrower agrees to pay all costs of maintenance and repair, all Taxes and assessments, insurance premiums (including public liability insurance and insurance against damage to or destruction of the Project) concerning or in any way related to the Project, or any part thereof, and any expenses or renewals thereof, and any other governmental charges and impositions whatsoever, foreseen or unforeseen, and all utility and other charges and assessments concerning or in any way related to the Project.

(l) If Borrower is a partnership, all of the partnership interests in Borrower are validly issued and are fully registered, if required, with the applicable governmental authorities and/or agencies, and there are no outstanding options or rights to purchase or acquire those interests except as set forth in the Amended and Restated Agreement of Limited Partnership of Borrower. If Borrower is a limited liability company, all of the ownership interests in Borrower are validly issued and are fully registered, if required, with the applicable governmental authorities and/or agencies, and there are no outstanding options or rights to purchase or acquire those interests. Nothing in this Project Loan Agreement shall prevent Borrower from issuing additional partnership interests or ownership interests if such units are issued in accordance with all applicable securities laws.

(m) The representations and warranties of Borrower contained in the Tax Certificate and TEL Regulatory Agreement are true and accurate in all material respects.

(n) The information, statements or reports furnished in writing to Governmental Lender, Loan Servicer and Funding Lender Representative by Borrower in connection with this Project Loan Agreement or the consummation of the transactions contemplated hereby do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading; and the representations and warranties of Borrower and the statements, information and descriptions contained in Borrower's closing certificates, as of the Delivery Date, are true and correct in all material respects, do not contain any untrue statement of a material fact, and do not omit to state a material fact necessary to make the representations, warranties, statements, information and descriptions contained therein, in the light of the circumstances under which they were made, not misleading; and any estimates or assumptions contained in any certificate of Borrower delivered as of the Delivery Date are reasonable.

(o) To the knowledge of Borrower, no commissioner, member, officer or employee of Governmental Lender has been or is in any manner interested, directly or indirectly, in that person's own name or in the name of any other person, in the Financing Documents, Borrower or the Project, in any contract for property or materials to be furnished or used in connection with the Project, or in any aspect of the transactions contemplated by the Financing Documents.

(p) Borrower intends to hold the Project for its own account and has no current plans to sell, and has not entered into any agreement to sell, all or any portion of the Project.

(q) The Project is located wholly within the boundaries of the City of Austin, Texas.

(r) Borrower shall make no changes to the Project or to the operation thereof which would affect the qualification of the Project under the Act or impair the exclusion of interest on the Governmental Note from the gross income of the holders thereof for federal income tax purposes. Borrower shall operate the Project as required by the TEL Regulatory Agreement.

(s) The Funding Loan Agreement has been submitted to Borrower for examination, and Borrower, by execution of this Project Loan Agreement, acknowledges and agrees that it has participated in the drafting of the Funding Loan Agreement and that it is bound by, shall adhere to the provisions of, covenants and agrees to perform all obligations required of Borrower pursuant to, and shall have the rights set forth by the applicable terms and conditions of, the Funding Loan Agreement.

(t) Borrower will have a leasehold interest in the Land and fee simple interest in the Improvements, subject only to liens permitted under the Security Instrument.

(u) Borrower acknowledges that (i) it understands the nature and structure of the transactions relating to the financing of the Project, (ii) it is familiar with the provisions of all of the documents and instruments relating to the financing, (iii) it understands the risks inherent in such transactions, including without limitation the risk of loss of the Project, and (iv) it has not relied on Governmental Lender, Fiscal Agent, Freddie Mac, Funding Lender, Funding Lender Representative or Loan Servicer for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by the Financing Documents or otherwise relied on Governmental Lender, Fiscal Agent, Freddie Mac, Funding Lender, Funding Lender Representative or Loan Servicer in any manner.

2.03 Representations and Warranties of Fiscal Agent. Fiscal Agent makes the following representations and warranties for the benefit of Governmental Lender, Borrower, Funding Lender and Loan Servicer:

(a) Fiscal Agent is a national banking association, duly organized and existing under the laws of the United States. Fiscal Agent is duly authorized to act as a fiscal agent and to execute the trust created by the Funding Loan Agreement and meets the qualifications to act as Fiscal Agent under the Funding Loan Agreement.

(b) Fiscal Agent has complied with the provisions of law which are prerequisite to the consummation of, and has all necessary power (including trust powers) and authority (i) to execute and deliver this Project Loan Agreement and the other Financing Documents to which it is a party, (ii) to perform its obligations under this Project Loan Agreement and the other Financing Documents to which it is a party, and (iii) to consummate the transactions contemplated by this Project Loan Agreement and the other Financing Documents to which it is a party.

(c) Fiscal Agent has duly authorized (i) the execution and delivery of this Project Loan Agreement and the other Financing Documents to which it is a party, (ii) the performance by Fiscal Agent of its obligations under this Project Loan Agreement and the other Financing Documents to which it is a party, and (iii) the actions of Fiscal Agent contemplated by this Project Loan Agreement and the other Financing Documents to which it is a party.

(d) Each of the Financing Documents to which Fiscal Agent is a party has been duly executed and delivered by Fiscal Agent and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a valid and binding obligation of Fiscal Agent, enforceable against Fiscal Agent in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(e) Fiscal Agent meets the qualifications to act as Fiscal Agent under the Funding Loan Agreement.

(f) Fiscal Agent has complied with the provisions of law which are prerequisites to the consummation of the transactions on the part of Fiscal Agent described or contemplated in the Financing Documents.

(g) To the best knowledge of the Fiscal Agent, no approval, permit, consent, authorization or order of any court, governmental agency or public board or body not already obtained is required to be obtained by Fiscal Agent as a prerequisite to (i) the execution and delivery of this Project Loan Agreement and the other Financing Documents to which Fiscal Agent is a party, (ii) the authentication or delivery of the Governmental Note, (iii) the performance by Fiscal Agent of its obligations under this Project Loan Agreement and the other Financing Documents to which it is a party, or (iv) the consummation of the transactions contemplated by this Project Loan Agreement and the other Financing Documents to which Fiscal Agent is a party. Fiscal Agent makes no representation or warranty relating to compliance with any federal or state securities laws.

2.04 Arbitrage and Rebate Fund Calculations. Borrower shall (a) take or cause to be taken all actions necessary or appropriate in order to fully and timely comply with Section 4.12 of the Funding Loan Agreement, and (b) if required to do so under Section 4.10 of the Funding Loan Agreement, select at Borrower's expense, a Rebate Analyst reasonably acceptable to Governmental Lender for the purpose of making any and all calculations required under Section 4.10 of the Funding Loan Agreement. Such calculations, if required, shall be made in the manner and at such times as specified in Section 4.10 of the

Funding Loan Agreement. Borrower shall cause the Rebate Analyst to provide such calculations to Fiscal Agent and Governmental Lender at such times and with such directions as are necessary to comply fully with the arbitrage and rebate requirements set forth in the Funding Loan Agreement and to comply fully with Section 148 of the Code, including the timely payment of any arbitrage rebate owed.

2.05 Covenants Regarding Tax Exemption. Borrower covenants and agrees that:

(a) The Borrower covenants to refrain from any action which would adversely affect, or to take such action to assure, the treatment of the Governmental Note as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder (other than the income of a "substantial user" of the Project or a "related person" within the meaning of section 147(a) of the Code) for purposes of federal income taxation. In particular, but not by way of limitation thereof, the Borrower covenants as follows:

(i) to take such action to assure that the Governmental Note is an "exempt facility bond", as defined in section 142(a) of the Code, at least ninety-five percent (95%) of the proceeds of which are used to provide "qualified residential rental projects" (within the meaning of said section 142(a)(7) of the Code) or property functionally related and subordinate to such facilities;

(ii) to comply with the terms and conditions of that certain Tax Certificate executed in connection with the Governmental Note, including, without limiting the generality of any other covenant contained herein, --

A. assuring that at all times within the Qualified Project Period that at least 20 percent of the residential units in the Project will be occupied by persons whose income is 50 percent or less of area median gross income or, in lieu thereof, at least 40 percent of the residential units in the Project will be occupied by persons whose income is 60 percent or less of area median gross income,

B. obtaining annually from each tenant of a residential unit described in subsection (A) above, a certification of income to currently determine income compliance with the foregoing, and

C. assuring that none of the residential units in the Project will be used for a purpose other than residential rental or that none of the units will be used as owner-occupied residences within the meaning of section 143 of the Code;

(iii) to refrain from taking any action that would result in the Governmental Note being "federally guaranteed" within the meaning of section 149(b) of the Code;

(iv) to refrain from using any portion of the proceeds of the Governmental Note, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Governmental Note, other than investment property acquired with --

A. proceeds of the Governmental Note invested for a reasonable temporary period equal to the lesser of three (3) years or less until such proceeds are needed for the purpose for which the Governmental Note is issued,

B. amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

C. amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed ten percent (10%) of the stated principal amount (or, in the case of a discount, the issue price) of the Governmental Note;

(v) to otherwise restrict the use of the proceeds of the Governmental Note or amounts treated as proceeds of the Governmental Note, as may be necessary, to satisfy the requirements of section 148 of the Code (relating to arbitrage);

(vi) to use no more than two percent (2%) of the gross proceeds of the Governmental Note for the payment of costs of issuance;

(vii) to use no portion of the proceeds of the Governmental Note to provide any airplane, sky-box or other private luxury box, health club facility, facility primarily used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises;

(viii) to comply with the limitations imposed by section 147(c) of the Code (relating to the limitation on the use of proceeds to acquire land) and section 147(d) of the Code (relating to restrictions on the use of Governmental Note proceeds to acquire existing buildings, structures or other property);

(ix) that the Borrower shall immediately remit to the Fiscal Agent for deposit in the Rebate Fund any deficiency with respect to the Rebate Amount as required by Section 4.10 of the Funding Loan Agreement;

(x) the Borrower agrees to provide to the Fiscal Agent, at such time as required by the Fiscal Agent, all information required by the Fiscal Agent with respect to Nonpurpose Investments not held in any fund under the Funding Loan Agreement; and

(xi) to take such action to assure, and to refrain from any action which would cause, the Project financed with the proceeds of the Governmental Note to not be as described in the "Application of Private Activity Bonds" submitted by the Governmental Lender on behalf of the Borrower to the Texas Bond Review Board in order to receive an allocation of state volume cap as required by section 146 of the Code; and

(xii) the Governmental Lender agrees to submit, and the Borrower agrees to cause the Governmental Lender to submit, such closing documents for the Governmental Note, in accordance with the rules of the Texas Bond Review Board, as may be necessary, or to take such other action as reasonably required, to cause the Texas Bond Review Board to provide the certificate of allocation for the Governmental Note.

(b) The Governmental Lender and Borrower understand that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding notes, transferred proceeds (if any) and proceeds of the refunded notes expended prior to the date of issuance of the Governmental Note. It is the understanding of the Governmental Lender and the Borrower that the covenants contained in this Agreement are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of

the Code, as applicable to the Governmental Note, the Governmental Lender and the Borrower will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Governmental Note, the Governmental Lender agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the Governmental Lender hereby authorizes and directs authorized Governmental Lender representative to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Governmental Lender, which may be permitted by the Code as are consistent with the purpose for the issuance of the Governmental Note.

(c) Allocation of, and Limitation on Expenditures for the Project. The Governmental Lender and the Borrower covenant to account for the expenditure of sale proceeds and investment earnings to be used for the Project on its books and records by allocating proceeds to expenditures within eighteen (18) months of the later of the date that (i) the expenditure is made, or (ii) the Project is completed. The foregoing notwithstanding, the Governmental Lender and the Borrower shall not expend sale proceeds or investment earnings thereon more than sixty (60) days after the later of (i) the fifth (5th) anniversary of the delivery of the Governmental Note, or (ii) the date the Governmental Note is retired, unless the Governmental Lender obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the tax-exempt status of the Governmental Note. For purposes hereof, the Governmental Lender and the Borrower shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest on the Governmental Note.

(d) Program Investments. Neither the Borrower nor any "related party" (within the meaning of Section 1.150-1(b) of the Regulations), to the Borrower shall be permitted to purchase any Governmental Note in an amount related to the Project Note.

In the event of a conflict between the terms and requirements of this Section 2.05 and the Tax Certificate, the terms and requirements of the Tax Certificate shall control.

ARTICLE III THE PROJECT LOAN.

3.01 Conditions to Funding the Project Loan. On the Delivery Date, Governmental Lender shall cause the proceeds of the Funding Loan to be deposited with the Escrow Agent in accordance with Section 2.11 of the Funding Loan Agreement and Section 3.03 hereof. The proceeds of the Funding Loan shall be disbursed by Escrow Agent in accordance with the Settlement Statement to make the Project Loan on behalf of Governmental Lender, provided that no authorization for the disbursements of proceeds shall be made until the following conditions have been met:

(a) Borrower shall have executed and delivered to Governmental Lender the Project Note and Governmental Lender shall have endorsed the Project Note to Fiscal Agent.

(b) The Security Instrument and the Assignment, with only such changes therein as shall be approved in writing by Funding Lender Representative, shall have been executed and delivered by Borrower and Governmental Lender, respectively, and delivered to Title Company for recording in the

appropriate office for recording real estate documents in the county in which the Project is located (the "**Recorder's Office**").

(c) The TEL Regulatory Agreement shall have been executed and delivered by the parties thereto and shall have been delivered to Title Company for recording in the Recorder's Office, and Fiscal Agent shall have received evidence satisfactory to it of such delivery.

(d) All other documents specifically identified in the definition of Financing Documents not listed above shall have been executed and delivered by all parties thereto and delivered to Fiscal Agent.

(e) Borrower shall have delivered to Fiscal Agent, Governmental Lender, Funding Lender Representative and Loan Servicer a certificate confirming, as of the Delivery Date, the matters set forth in Section 2.02 hereof and an opinion of its counsel or other counsel satisfactory to Fiscal Agent, Governmental Lender, Bond Counsel, Funding Lender Representative, Freddie Mac and Loan Servicer, which condition shall be deemed met upon Fiscal Agent's receipt of such opinion.

3.02 Terms of the Project Loan; Servicing.

(a) The Project Loan shall (i) be evidenced by the Project Note; (ii) be secured by the Security Instrument; (iii) be in the original principal amount of $[33,000,000]; (iv) bear interest as provided in the Project Note; (v) provide for principal and interest payments in accordance with the Project Note; and (vi) be subject to optional and mandatory prepayment at the times, in the manner and on the terms, and have such other terms and provisions, as provided herein and in the Project Note.

(b) Funding Lender Representative may appoint a Loan Servicer to service the Loans for all or a portion of the term of the Loans. The initial Loan Servicer of the Loans is Berkadia Commercial Mortgage LLC who shall service the Loans pursuant to the terms of the Freddie Mac Commitment and the Guide. Funding Lender Representative may remove a Loan Servicer or appoint a replacement Loan Servicer, in its discretion, by written notice provided to Governmental Lender, Fiscal Agent and Borrower. Any successor Loan Servicer shall signify its acceptance of the duties and obligations imposed upon it by the Funding Loan Agreement and this Project Loan Agreement by executing such instrument(s) as shall be acceptable to Funding Lender Representative, a copy of which shall be provided to the parties hereto.

(c) During any period that Loan Servicer services the Loans, Borrower shall make all payments in connection with the Project Loan to Loan Servicer, and Loan Servicer will:

(i) Retain the allocable portion of the monthly Servicing Fee for its own account;

(ii) Remit to Funding Lender all payments of principal of, Prepayment Premium, if any, and interest due with respect to the Funding Loan, together with any other amounts due to Funding Lender;

(iii) Remit to Fiscal Agent the Fiscal Agent's Ordinary Fees and Expenses, together with any other amounts due to Fiscal Agent; and

(iv) Remit to Governmental Lender the Governmental Lender Fees, together with any other amounts due to Governmental Lender.

During any period in which there is no Loan Servicer, all notices to be sent to Loan Servicer shall be sent to Funding Lender Representative (to the extent not already provided) and all amounts to

be paid to Loan Servicer by Borrower shall be paid directly to Fiscal Agent (unless otherwise directed by Funding Lender Representative).

(d) Governmental Lender, Fiscal Agent and Borrower hereby acknowledge and agree that:

(i) Funding Lender Representative has appointed Loan Servicer to service and administer the Project Loan.

(ii) The selection or removal of any Loan Servicer is in the sole and absolute discretion of Funding Lender Representative.

(iii) None of Governmental Lender, Fiscal Agent or Borrower shall terminate or attempt to terminate any Loan Servicer as Loan Servicer for the Project Loan or appoint or attempt to appoint a substitute Loan Servicer for the Project Loan.

(iv) The Guide is subject to amendment without the consent of Fiscal Agent, Governmental Lender or Borrower.

(v) None of Fiscal Agent, Governmental Lender or Borrower shall have any rights under, or be a third-party beneficiary of, the Guide.

3.03 Initial Deposits.

(a) On the Delivery Date, the proceeds of the Funding Loan shall be deposited with the Escrow Agent to be disbursed in accordance with the Settlement Statement. Fiscal Agent shall deposit any proceeds of the Funding Loan received from Escrow Agent to the credit of the Project Account of the Project Loan Fund. Amounts in the Project Loan Fund shall be disbursed as provided herein and in Section 4.02 of the Funding Loan Agreement. Borrower will deposit with Fiscal Agent, or will deposit with Escrow Agent for disbursement to Fiscal Agent upon closing of the Project Loan, the sum of (i) $[_____] for credit to the Costs of Issuance Fund; and (ii) $[_____] for credit to the Borrower Equity Account of the Project Loan Fund. Borrower will deposit with Loan Servicer the Stub Payment Amount. Subject to the conditions listed in Section 3.01 hereof, amounts on deposit in the Project Loan Fund are to be disbursed to Borrower or otherwise as provided in Section 4.02 of the Funding Loan Agreement.

(b) To the extent that amounts in the Costs of Issuance Fund from the above-mentioned sources are insufficient to pay all costs of closing the Loans, Borrower shall pay such costs through Escrow Agent and to the extent such amounts deposited with Escrow Agent are insufficient to pay all costs of closing the Loans, shall cause the payment of such additional costs of closing the Loans to be made on its behalf as such amounts become due.

3.04 Pledge and Assignment to Fiscal Agent. The parties hereto acknowledge, and Borrower consents to, the pledge and assignment by Governmental Lender to Fiscal Agent pursuant to the Funding Loan Agreement of all of Governmental Lender's right, title and interest in this Project Loan Agreement (excluding the Unassigned Rights), the Project Loan, the Project Note, the Security Instrument, the other Project Loan Documents and the Revenues as security for the payment of the principal of, Prepayment Premium, if any, and interest on the Governmental Note and the payment of any other amounts due under the Financing Documents.

3.05 Investment of Funds. Except as otherwise provided in the Funding Loan Agreement, any money held as a part of any fund or account established under the Funding Loan Agreement shall be invested or reinvested

by Fiscal Agent (as directed by the Borrower in writing or, in the absence of such written directions, as set forth in the Funding Loan Agreement) in Qualified Investments in accordance with Section 4.07 of the Funding Loan Agreement.

3.06 Damage; Destruction and Eminent Domain. If, prior to payment in full of the Project Loan, the Project or any portion thereof is destroyed or damaged in whole or in part by fire or other casualty, or title to, or the temporary use of, the Project or any portion thereof shall have been taken by the exercise of the power of eminent domain, and Governmental Lender, Borrower, Fiscal Agent or Loan Servicer receives Net Proceeds from insurance or any condemnation award in connection therewith, such Net Proceeds shall be utilized as provided in the Project Loan Documents and the Funding Loan Agreement.

3.07 Enforcement of Financing Documents. Fiscal Agent or Funding Lender Representative may enforce and take all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of the Funding Loan Agreement and the other Financing Documents as and to the extent set forth herein and therein.

ARTICLE IV LOAN PAYMENTS.

4.01 Payments Under the Project Note; Independent Obligation of Borrower.

(a) Payment Obligations. Borrower agrees to repay the Project Loan on each Project Loan Payment Date as provided in the Project Note, and in all instances at the times and in the amounts necessary to enable Fiscal Agent, on behalf of Governmental Lender, or Loan Servicer, to pay all amounts payable with respect to the Funding Loan, when due, whether at maturity or upon prepayment (with Prepayment Premium, if applicable), acceleration or otherwise. To ensure such timely payment, Loan Servicer shall collect from Borrower, and Borrower shall provide to Loan Servicer the foregoing payments not less than two (2) Business Days prior to each respective Project Loan Payment Date.

The obligation of Borrower to make the payments set forth in this Article IV shall be an independent obligation of Borrower, separate from its obligation to make payments under the Project Note, provided that in all events payments made by Borrower under and pursuant to the Project Note shall be credited against Borrower's obligations hereunder on a dollar-for-dollar basis. If for any reason the Project Note or any provision of the Project Note shall be held invalid or unenforceable against Borrower by any court of competent jurisdiction, the Project Note or such provision of the Project Note shall be deemed to be the obligation of Borrower pursuant to this Project Loan Agreement to the full extent permitted by law and such holding shall not invalidate or render unenforceable any of the provisions of this Article IV and shall not serve to discharge any of Borrower's payment obligations hereunder or eliminate the credit against such obligations to the extent of payments made under the Project Note.

(b) Obligations Unconditional; No Set-Off. The obligation of Borrower to repay the Project Loan, to perform all of its obligations under the Project Loan Documents, to provide indemnification pursuant to Section 6.01 hereof, to pay costs, expenses and charges pursuant to Section 4.02 hereof and to make any and all other payments required by this Project Loan Agreement, the Funding Loan Agreement or any other documents contemplated by this Project Loan Agreement or by the Project Loan Documents shall, subject to the limitations set forth in Section 4.06 hereof, be absolute and unconditional, and shall be paid or performed without notice or demand, and without abatement, deduction, set-off, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising,

and irrespective of whether Borrower's title to the Project or to any part thereof is defective or nonexistent, and notwithstanding any damage due to loss, theft or destruction of the Project or any part thereof, any failure of consideration or frustration of commercial purpose, the taking by eminent domain of title to or of the right of temporary use of all or any part of the Project, legal curtailment of Borrower's use thereof, the eviction or constructive eviction of Borrower, any change in the tax or other laws of the United States of America, the Property Jurisdiction or any political subdivision thereof, any change in Governmental Lender's legal organization or status, or any default of Governmental Lender or Fiscal Agent hereunder or under any other Financing Document, and regardless of the invalidity of any action of Governmental Lender or the invalidity of any portion of this Project Loan Agreement.

(c) Payments from Borrower to Fiscal Agent or Loan Servicer. Each payment by Borrower hereunder or under the Project Note shall be made in immediately available funds to Loan Servicer on each Project Loan Payment Date or such other date when such payment is due; provided, however, such Project Loan Payment shall be made directly to Fiscal Agent if there is no Loan Servicer or if Borrower is so directed in writing by Funding Lender Representative. Each such payment shall be made to Fiscal Agent or Loan Servicer, as applicable, by deposit to such account as Fiscal Agent or Loan Servicer may designate by written notice to Borrower. Whenever any Project Loan Payment or any other payment under this Project Loan Agreement or under the Project Note shall be stated to be due on a day that is not a Business Day, such payment shall be made on the first Business Day immediately thereafter.

4.02 Additional Payments Under the Project Note and Project Loan Agreement.

(a) In addition to the payments set forth in Section 4.01 hereof, payments to be made by Borrower under the Project Note include certain money to be paid in respect of, among other things, the Fee Component, the Servicing Fee, and amounts required to be deposited pursuant to the Continuing Covenant Agreement and the other Project Loan Documents, as set forth in subsection (b) of this Section 4.02. To the extent that any portion of the Fee Component, the Servicing Fee, or amounts required to be deposited pursuant to the Continuing Covenant Agreement and the other Project Loan Documents remain due and owing at any time, such amounts remaining due and owing shall be payable from money on deposit in the Administration Fund as provided in Section 4.06 of the Funding Loan Agreement or from other money of Borrower, to the extent that money in the Administration Fund is insufficient for such purposes. All other fees and expenses shall be payable from money of Borrower as provided in subsection (b) of this Section 4.02.

(b) In addition to the funding of the initial deposits required of Borrower described in Section 3.03, Borrower shall pay (or cause to be paid by Loan Servicer or Fiscal Agent (to the extent paid from money on deposit in the Administration Fund or the Costs of Issuance Fund, as applicable)) or Escrow Agent (as provided for in the Settlement Statement), in consideration of the funding of the Project Loan, the following fees, expenses and other money payable in connection with the Loans:

(i) Reserved.

(ii) On the Delivery Date, from money on deposit with Escrow Agent or, to the extent such money is insufficient for such purpose, from other money of Borrower, to Freddie Mac, all third party and out-of-pocket expenses of Freddie Mac (including but not limited to the fees and expenses of counsel to Freddie Mac) in connection with the Loans.

(iii) On the Delivery Date, from money on deposit with Escrow Agent or, to the extent such money is insufficient for such purpose, from other money of Borrower, to Governmental

Lender, an initial financing fee in an amount equal to $[_____], together with all third party and out-of-pocket expenses of Governmental Lender (including but not limited to the fees and expenses of Bond Counsel and counsel to Governmental Lender) in connection with the Loans and the issuance of the Governmental Note.

(iv) On the Delivery Date, from money on deposit with Escrow Agent or, to the extent such money is insufficient for such purpose, from other money of Borrower, to Loan Servicer, its commitment fees and application fees, together with all third party and out-of-pocket expenses of Loan Servicer (including but not limited to the fees and expenses of counsel to Loan Servicer, if any) in connection with the Loans.

(v) On the Delivery Date, from money on deposit with Escrow Agent or, to the extent such money is insufficient for such purpose, from other money of Borrower, to Fiscal Agent, the amount of the Fiscal Agent's Ordinary Fees and Expenses that are due on the Delivery Date, together with all third party and out-of-pocket expenses of Fiscal Agent (including but not limited to the fees and expenses of counsel to Fiscal Agent) in connection with the Loans and the issuance of the Governmental Note.

(vi) To Fiscal Agent, the Fiscal Agent's Ordinary Fees and Expenses and the Fiscal Agent's Extraordinary Fees and Expenses when due from time to time.

(vii) To Governmental Lender, the Governmental Lender Fees when due and any extraordinary expenses not covered by the Governmental Lender Fees that Governmental Lender may incur in connection with the Financing Documents or the Project from time to time.

(viii) To the Rebate Analyst, the reasonable fees and expenses of such Rebate Analyst in connection with the computations relating to arbitrage rebate required under the Funding Loan Agreement and this Project Loan Agreement when due from time to time.

(ix) To Funding Lender Representative, any amount due and owing to Funding Lender Representative from time to time but unpaid under the Continuing Covenant Agreement.

(x) To Loan Servicer, the amount of any portion of the Servicing Fee remaining unpaid and any fees, costs and expenses of Loan Servicer as provided in the Continuing Covenant Agreement.

(xi) To Loan Servicer, the amounts required to be deposited in respect of reserves and impositions required under the Continuing Covenant Agreement and the other Project Loan Documents.

(xii) If Fiscal Agent is collecting and remitting loan payments under the Funding Loan Agreement, to Fiscal Agent, within two (2) Business Days of receipt from Fiscal Agent of a notice of deficiency in the Administration Fund as provided in Section 4.06 of the Funding Loan Agreement, the amount of any such deficiency in the Administration Fund.

4.03 **Payments to Rebate Fund**. Borrower shall pay when due to Fiscal Agent at the Principal Office of Fiscal Agent any amount required to be deposited in the Rebate Fund in accordance with Section 4.10 of the Funding Loan Agreement.

4.04 Prepayment.

(a) Optional Prepayment of the Project Loan. Borrower shall have the option to prepay the Project Loan in whole, together with all accrued and unpaid interest thereon, as provided in the Project Note.

(b) Mandatory Prepayment of the Project Loan. Borrower shall be required to prepay all or a portion of the outstanding principal balance of the Project Loan, together with accrued interest thereon, and together with any Prepayment Premium due under the Project Note, as provided in the Project Note.

(c) Defeasance of the Funding Loan. In addition, prior to the Window Period, Borrower may cause a defeasance of the Funding Loan resulting in a release of the Pledged Security by satisfying the conditions set forth hereunder and in Article IX of the Funding Loan Agreement. In connection therewith, Borrower will give written notice (a "**Defeasance Notice**") to Funding Lender Representative, Loan Servicer, Governmental Lender and Fiscal Agent of the date Borrower desires to defease the Funding Loan (the "**Defeasance Date**"). The Defeasance Date may not be more than 60 calendar days, nor less than 30 calendar days, after the delivery of the Defeasance Notice. In connection with the delivery of the Defeasance Notice, Borrower shall cause to be paid to Funding Lender Representative the Defeasance Fee set forth in the Continuing Covenant Agreement. In addition to, and not in limitation of any other provisions of this Project Loan Agreement, Borrower shall pay all fees, costs and expenses in connection with any defeasance whether or not such defeasance occurs. Following such defeasance in accordance with the terms and conditions hereof and the Funding Loan Agreement, the Project Loan shall be deemed paid in full, and Borrower shall be entitled to the release of the Security Instrument, the Pledged Security and other security provided by it for the Project Loan, subject to the terms and conditions hereof and the other Financing Documents.

4.05 Borrower's Obligations Upon Prepayment. In the event of any prepayment, Borrower will timely pay, or cause to be paid through Loan Servicer, an amount equal to the principal amount of the Funding Loan or portion thereof called for prepayment, together with interest accrued to the prepayment date and Prepayment Premium, if any. In addition, Borrower will timely pay all fees, costs and expenses associated with any prepayment of the Funding Loan.

4.06 Limits on Personal Liability.

(a) Except as otherwise set forth in Section 14 of the Project Note and subsection 4.06(b) below, the obligations of Borrower under this Project Loan Agreement and the other Financing Documents are non-recourse liabilities of Borrower which shall be enforced only against the Project and other property of Borrower encumbered by the Financing Documents and not personally against Borrower or any partner of Borrower or any successor or assign of Borrower. However, nothing in this Section 4.06 shall limit the right of Governmental Lender, Fiscal Agent, Loan Servicer or Funding Lender Representative to proceed against Borrower to recover any fees owing to any of them or any actual out-of-pocket expenses (including but not limited to actual out-of-pocket attorneys' fees incurred by any of them) incurred by any of them in connection with the enforcement of any rights under this Project Loan Agreement or the other Financing Documents. Nothing in this Section 4.06 shall limit any right that Loan Servicer or Funding Lender Representative may have to enforce the Project Note, the Security Instrument, or any other Financing Document in accordance with their terms.

(b) Notwithstanding anything contained in any other provision of this Project Loan Agreement to the contrary (but subject to the provisions of Section 7.06 hereof), the following obligations of

Borrower shall be and remain the joint and several full recourse obligations of Borrower and Borrower's general partner(s):

(i) Borrower's obligations to Governmental Lender and Fiscal Agent under subsections (b)(iii), (b)(v), (b)(vi), and (b)(vii) of Section 4.02 hereof.

(ii) Borrower's obligations under Sections 2.05 and 6.01 of this Project Loan Agreement.

(iii) Borrower's obligation to pay any and all rebate amounts that may be or become owing with respect to the Funding Loan and fees and expenses of the Rebate Analyst as provided in Sections 2.04, 4.02(b)(viii), and 4.03 of this Project Loan Agreement and the Tax Certificate.

(iv) Borrower's obligation to pay legal fees and expenses under Section 7.04 hereof.

ARTICLE V SPECIAL COVENANTS OF BORROWER.

5.01 Performance of Obligations. Borrower shall keep and faithfully perform all of its covenants and undertakings contained herein and in the Financing Documents, including, without limitation, its obligations to make all payments set forth herein and therein in the amounts, at the times and in the manner set forth herein and therein.

5.02 Compliance with Applicable Laws. All work performed in connection with the Project shall be performed in strict compliance with all applicable federal, state, county and municipal laws, ordinances, rules and regulations now in force or that may be enacted hereafter.

5.03 Funding Loan Agreement Provisions. The execution of this Project Loan Agreement shall constitute conclusive evidence of approval of the Funding Loan Agreement by Borrower. Whenever the Funding Loan Agreement by its terms imposes a duty or obligation upon Borrower, such duty or obligation shall be binding upon Borrower to the same extent as if Borrower were an express party to the Funding Loan Agreement, and Borrower shall carry out and perform all of its obligations under the Funding Loan Agreement as fully as if Borrower were a party to the Funding Loan Agreement.

5.04 Borrower to Maintain Its Existence; Certification of No Default.

(a) Borrower agrees to maintain its existence and maintain its current legal status with authority to own and operate the Project.

(b) In addition to performing all other similar requirements under the Financing Documents to which Borrower is a party, Borrower shall, within 30 days after the end of each calendar year, render to Fiscal Agent a certificate executed by an Authorized Officer of Borrower to the effect that Borrower is not, as of the date of such certificate, in default of any of its covenants, agreements, representations or warranties under any of the Financing Documents to which Borrower is a party and that, to the best of Borrower's knowledge, after reasonable investigation, there has occurred no default or Event of Default (as such terms are defined in each respective Financing Document) under any of the Financing Documents.

5.05 Borrower to Remain Qualified in Property Jurisdiction and Appoint Agent. Borrower will remain duly qualified to transact business in the Property Jurisdiction and will maintain an agent in the Property Jurisdiction on whom service of process may be made in connection with any actions against Borrower.

5.06 **Sale or Other Transfer of Project**. Borrower may convey and transfer the Project only upon strict compliance with the provisions of the Financing Documents, and upon receipt of the prior written consent of Governmental Lender and Funding Lender Representative.

5.07 **Right to Perform Borrower's Obligations**. In the event Borrower fails to perform any of its obligations under this Project Loan Agreement, Governmental Lender, Fiscal Agent, Loan Servicer and/or Funding Lender Representative, after giving requisite notice, if any, and subject to Section 5.05 of the Funding Loan Agreement, may, but shall be under no obligation to, perform such obligation and pay all costs related thereto, and all such costs so advanced shall become an additional obligation of Borrower hereunder, payable on demand and if not paid on demand with interest thereon at the default rate of interest payable under the Project Loan Documents.

5.08 **Notice of Certain Events**. Borrower shall promptly advise Governmental Lender, Fiscal Agent, Funding Lender Representative and Loan Servicer in writing of the occurrence of any Event of Default hereunder or any event which, with the passage of time or service of notice or both, would constitute an Event of Default, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect thereto.

5.09 **Survival of Covenants**. The provisions of Sections 2.04, 2.05, 4.02, 4.03, 6.01 and 7.04 hereof shall survive the expiration or earlier termination of this Project Loan Agreement and, with regard to Fiscal Agent, the resignation or removal of Fiscal Agent.

5.10 **Access to Project; Records**. Subject to reasonable notice and the rights of tenants at the Project, Governmental Lender, Fiscal Agent, Loan Servicer and Funding Lender Representative, and the respective duly authorized agents of each, shall have the right (but not any duty or obligation) at all reasonable times and during normal business hours to do any of the following:

(a) Enter the Project and any other location containing the records relating to Borrower, the Project, the Loans and Borrower's compliance with the terms and conditions of the Financing Documents.

(b) Inspect and audit any and all of Borrower's records or accounts pertaining to Borrower, the Project, the Loans and Borrower's compliance with the terms and conditions of the Financing Documents.

(c) Require Borrower, at Borrower's sole expense, (i) to furnish such documents to Governmental Lender, Fiscal Agent, Loan Servicer and Funding Lender Representative, as Governmental Lender, Fiscal Agent, Loan Servicer or Funding Lender Representative, as the case may be, from time to time, deems reasonably necessary in order to determine that the provisions of the Financing Documents have been complied with and (ii) to make copies of any records that Governmental Lender, Fiscal Agent, Loan Servicer or Funding Lender Representative or the respective duly authorized agents of each, may reasonably require.

Borrower shall make available to Governmental Lender, Fiscal Agent, Loan Servicer and Funding Lender Representative, such information concerning the Project, the Security Instrument and the Financing Documents as any of them may reasonably request.

5.11 **TEL Regulatory Agreement**. The covenants of Borrower in the TEL Regulatory Agreement shall be deemed to constitute covenants of Borrower running with the land and an equitable servitude for the benefit of Governmental Lender and Funding Lender and shall be binding upon any owners of the Project until such time as such restrictions expire as provided in the TEL Regulatory Agreement. Borrower covenants to file of record the TEL Regulatory Agreement and such other documents, and to take such other steps as

are necessary in order to assure that the restrictions contained in the TEL Regulatory Agreement will, subject to the terms of the TEL Regulatory Agreement, be binding upon all owners of the Project. Borrower covenants to include such restrictions or a reference to such restrictions in any documents transferring any interest in the Project to another to the end that such transferee has notice of, and is bound by, the TEL Regulatory Agreement. Subject to the provisions of Section 7.06 of this Project Loan Agreement, Governmental Lender and Fiscal Agent shall have the right to seek specific performance of or injunctive relief to enforce the requirements of any covenants of Borrower contained in the TEL Regulatory Agreement.

5.12 Damage, Destruction and Condemnation. If prior to payment in full of the Funding Loan (or provision for payment in full of the Funding Loan in accordance with the provisions of the Funding Loan Agreement) the Project or any portion of it is destroyed (in whole or in part) or is damaged by fire or other casualty, or title to, or the temporary use of, the Project or any portion of it shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, or shall be transferred pursuant to an agreement or settlement in lieu of eminent domain proceedings, Borrower shall nevertheless be obligated to continue to pay the amounts specified in this Project Loan Agreement and in the Project Note to the extent the Project Loan is not prepaid in full in accordance with the terms of the Project Loan Documents.

5.13 Obligation of Borrower to Rehabilitate the Project. Borrower shall proceed with reasonable dispatch (and in no event later than required under the Financing Documents) to complete the rehabilitation, development and equipping of the Project as required by the Financing Documents. If amounts on deposit in the Project Loan Fund designated for the Project and available to be disbursed to Borrower are not sufficient to pay the costs of such acquisition, rehabilitation, development and equipping, Borrower shall pay such additional costs from its own funds. Borrower shall not be entitled to any reimbursement from Governmental Lender, Fiscal Agent, Loan Servicer, Funding Lender Representative or Funding Lender in respect of any such additional costs or to any diminution or abatement in the repayment of the Project Loan. None of Fiscal Agent, Governmental Lender, Funding Lender, Funding Lender Representative or Loan Servicer makes any representation or warranty, either express or implied, that money, if any, which will be paid into the Project Loan Fund or otherwise made available to Borrower will be sufficient to complete the Project, and none of Fiscal Agent, Governmental Lender, Funding Lender, Funding Lender Representative or Loan Servicer shall be liable to Borrower or any other person if for any reason the Project is not completed.

5.14 Filing of Financing Statements. Borrower shall file or record or cause to be filed or recorded on or prior to the Delivery Date all UCC financing statements which are required to be filed or recorded in order fully to protect and preserve the security interests relating to the priority of the Project Loan, the Funding Loan, the Pledged Security and the Security Instrument, and the rights and powers of Governmental Lender, Fiscal Agent and Funding Lender in connection with such security interests. Borrower shall cooperate with Fiscal Agent in connection with the filing of any continuation statements for the purpose of continuing without lapse the effectiveness of such financing statements; provided, however, that Fiscal Agent shall only file or record, or cause to be filed or recorded, those UCC continuation statements on which Fiscal Agent is named as a secured party or additional secured party for financing statements that have been delivered to Fiscal Agent, at Borrower's expense.

ARTICLE VI INDEMNIFICATION.

6.01 Indemnification.

(a) Indemnified Losses. To the fullest extent permitted by law, Borrower agrees to indemnify, hold harmless and defend Governmental Lender, Fiscal Agent, Loan Servicer, Funding Lender and each of their respective officers, governing commissioners, members, directors, officials, employees, attorneys and agents (collectively, the "**Indemnified Parties**"), against any and all losses, damages (including, but not limited to, consequential and punitive damages), claims, actions, liabilities, costs and expenses of any conceivable nature, kind or character (including, without limitation, reasonable attorneys' fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) to which the Indemnified Parties, or any of them, may become subject under federal or state securities laws or any other statutory law or at common law or otherwise (collectively, "**Losses**"), to the extent arising, directly or indirectly, out of or based upon or in any way relating to any of the following:

(i) Any breach by Borrower of its obligations under the Financing Documents or the execution, amendment, restructuring or enforcement thereof, or in connection with transactions contemplated thereby, including the issuance, sale, transfer or resale of the Governmental Note.

(ii) Any act or omission of Borrower or any of its agents, contractors, servants, employees or licensees in connection with the Project Loan or the Project, the operation of the Project, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation, construction or equipping of, the Project or any part thereof.

(iii) Any accident, injury to, or death of persons or loss of or damage to property occurring in, on or about the Project or any part thereof.

(iv) Any lien (other than liens permitted under the Continuing Covenant Agreement) or charge upon payments by Borrower to Governmental Lender, Fiscal Agent or Loan Servicer hereunder, or any Taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on Governmental Lender or Fiscal Agent in respect of any portion of the Project (other than income and similar taxes on fees received or earned in connection therewith).

(v) Any violation of any environmental law, rule or regulation with respect to, or the release of any hazardous materials from, the Project or any part thereof.

(vi) The enforcement of, or any action taken by Governmental Lender, Fiscal Agent or Funding Lender Representative related to remedies under this Project Loan Agreement, the Funding Loan Agreement or any other Financing Document.

(vii) Any untrue statement of a material fact or alleged untrue statement of a material fact by Borrower contained in any offering statement or document for the Governmental Note or any of the Financing Documents to which Borrower is a party, or any omission or alleged omission by Borrower of a material fact from any offering statement or document for the Governmental Note necessary to be stated therein in order to make the statements made therein by Borrower, in the light of the circumstances under which they were made, not misleading.

(viii) Any declaration of taxability of interest on the Governmental Note or allegations (or regulatory inquiry) that interest on the Governmental Note is includable in the gross income of the holders thereof for federal income tax purposes.

(ix) Any audit or inquiry by the Internal Revenue Service with respect to the Project and/or the tax-exempt status of the Governmental Note.

(x) Fiscal Agent's acceptance or administration of the trust of the Funding Loan Agreement, or the exercise or performance of any of its powers or duties thereunder or under any of the documents relating to the Governmental Note to which it is a party; except (A) in the case of the foregoing indemnification of Fiscal Agent, or any of its respective officers, commissioners, members, directors, officials, employees, attorneys and agents, to the extent such Losses are caused by the negligence, unlawful acts or willful misconduct of such Indemnified Party; or (B) in the case of the foregoing indemnification of Loan Servicer, Funding Lender or Governmental Lender or any of their respective officers, commissioners, members, directors, officials, employees, attorneys and agents, to the extent such Losses are caused by the gross negligence or willful misconduct of such Indemnified Party.

(b) Procedures. In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, Borrower, upon written notice from such Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected or approved by the Indemnified Party, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that such Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and to participate in the investigation and defense thereof. Borrower shall pay the reasonable fees and expenses of such separate counsel; provided, however, that such Indemnified Party may employ separate counsel at the expense of Borrower only if, in such Indemnified Party's good faith judgment, a conflict of interest exists by reason of common representation or if all parties commonly represented do not agree as to the action (or inaction) of counsel.

(c) Borrower to Remain Obligated. Notwithstanding any transfer of the Project to another owner in accordance with the provisions of this Project Loan Agreement, the Continuing Covenant Agreement and the Regulatory Agreement, Borrower shall remain obligated to indemnify each Indemnified Party pursuant to this Section 6.01 for Losses with respect to any claims based on actions or events occurring prior to the date of such transfer unless (i) such subsequent owner assumed in writing at the time of such transfer all obligations of Borrower under this Section 6.01 (including obligations under this Section 6.01 for Losses with respect to any claims based on actions or events occurring prior to the date of such transfer) and (ii) any such transfer is in compliance with the requirements of the Financing Documents.

(d) Survival. The provisions of this Section 6.01 shall survive the termination of this Project Loan Agreement. The rights of any persons to indemnity hereunder shall survive the final payment or defeasance of the Project Loan and the Funding Loan and in the case of the Servicer and Fiscal Agent, any resignation or removal. The provisions of this Section 6.01 shall remain valid and in effect notwithstanding repayment of the Project Loan hereunder or termination of this Project Loan Agreement.

6.02 Limitation with Respect to Funding Lender. Notwithstanding anything in this Project Loan Agreement to the contrary, in the event that Funding Lender (or its nominee) shall become the owner of the Project as a result of a foreclosure or a deed in lieu of foreclosure, or comparable conversion of the Project Loan, Funding Lender (or its nominee) shall not be liable for any breach or default of any prior owner of the

Project under this Project Loan Agreement and shall only be responsible for defaults and obligations incurred or occurring during the period that Funding Lender (or its nominee) is the owner of the Project. Accordingly, during any period that Funding Lender (or its nominee) owns the Project and that this Article VI is applicable to Funding Lender (or its nominee), Funding Lender's (or its nominee's) obligations under this Article VI shall be limited to acts and omissions of Funding Lender (or its nominee) occurring during the period of Funding Lender's (or its nominee's) ownership of the Project.

ARTICLE VII EVENTS OF DEFAULT AND REMEDIES.

7.01 Events of Default. The occurrence of any one or more of the following will constitute an Event of Default under this Project Loan Agreement:

(a) Any representation or warranty made by Borrower in the Financing Documents or any certificate, statement, data or information furnished by Borrower in connection therewith or included by Borrower in its application to Governmental Lender for assistance proves at any time to have been incorrect when made in any material respect.

(b) Failure by Borrower to pay any amounts due under this Project Loan Agreement or the Project Note at the times and in the amounts required by this Project Loan Agreement or the Project Note (taking into account any applicable cure or grace period), as applicable.

(c) Borrower shall fail to observe or perform any other term, covenant, condition or agreement (after taking into account any applicable cure period) set forth in this Project Loan Agreement, which failure continues for a period of 30 days after notice of such failure by Governmental Lender, Fiscal Agent or Funding Lender Representative to Borrower (unless such default cannot with due diligence be cured within 30 days but can be cured within a reasonable period and will not, in Funding Lender Representative's sole discretion, adversely affect Funding Lender or result in impairment of this Project Loan Agreement or any other Financing Document, in which case no Event of Default shall be deemed to exist so long as Borrower shall have commenced to cure the default or Event of Default within 30 days after receipt of notice, and thereafter diligently and continuously prosecutes such cure to completion); provided, however, no such notice or grace periods shall apply in the case of any such failure which could, in Funding Lender Representative's judgment, absent immediate exercise by Funding Lender Representative of a right or remedy under this Project Loan Agreement, result in harm to Funding Lender or impairment of this Project Loan Agreement or any other Financing Document.

(d) The occurrence of a default under the Continuing Covenant Agreement or the Security Instrument (after taking into account any applicable cure period thereunder) shall at the discretion of Funding Lender Representative constitute an Event of Default under this Project Loan Agreement but only if Fiscal Agent is provided written notice by Funding Lender Representative that an Event of Default has occurred under such Financing Document and Fiscal Agent is instructed by Funding Lender Representative that such default constitutes an Event of Default hereunder. The occurrence of an Event of Default hereunder shall in the discretion of Funding Lender Representative constitute a default under the other Financing Documents.

Nothing contained in this Section 7.01 is intended to amend or modify any of the provisions of the Financing Documents or to bind Governmental Lender, Fiscal Agent, Loan Servicer or Funding Lender Representative to any notice and cure periods other than as expressly set forth in the Financing Documents.

7.02 **Remedies on Default**. Subject to Section 7.06 hereof, whenever any Event of Default hereunder shall have occurred and be continuing, Funding Lender (or Fiscal Agent at the written direction of Funding Lender), may take any one or more of the following remedial steps:

(a) Such action, without notice or demand, as Funding Lender deems advisable to protect and enforce its rights against Borrower and in and to the Project, including declaring the Project Loan to be immediately due and payable (including, without limitation, declaring the principal of, Prepayment Premium, if any, and interest on and all other amounts due on the Project Note to be immediately due and payable).

(b) Without being required to give any notice (other than to Governmental Lender or Fiscal Agent, as applicable), except as provided herein, pursue all remedies of a creditor under the laws of the Property Jurisdiction, as supplemented and amended, or any other applicable laws.

(c) Whatever action at law or in equity may appear necessary or desirable to collect the payments under this Project Loan Agreement then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of Borrower under this Project Loan Agreement.

In addition, subject to Section 7.06 hereof, Governmental Lender and Fiscal Agent may pursue remedies with respect to the Unassigned Rights. Any amounts collected pursuant to Article IV hereof and any other amounts which would be applicable to payment of principal of, Prepayment Premium, if any, and interest on and all other amounts due on the Funding Loan collected pursuant to action taken under this Section 7.02 shall be applied in accordance with the provisions of the Funding Loan Agreement.

7.03 **No Remedy Exclusive**. Upon the occurrence of an Event of Default, all or any one or more of the rights, powers, privileges and other remedies available against Borrower hereunder or under the Financing Documents or otherwise at law or in equity may be exercised by Funding Lender (or Fiscal Agent at the direction of Funding Lender), at any time and from time to time, whether or not Funding Lender has accelerated the Project Loan, and whether or not Funding Lender shall have commenced any foreclosure proceeding or other action for the enforcement of its rights and remedies under any of the Financing Documents. No remedy conferred upon or reserved to Funding Lender or Fiscal Agent by this Project Loan Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Project Loan Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Funding Lender (or Fiscal Agent at the direction of Funding Lender) to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be expressly required by this Project Loan Agreement.

7.04 **Agreement to Pay Attorneys' Fees and Expenses**. In the event Borrower shall default under any of the provisions of this Project Loan Agreement and Governmental Lender, Fiscal Agent, Loan Servicer or Funding Lender Representative shall employ attorneys or incur other expenses for the collection of loan payments or the enforcement of performance or observance of any obligation or agreement on the part of Borrower contained in this Project Loan Agreement or in the Project Note, Borrower shall on demand therefor reimburse the reasonable fees of such attorneys and such other expenses so incurred.

7.05 **No Additional Waiver Implied by One Waiver**. In the event any agreement contained in this Project Loan Agreement shall be breached by any party and thereafter waived by the other parties, such waiver

shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

7.06 Control of Proceedings.

(a) Notwithstanding anything to the contrary herein, Funding Lender Representative shall have the sole and exclusive right at any time to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Project Loan Agreement, or for the appointment of a receiver or any other proceedings hereunder, in accordance with the provisions of law and of this Project Loan Agreement. In addition, Funding Lender Representative shall have the sole and exclusive right at any time to directly enforce all rights and remedies hereunder and under the other Financing Documents with or without the involvement of Fiscal Agent or Governmental Lender. In no event shall the exercise of any of the foregoing rights result in an acceleration of the Project Loan without the express direction of Funding Lender Representative.

(b) Governmental Lender and Fiscal Agent covenant that they will not, without the prior written consent of Funding Lender Representative, take any of the following actions:

(i) Prosecute any action with respect to a lien on the Project.

(ii) Initiate or take any action which may have the effect, directly or indirectly, of impairing the ability of Borrower to timely pay the principal of, interest on, or other amounts due under, the Project Loan.

(iii) Interfere with or attempt to influence the exercise by Funding Lender Representative of any of its rights under the Financing Documents upon the occurrence of any default by Borrower under the Financing Documents.

(iv) Take any action to accelerate or otherwise enforce payment or seek other remedies with respect to the Project Loan or the Funding Loan.

(c) Notwithstanding Sections 7.06(a) and 7.06(b) hereof, Governmental Lender or Fiscal Agent may take one or both of the following actions:

(i) Specifically enforce the tax covenants of Borrower specified in Sections 2.04 and 2.05 hereof or seek injunctive relief against acts which may be in violation thereof.

(ii) Specifically enforce the TEL Regulatory Agreement or seek injunctive relief against acts which may be in violation of the TEL Regulatory Agreement or are otherwise inconsistent with the operation of the Project in accordance with applicable requirements of the Internal Revenue Code and state law (but in neither the case of subsection (c)(i) above or this subsection (c)(ii) may Governmental Lender or Fiscal Agent seek any form of monetary damages from Borrower in connection with such enforcement).

In addition, notwithstanding Sections 7.06(a) and 7.06(b) hereof, Governmental Lender and Fiscal Agent may seek specific performance of the other Unassigned Rights (provided no monetary damages are sought), and nothing herein shall be construed to limit the rights of Governmental Lender, Fiscal Agent or any Indemnified Party related to Governmental Lender or Fiscal Agent under Section 6.01 (each a "**Related Indemnified Party**") to enforce their respective rights against Borrower under Sections 4.02, 4.03, 6.01 and 7.04 hereof, provided that no obligation of Borrower

to Governmental Lender, Fiscal Agent or any Related Indemnified Party under such sections shall be secured by or in any manner constitute a lien on, or security interest in, the Project, whether in favor of Governmental Lender, Fiscal Agent or any Related Indemnified Party, and all such obligations are and shall be subordinate in priority, in right to payment and in all other respects to all other obligations, liens, rights (including without limitation the right to payment) and interests arising or created under the Financing Documents (except for Fiscal Agent's right to receive payment of Fiscal Agent's Extraordinary Fees and Expenses pursuant to Section 6.05(a) of the Funding Loan Agreement after an Event of Default with respect to the Funding Loan, which Fiscal Agent's Extraordinary Fees and Expenses shall be payable as provided thereunder). Accordingly, none of Governmental Lender, Fiscal Agent or any Related Indemnified Party shall have the right to enforce any monetary obligation arising under such sections other than directly against Borrower, without recourse to the Project. In addition, any such enforcement must not cause Borrower to file a petition seeking reorganization, arrangement, adjustment or composition of or in respect of Borrower under any applicable liquidation, insolvency, bankruptcy, construction, composition, reorganization, conservation or other similar law in effect now or in the future.

7.07 Assumption of Obligations. In the event that Fiscal Agent or Funding Lender or their respective assignee or designee shall become the legal or beneficial owner of the Project by foreclosure or deed in lieu of foreclosure, such party shall succeed to the rights and the obligations of Borrower under this Project Loan Agreement, the Project Note, the TEL Regulatory Agreement, and any other Financing Documents to which Borrower is a party or with respect to which it is a third-party beneficiary. Such assumption shall be effective from and after the effective date of such acquisition and shall be made with the benefit of the limitations of liability set forth therein and without any liability for the prior acts of Borrower.

Notwithstanding the foregoing, if an Event of Default shall arise hereunder, Equity Investor shall have the right, but not the obligation, to cure such default, provided that a cure right is provided to Borrower and subject to the same terms applicable to Borrower, in which case, such cure by Equity Investor will be accepted as if performed b Borrower.

ARTICLE VIII MISCELLANEOUS.

8.01 Notices.

(a) Whenever in this Project Loan Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Any notice, request, complaint, demand, communication or other paper required or permitted to be delivered to Governmental Lender, Fiscal Agent, Funding Lender Representative, Borrower or Loan Servicer shall be sufficiently given and shall be deemed given (unless another form of notice shall be specifically set forth herein) on the Business Day following the date on which such notice or other communication shall have been delivered to a national overnight delivery service (receipt of which to be evidenced by a signed receipt from such overnight delivery service) addressed to the appropriate party at the addresses set forth in Section 10.04 of the Funding Loan Agreement or as required or permitted by this Project Loan Agreement by Electronic Instruction and Notice. Governmental Lender, Fiscal Agent, Funding Lender Representative, Borrower or Loan Servicer may, by notice given as provided in this paragraph, designate any further or different address to which subsequent notices or other communication shall be sent.

A duplicate copy of each notice or other communication given hereunder by any party to Loan Servicer shall also be given to Funding Lender Representative and a duplicate copy of each notice or other communication given hereunder by any party to Funding Lender Representative shall be given to Loan Servicer.

Fiscal Agent agrees to accept and act upon Electronic Instruction and Notice of written instructions and/or directions pursuant to this Project Loan Agreement.

(b) Fiscal Agent shall provide to Funding Lender Representative and Loan Servicer (i) prompt notice of the occurrence of any Event of Default hereunder and (ii) any written information or other communication received by Fiscal Agent hereunder within ten (10) Business Days of receiving a written request from Funding Lender Representative for any such information or other communication.

8.02 **Concerning Successors and Assigns**. All covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the financing herein contemplated and shall continue in full force and effect so long as the obligations hereunder are outstanding. Whenever in this Project Loan Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of Borrower which are contained in this Project Loan Agreement shall bind its successors and assigns and inure to the benefit of the successors and assigns of Governmental Lender, Fiscal Agent, Loan Servicer, Funding Lender and Funding Lender Representative, as applicable.

8.03 **Governing Law**. This Project Loan Agreement shall be construed in accordance with and governed by the internal laws of the Property Jurisdiction and, where applicable, the laws of the United States of America.

8.04 **Modifications in Writing**. Modification or the waiver of any provisions of this Project Loan Agreement or consent to any departure by the parties therefrom, shall in no event be effective unless the same shall be in writing approved by the parties hereto and shall require the prior written consent of Funding Lender Representative and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on Borrower in any case shall entitle it to any other or further notice or demand in the same circumstances.

8.05 **Further Assurances and Corrective Instruments**. Governmental Lender, Fiscal Agent and Borrower agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required (including such supplements or further instruments requested by Funding Lender Representative) for correcting any inadequate or incorrect description of the performance of this Project Loan Agreement.

8.06 **Captions**. The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Project Loan Agreement.

8.07 **Severability**. The invalidity or unenforceability of any provision of this Project Loan Agreement shall not affect the validity of any other provision, and all other provisions shall remain in full force and effect.

8.08 **Counterparts**. This Project Loan Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

8.09 **Amounts Remaining in Loan Payment Fund or Other Funds**. It is agreed by the parties hereto that any amounts remaining in the Loan Payment Fund or other funds and accounts established under the Funding Loan Agreement upon expiration or sooner termination of the term hereof (and the repayment in full of the

Project Loan and all other amounts owing under the Project Loan Documents), shall be paid in accordance with the Funding Loan Agreement.

8.10 **Effective Date and Term**. This Project Loan Agreement shall become effective upon its execution and delivery by the parties hereto, shall be effective and remain in full force from the Effective Date, and, subject to the provisions hereof, shall expire on such date as the Funding Loan Agreement shall terminate.

8.11 **Cross References**. Any reference in this Project Loan Agreement to an "Exhibit," an "Article," a "Section," a "Subsection" or a "Paragraph" shall, unless otherwise explicitly provided, be construed as referring, respectively, to an exhibit attached to this Project Loan Agreement, an article of this Project Loan Agreement, a section of this Project Loan Agreement, a subsection of the section of this Project Loan Agreement in which the reference appears and a paragraph of the subsection within this Project Loan Agreement in which the reference appears. All schedules and exhibits attached to or referred to in this Project Loan Agreement are incorporated by reference into this Project Loan Agreement.

8.12 **Funding Lender Representative and Loan Servicer as Third-Party Beneficiaries**. The parties hereto agree and acknowledge that Funding Lender Representative and Loan Servicer are third-party beneficiaries of this Project Loan Agreement.

8.13 **Supplemental Financings**. Governmental Lender and Fiscal Agent each acknowledges that Loan Servicer (or another originating lender that is generally approved by Freddie Mac to sell mortgages to Freddie Mac) may make additional loans to Borrower secured by additional mortgages on the Project ("**Additional Loans**"). Governmental Lender consents to the Additional Loans notwithstanding anything to the contrary in the Financing Documents, provided however that such Additional Loans must be subordinate to the repayment of the Project Loan by Borrower.

8.14 **Non-Liability of Governmental Lender**. Governmental Lender shall not be obligated to pay the principal (or Prepayment Premium) of or interest on the Funding Loan, except from Revenues and other money and assets received by Fiscal Agent on behalf of Governmental Lender pursuant to this Project Loan Agreement. Neither the faith and credit nor the taxing power of the Property Jurisdiction or any political subdivision thereof, nor the faith and credit of Governmental Lender or any member is pledged to the payment of the principal (or Prepayment Premium) or interest on the Funding Loan. Governmental Lender shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Project Loan Agreement, the Funding Loan or the Funding Loan Agreement, except only to the extent amounts are received for the payment thereof from Borrower under this Project Loan Agreement.

Borrower hereby acknowledges that Governmental Lender's sole source of money to repay the Funding Loan will be provided by the payments made by Borrower pursuant to this Project Loan Agreement, together with Investment Income on certain funds and accounts held by Fiscal Agent under the Funding Loan Agreement, and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal (or Prepayment Premium) and interest on the Funding Loan as the same shall become due (whether by maturity, prepayment, acceleration or otherwise), then upon notice from Fiscal Agent, Borrower shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal (or Prepayment Premium) or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of Fiscal Agent, Borrower, Governmental Lender or any third party, subject to any right of reimbursement from Fiscal Agent, Governmental Lender or any such third party, as the case may be, therefor.

8.15 **No Liability of Officers**. No recourse under or upon any obligation, covenant, or agreement or in the Governmental Note, or under any judgment obtained against Governmental Lender, or by the enforcement

of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any incorporator, member, director, commissioner, employee, agent or officer, as such, past, present, or future, of Governmental Lender, either directly or through Governmental Lender, or otherwise, for the payment for or to Governmental Lender or any receiver thereof, or for or to Funding Lender, of any sum that may be due and unpaid by Governmental Lender upon the Funding Loan. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director, commissioner, employee, agent or officer, as such, to respond by reason of any act or omission on his or her part or otherwise, for the payment for or to Governmental Lender or any receiver thereof, or for or to Funding Lender, of any sum that may remain due and unpaid upon the Funding Loan, is hereby expressly waived and released as a condition of and consideration for the execution of this Project Loan Agreement and the issuance of the Governmental Note.

8.16 **Capacity of Fiscal Agent**. Fiscal Agent is entering into this Project Loan Agreement solely in its capacity as Fiscal Agent and shall be entitled to the rights, protections, limitations from liability, indemnities and immunities afforded it as Fiscal Agent under the Funding Loan Agreement. Fiscal Agent shall be responsible only for the duties of Fiscal Agent expressly set forth herein and in the Funding Loan Agreement.

8.17 **Reliance**. The representations, covenants, agreements and warranties set forth in this Project Loan Agreement may be relied upon by Governmental Lender, Fiscal Agent, Bond Counsel, Loan Servicer, Funding Lender and Funding Lender Representative. In performing their duties and obligations under this Project Loan Agreement and under the Funding Loan Agreement, Governmental Lender and Fiscal Agent may rely upon statements and certificates of Borrower, upon certificates of tenants believed to be genuine and to have been executed by the proper person or persons, and upon audits of the books and records of Borrower pertaining to occupancy of the Project. In addition, Governmental Lender and Fiscal Agent may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by Governmental Lender or Fiscal Agent under this Project Loan Agreement and under the Funding Loan Agreement in good faith and in conformity with the opinion of such counsel. It is expressly understood and agreed by the parties to this Project Loan Agreement (other than Governmental Lender) that:

(a) Governmental Lender may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to Governmental Lender by Fiscal Agent, Funding Lender or Borrower as to the existence of a fact or state of affairs required under this Project Loan Agreement to be noticed by Governmental Lender;

(b) Governmental Lender shall not be under any obligation to perform any record keeping or to provide any legal service, it being understood that such services shall be performed or caused to be performed by Fiscal Agent, Funding Lender Representative, Loan Servicer or Borrower, as applicable; and

(c) None of the provisions of this Project Loan Agreement shall require Governmental Lender or Fiscal Agent to expend or risk its own funds (apart from the proceeds of Funding Loan issued under the Funding Loan Agreement) or otherwise endure financial liability in the performance of any of its duties or in the exercise of any of its rights under this Project Loan Agreement, unless it shall first have been adequately indemnified to its satisfaction against the costs, expenses and liabilities which may be incurred by taking any such action.

[SIGNATURE PAGES FOLLOW]

GOVERNMENTAL LENDER:

AUSTIN HOUSING FINANCE CORPORATION
a Texas public nonprofit housing finance corporation

By: _____
Name: Deletta Dean
Title: Treasurer

SIGNATURES CONTINUE ON FOLLOWING PAGE

FISCAL AGENT:

UMB BANK, N.A.,
a national banking association

By: _____
Name:
Title:

SIGNATURES CONTINUE ON FOLLOWING PAGE

BORROWER:

ELM RIDGE PRESERVATION, LP,
a Texas limited partnership

By: _____
Name: Josh Plattner
Title: Authorized Signatory

Schedule I

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8.14 Non-Liability of Governmental Lender
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8.17 Reliance

EXHIBIT "C"

REGULATORY AGREEMENT

. . . . . .SPACE ABOVE THIS LINE FOR RECORDER'S USE . . . . . .

After Recording Return To:

McCall, Parkhurst & Horton L.L.P.
717 North Harwood, Suite 900
Dallas, Texas 75201
Attention: Mark A. Malveaux

REGULATORY AND LAND USE RESTRICTION AGREEMENT

AMONG

AUSTIN HOUSING FINANCE CORPORATION
as Governmental Lender,

UMB BANK, N.A.
as Fiscal Agent,

AND

ELM RIDGE PRESERVATION, LP
as Owner

Dated as of November 1, 2026

Relating to

$[33,000,000]
AUSTIN HOUSING FINANCE CORPORATION
MULTIFAMILY HOUSING REVENUE NOTE
(ELM RIDGE APARTMENTS),
SERIES 2026

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REGULATORY AND LAND USE RESTRICTION AGREEMENT

THIS REGULATORY AND LAND USE RESTRICTION AGREEMENT (as the same may be amended, modified or supplemented, this "*Agreement*" or this "*Regulatory Agreement*") dated as of November 1, 2026, among the AUSTIN HOUSING FINANCE CORPORATION, a public, nonprofit housing finance corporation organized and existing under the laws of the State of Texas (together with its successors and assigns, the "*Governmental Lender*"), UMB BANK, N.A., a national banking association organized and existing under the laws of the United States of America, as Fiscal Agent (together with any successor Fiscal Agent under the Funding Loan Agreement (as defined below) and their respective successors and assigns, the "*Fiscal Agent*") under the hereinafter-defined Funding Loan Agreement, and ELM RIDGE PRESERVATION, LP, a Texas limited partnership organized and existing under the laws of the State of Texas (together with its permitted successors and assigns, the "*Owner*"),

W I T N E S S E T H:

WHEREAS, pursuant to the Act (as hereinafter defined), the Governmental Lender is authorized to issue one or more series of its revenue notes and to loan the proceeds thereof to finance the acquisition, rehabilitation and equipping of residential rental housing for persons of low and moderate income; and

WHEREAS, the Owner has requested the assistance of the Governmental Lender in financing a multifamily residential affordable housing project located on the real property described in Exhibit A hereto (the "*Project Site*") and described in Exhibit B hereto (the "*Project Facilities*" together with the Project Site, the "*Project*" or "*Development*"), and, as a condition to such financial assistance, the Owner has agreed to enter into this Regulatory Agreement, setting forth certain restrictions with respect to the Project; and

WHEREAS, the Governmental Lender has determined to assist in the financing of the Project by issuing its Multifamily Housing Revenue Note (Elm Ridge Apartments), Series 2026 in the original aggregate principal amount of $[33,000,000], and making a loan to the Owner of proceeds of the Note, upon the terms and conditions set forth in the Project Loan Agreement (as hereinafter defined); and

WHEREAS, in order for interest on the Note to be excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "*Code*"), and the federal income tax regulations (including temporary and final regulations) and rulings with respect to the Code, and in order to comply with the requirements of the Act, relating to the Note, the use and operation of the Project must be restricted in certain respects; and

WHEREAS, the Governmental Lender, the Fiscal Agent and the Owner have determined to enter into this Regulatory Agreement in order to set forth certain terms and conditions relating to the acquisition, rehabilitation, equipping and operation of the Project and in order to ensure that the Project will be acquired, constructed, equipped, used and operated in accordance with the Code and the Act.

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Governmental Lender, the Fiscal Agent and the Owner hereby agree as follows:

Section 1. Definitions and Interpretation. In addition to terms defined above, capitalized terms shall have the respective meanings assigned to them in this Section 1 or the Funding Loan Agreement unless the context in which they are used clearly requires otherwise:

"Act" means the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended.

"Affiliated Party" means a member of the Owner, a Person whose relationship with the Owner would result in a disallowance of losses under section 267 or 707(b) of the Code or a Person who, together with the Owner, is a member of the same controlled group of corporations (as defined in section 1563(a) of the Code, except that "more than 50 percent" shall be substituted for "at least 80 percent" each place it appears therein).

"Agreement" or "Regulatory Agreement" means this Regulatory and Land Use Restriction Agreement, as it may be amended, modified or supplemented from time to time.

"Anticipated Annual Income" means the anticipated annual income of a person (together with the anticipated annual income of all persons who intend to reside with such person in one Unit), as determined in accordance with Section 1.167(k)-3(b)(3) of the Regulations (prior to its withdrawal by T.D. 8473, April 27, 1993) or with such other Regulations as may be imposed pursuant to section 142(d) of the Code.

"Closing Date" means the date of delivery of the Note.

"Compliance Monitoring Report" means the certified residential affordable housing program compliance report to be filed by the Owner with the Governmental Lender pursuant to Section 4(b)(iv) hereof and the Loan Agreement with respect to the Project, in substantially the form attached hereto as Exhibit D, or in such other form as the Governmental Lender may reasonably prescribe.

"Computation Date" means each Installment Computation Date and the Final Computation Date.

"Eligible Tenants" means persons of low and moderate income whose adjusted gross income, together with the adjusted gross income of all persons who intend to reside with those persons in one dwelling unit, did not for the preceding tax year exceed the maximum amount constituting moderate income under the Governmental Lender's rules, resolutions relating to the issuance of debt, or financing documents relating to the issuance of debt, which as of the date hereof, is 100% of median family income.

"Favorable Opinion of Bond Counsel" means an opinion of Bond Counsel, addressed to the Governmental Lender and the Fiscal Agent, to the effect that the action to be taken will not adversely affect the excludability of interest on the Note from gross income for federal income tax purposes, is not contrary to the provisions of the Act, and is permitted under the Funding Loan Agreement and other documents governing the financing.

"Final Computation Date" means the date the last Note is discharged.

"Funding Loan Agreement" means that certain Funding Loan Agreement by and among the Governmental Lender, Fiscal Agent and [Initial Funding Lender], as it may be amended, restated, supplemented or otherwise modified from time to time.

"Gross Proceeds" means any Proceeds and any Replacement Proceeds of the Note.

"Inducement Date" means May 7, 2026.

"Installment Computation Date" means the last day of each fifth year, commencing December 31, 2026, and the date on which the final payment in full of the Outstanding Note is made.

"Investment" has the meaning set forth in section 1.148-1(b) of the Regulations.

"Investment Proceeds" means any amounts actually or constructively received from investing Proceeds.

"Issue Price" means "issue price" as defined in sections 1273 and 1274 of the Code, unless otherwise provided in Sections 1.148-0 through 1.148-11 of the Regulations and, generally, is the aggregate initial offering price to the public (excluding bond houses, brokers and other intermediaries acting in the capacity of wholesalers or underwriters) at which a substantial amount of each maturity of the Note is sold.

"Loan" means the loan to be made to the Owner pursuant to the Loan Agreement.

"Loan Agreement" means the Project Loan Agreement by and among the Governmental Lender, Fiscal Agent and the Borrower dated as of the date hereof, whereby the proceeds of the Note were loaned to the Owner.

"Low-Income Tenants" means persons whose aggregate Anticipated Annual Income does not exceed 60% of the Median Gross Income for the Area. For purposes of this definition, the occupants of a Unit shall not be deemed to be Low-Income Tenants if all the occupants of such Unit at any time are "students", as defined in section 151(c)(4) of the Code, no one of whom is entitled to file a joint return under section 6013 of the Code.

"Low-Income Unit" means a Unit which is included as a Unit satisfying the requirements of the Set Aside.

"Median Gross Income for the Area" means, with respect to the Project, the median income for the households in the area which includes the standard metropolitan statistical area in which the Project is located, as determined from time to time by the Secretary of Housing and Urban Development, under Section 8 of the United States Housing Act of 1937, as amended (or if such program is terminated, median income determined under the program in effect immediately before such termination), in each case as adjusted for family size.

"Net Proceeds" means any Net Sale Proceeds, Investment Proceeds and Transferred Proceeds of the Note.

"Net Sale Proceeds" means the Sale Proceeds of the Note less any such proceeds deposited into a Reasonably Required Reserve or Replacement Fund under section 148(d) of the Code.

"Nonpurpose Investments" means any "investment property," within the meaning of section 148(b) of the Code, acquired with the Gross Proceeds of the Note.

"Note" means the Multifamily Housing Revenue Note (Elm Ridge Apartments), Series 2026.

"Owner Representative" means any Person who at the time and from time to time may be designated as such, by written certificate furnished to the Governmental Lender and the Fiscal Agent containing the specimen signature of such Person and signed on behalf of the Owner by the authorized signatory which certificate may designate an alternate or alternates.

"Person" means any individual, entity, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Proceeds" means any Sale Proceeds, Investment Proceeds and Transferred Proceeds of the Note.

"Project" means the Project Facilities and the Project Site.

"Project Costs" means, to the extent authorized by the Act, any and all costs incurred by the Owner with respect to the acquisition, rehabilitation or construction of and equipping, as the case may be, of the Project, whether paid or incurred prior to or after the date of this Regulatory Agreement, including, without limitation, costs for site preparation, the planning of housing and improvements, the removal or demolition of existing structures, and all other work in connection therewith, and all costs of financing, including, without limitation, the cost of consultant, accounting and legal services, other expenses necessary or incident to determining the feasibility of the Project, contractor's and Owner's overhead and supervisor's fees and costs directly allocable to the Project, administrative and other expenses necessary or incident to the Project and the financing thereof.

"Project Facilities" means the multifamily affordable housing complex set forth in Exhibit B hereto.

"Project Site" means the parcel or parcels of real property described in Exhibit A, which is attached hereto and by this reference incorporated herein, and all rights and appurtenances appertaining thereunto.

"Qualified Project Costs" means the Project Costs incurred no earlier than 60 days prior to the Inducement Date (or which are qualifying preliminary expenditures) and no earlier than 3 years prior to the date reimbursed with Proceeds, but in no event shall such costs have been incurred with respect to a portion of the Project that is placed in service, within the meaning of Section 1.150-2 of the Regulations, earlier than 18 months prior to the date the related costs are reimbursed with Proceeds; provided that such costs are chargeable to a capital account with respect to the Project for federal income tax and financial accounting purposes, or would be so chargeable either with a proper election by the Owner or but for the proper election by the Owner to deduct those amounts; provided, however, that, if any portion of the Project is being constructed by the Owner or an Affiliated Party (whether as a general contractor or a subcontractor), "Qualified Project Costs" shall include only (a) the actual out-of-pocket costs incurred by the Owner or such Affiliated Party in constructing the Project (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Owner or such Affiliated Party (but excluding any profit component), and (c) any overhead expenses incurred by the Owner or such Affiliated Party which are directly attributable to the work performed on the Project and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of section 1504 of the Code) participating in the construction of the Project or payments received by such Affiliated Party due to early completion of the Project (or any portion thereof). Qualified Project Costs do not include Costs of Issuance.

"Qualified Project Period" means, with respect to the Project, the period beginning on first day on which 10 percent of the Units are occupied and ending on the latest of (i) the date which is 15 years after the date on which 50% of the Units in the Project are occupied, (ii) the first date on which no tax-exempt note issued with respect to the Project is outstanding for federal income tax purposes, or (iii) the first date on which the Project no longer receives assistance under Section 8 of the United States Housing Act of 1937, as amended.

"Reasonably Required Reserve or Replacement Fund" means any fund described in section 148(d) of the Code, provided that the amount thereof allocable to the Note invested at a Yield materially higher than the Yield on the Note does not exceed 10% of the proceeds of the Note, within the meaning of section 148(d) of the Code, and does not exceed the size limitations in Section 1.148-2(f)(2)(ii) of the Regulations.

"Rebate Amount" has the meaning ascribed in Section 1.148-3(b) of the Regulations and generally means the excess as of any date of the future value of all receipts on Nonpurpose Investments over the future value of all payments on Nonpurpose Investments all as determined in accordance with section 1.148-3 of the Regulations. In the case of any Spending Exception Issue, the "Rebate Amount" as of any

Computation Date shall be limited to the "Rebate Amount" attributable to any Reasonably Required Reserve or Replacement Fund.

"Regulations" means the applicable proposed, temporary or final Income Tax Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

"Replacement Proceeds" has the meaning set forth in Section 1.148-1(c) of the Regulations.

"Sale Proceeds" means any amounts actually or constructively received from the sale (or other disposition) of any Note, including amounts used to pay underwriters' discount or compensation and accrued interest other than pre-issuance accrued interest. Sale Proceeds also include amounts derived from the sale of a right that is associated with any Note and that is described in Section 1.148-4 of the Regulations.

"Set Aside" has the meaning assigned to such term in Section 2(i) hereof.

"Spending Exception Issue" means any issue of the Note that meets either the 6-month exception or the 18-month exception set forth in section 1.148-7 of the Regulations.

"Stated Maturity," when used with respect to the Note or any installment of interest thereon, means any date specified in the Note as a fixed date on which the principal of the Note or a portion thereof or such installment of interest is due and payable.

"Tenant Income Certification" means a certification as to income and other matters executed by the household members of each tenant in the Project, in substantially the form of Exhibit C attached hereto, or in such other form as reasonably may be required by the Governmental Lender all in satisfaction of the requirements of Regulations Section 1.167(k)-3(b)(3) (prior to its withdrawal by T.D. 8473, April 27, 1993) and other regulations of the Governmental Lender and as described in Section 4(b)(ii), including the Tenant Income Certification Form as set forth in Exhibit C .

"Transferred Proceeds" means, with respect to any portion of the Note that is a refunding issue, proceeds that have ceased to be proceeds of a refunded issue and are transferred proceeds of the refunding issue by reason of Section 1.148-9 of the Regulations.

"Unit" means a residential accommodation containing separate and complete facilities for living, sleeping, eating, cooking and sanitation located within the Project.

"Yield" means yield as determined in accordance with section 148(h) of the Code, and generally, is the yield which when used in computing the present worth of all payments of principal and interest to be paid on an obligation produces an amount equal to the Issue Price of such obligation.

Unless the context clearly requires otherwise, as used in this Regulatory Agreement, words of the masculine, feminine or neuter gender shall be construed to include each other gender, and words of the singular number shall be construed to include the plural number, and vice versa. This Regulatory Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The defined terms used in the preamble and recitals of this Regulatory Agreement have been included for convenience of reference only, and the meaning, construction and interpretation of all defined terms shall be determined by reference to this Section 1, notwithstanding any contrary definition in the preamble or recitals hereof. The titles and headings of the sections of this Regulatory Agreement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any

way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Regulatory Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

Section 1A. Acquisition, Rehabilitation and Equipping of the Project. The Owner hereby represents, as of the date hereof, covenants and agrees as follows;

(a) The Owner has incurred, or will incur within 6 months after the Delivery Date, a substantial binding obligation to commence the rehabilitation of Project Facilities, pursuant to which the Owner is or will be obligated to expend at least 5% of the Sale Proceeds of the Note.

(b) The Owner's reasonable expectations respecting the total cost of the acquisition, rehabilitation and equipping of the Project are accurately set forth in the Tax Certificate and any attachments thereto.

(c) The Owner has commenced or will commence the acquisition, rehabilitation and equipping of the Project and will proceed with due diligence to complete the same.

(d) The Owner reasonably expects to expend not less than 85% of the Sale Proceeds of the Note for Project Costs prior to the date that is 3 years after the Delivery Date.

(e) The statements made in the various certificates delivered by the Owner to the Governmental Lender, Bond Counsel and/or the Fiscal Agent are true and correct in all material respects.

(f) The Owner will submit, or cause to be submitted, to the Fiscal Agent, on or before the date of each disbursement of Proceeds of the Note from the Project Fund, if any, held by the Fiscal Agent under the Funding Loan Agreement, a requisition in substantially the form required by the reimbursement documents, duly executed by an Owner Representative and certifying that the full amount of such disbursement will be applied to pay or to reimburse the Owner for the payment of Project Costs and that, after taking into account the proposed disbursement, the aggregate disbursements from the Project Fund will have been applied to pay or to reimburse the Owner for the payment of Qualified Project Costs in an amount equal to 95% or more of the aggregate disbursements from such fund.

(g) The Owner (and any Affiliated Party) will not take or omit to take, as is applicable, any action if such action or omission would in any way cause the Proceeds of the Note to be applied in a manner contrary to the requirements of the Funding Loan Agreement, the Loan Agreement or this Regulatory Agreement. The Owner acknowledges that such requirements have been designed for the purpose of ensuring compliance with the provisions of the Act or the Code applicable to the Owner and the Project.

Section 2. Tax-Exempt Status of the Note. The Owner shall not take any action or omit to take any action which, if taken or omitted, respectively, would adversely affect the excludability of interest on the Note from the gross income (as defined in section 61 of the Code) of the holders of the Note for federal income tax purposes. With the intent not to limit the generality of the foregoing, the Owner covenants and agrees that prior to the final maturity of the Note, unless it has received and filed with the Governmental Lender and the Fiscal Agent a Favorable Opinion of Bond Counsel to the effect that failure to comply with any such covenant or agreement, in whole or in part, will not adversely affect the exclusion from gross income for federal income tax purposes of interest paid or payable on the Note:

(a) The Owner's use of the Net Proceeds of the Note shall at all times satisfy the following requirements:

(i) At least 95% of the Net Proceeds of the Note shall be used to pay Qualified Project Costs that are costs of a "qualified residential rental project" (within the meaning of sections 142(a)(7), 142(d) and 145(d) of the Code and section 1.103-8(b)(4) of the Regulations) and property that is "functionally related and subordinate" thereto (within the meaning of Sections 1.103-8(a)(3) and 1.103-8(b)(4)(iii) of the Regulations), all of which costs shall be properly chargeable to the Project's capital account or would be so chargeable either with a proper election by the Owner or but for a proper election by the Owner to deduct such amounts.

(ii) Less than 25% of the Net Proceeds of the Note actually expended will be used, directly or indirectly, for the acquisition of land or an interest therein. Notwithstanding the immediately preceding sentence no portion of the Net Proceeds of the Note will be used, directly or indirectly, for the acquisition of land or an interest therein to be used for farming purposes.

(iii) No portion of the Net Proceeds of the Note will be used for the acquisition of any existing property or an interest therein unless (i) the first use of such property is pursuant to such acquisition or (ii) the rehabilitation expenditures with respect to any building and the equipment therefor equal or exceed 15% of the cost of acquiring such building financed with the proceeds of the Note (with respect to structures other than buildings, this clause shall be applied by substituting 100% for 15%). For purposes of the preceding sentence, the term "rehabilitation expenditures" shall have the meaning set forth in section 147(d)(3) of the Code.

(iv) The Owner covenants and agrees that the Costs of Issuance financed with the proceeds of the Note shall not exceed 2% of the Sale Proceeds.

(v) The Owner shall not use or permit the use of any Net Proceeds of the Note or any income from the investment thereof to provide any airplane, skybox, or other private luxury box, any facility primarily used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises.

(b) The Owner shall not take any action or omit to take any action with respect to the Gross Proceeds of the Note which, if taken or omitted, respectively, would cause the Note to be classified as an "arbitrage bond" within the meaning of section 148 of the Code.

(c) Except as provided in the Funding Loan Agreement and the Loan Agreement, the Owner shall not pledge or otherwise encumber, or permit the pledge or encumbrance of, any money, investment, or investment property as security for payment of any amounts due under the Loan Agreement relating to the Note, shall not establish any segregated reserve or similar fund for such purpose and shall not prepay any such amounts in advance of the redemption date of an equal principal amount of the Note, unless prior to taking any action described in this subsection (c), the Owner has obtained and delivered to the Fiscal Agent a Favorable Opinion of Bond Counsel.

(d) The Owner shall not, at any time prior to the final maturity of the Note, direct or permit the Fiscal Agent to invest Gross Proceeds of the Note in any Investment (or to use Gross Proceeds to replace money so invested), if as a result of such investment the Yield of all Investments acquired with Gross Proceeds (or with money replaced thereby) on or prior to the date of such

investment exceeds the Yield of the Note to Stated Maturity, except as permitted by section 148 of the Code or as provided in the Tax Certificate.

(e) Except to the extent permitted by section 149(b) of the Code, neither the Governmental Lender nor the Owner shall take or omit to take any action which would cause the Note to be "federally guaranteed" within the meaning of section 149(b) of the Code.

(f) (i) Unless the Owner delivers to the Governmental Lender, the Fiscal Agent and the Noteholder Representative a Favorable Opinion of Bond Counsel that the Owner does not need to comply with this Section 2(f), the Owner shall cause to be delivered, to the Fiscal Agent, within 25 days after each Computation Date:

(A) a statement of the Rebate Amount, if any, as of such Computation Date; and

(B) (1) if such Computation Date is an Installment Computation Date, an amount that, together with any amount then held for the credit of the Rebate Fund, is equal to at least 90% of the Rebate Amount as of such Installment Computation Date, less any "previous rebate payments" made to the United States (as that term is used in the Regulations), or (2) if such Computation Date is the Final Computation Date, an amount that, together with any amount then held for the credit of the Rebate Fund, is equal to the Rebate Amount as of such Final Computation Date, less any "previous rebate payments" made to the United States (as that term is used in the Regulations); and

(C) if a Rebate amount is due, an Internal Revenue Service Form 8038-T properly signed and completed as of such Computation Date.

The foregoing notwithstanding, the Owner shall not be required to deliver the foregoing to the Fiscal Agent if the Owner certifies that the Note are excepted from the requirements of section 148(f) of the Code.

(ii) If the Owner shall discover or be notified as of any date:

(A) that any amount required to be paid to the United States pursuant to this Section 2(f)(ii) and the Funding Loan Agreement has not been paid as required; or

(B) that any payment paid to the United States pursuant to this Section and the Funding Loan Agreement shall have failed to satisfy any requirement of the Regulations (whether or not such failure shall be due to any default by the Owner or the Fiscal Agent), the Owner shall

(X) deliver to the Fiscal Agent (for deposit to the Rebate Fund) and cause the Fiscal Agent to pay to the United States from the Rebate Fund (I) the Rebate Amount that the Owner failed to pay, plus any interest, specified in the Regulations, if such correction payment is delivered to and received by the Fiscal Agent within 175 days after such discovery or notice, or (II) if such correction payment is not delivered to and received by the Fiscal Agent within 175 day after such discovery or

notice, the amount determined in accordance with clause (I) of this subparagraph (X) plus the 50% penalty required by the Regulations; and

(Y) deliver to the Fiscal Agent an Internal Revenue Service Form 8038-T properly signed and completed as of such date.

(iii) The Owner shall retain all of its accounting records relating to the funds established under the Funding Loan Agreement and all calculations made in preparing the statements described in this Section 2(f) for at least 6 years after the date the last Note is discharged.

(iv) The Owner agrees to pay all of the reasonable and actual fees and out-of-pocket expenses of the Rebate Analyst, charged at rates substantially similar to the rate by such party for work of this type which may be Bond Counsel, a certified public accountant and any other necessary consultant employed by the Owner in connection with computing the Rebate Amount.

(g) The Owner covenants and agrees that not more than 50% of the Proceeds of the Note will be invested in Nonpurpose Investments having a substantially guaranteed Yield for four years or more within the meaning of section 149(g)(3)(A)(ii) of the Code, and the Owner reasonably expects that at least 85% of the spendable Proceeds of the Note will be used to carry out the governmental purposes of such issue of Note within the 3-year period beginning on the Closing Date.

(h) The Owner hereby covenants and agrees that the Project will be operated as a "qualified residential rental project" within the meaning of sections 142(a)(7), 142(d), 145(d) of the Code and section 1.103-8(b)(4) of the Regulations, on a continuous basis during the longer of the Qualified Project Period or the period during which the Note remains outstanding, to the end that the interest on the Note shall be excluded from gross income for federal income tax purposes. In particular, the Owner covenants and agrees for the longer of the Qualified Project Period or the period during which the Note remains outstanding, as follows:

(i) The Project Facilities qualify as residential rental property and will be owned, managed and operated at all times during the term specified above as a qualified residential rental project comprised of residential dwelling units and facilities functionally related and subordinate thereto, in accordance with section 142(d) of the Code;

(ii) The Project Facilities will consist of one building or structure or several proximate and interrelated buildings or structures, each of which will be a discrete edifice or other man-made construction consisting of an independent foundation, outer walls and a roof, and all of which (A) will be located on a single tract of land or two or more parcels of land that are contiguous (i.e., their boundaries meet at one or more points) except for the interposition of a road, street, stream or similar property, (B) are owned by the same Person for Federal tax purposes, and (C) were financed pursuant to a common plan;

(iii) Substantially all of the Project will consist of similarly constructed Units together with functionally related and subordinate facilities for use by Project tenants, such as swimming pools, other recreational facilities, parking areas, heating and cooling equipment, trash disposal equipment, units for resident managers, security personnel or maintenance personnel and other facilities that are reasonably required for the Project;

(iv) Each Unit in the Project will contain complete facilities for living, sleeping, eating, cooking and sanitation, e.g., a living area, a sleeping area, bathing and sanitation facilities, and cooking facilities equipped with a cooking range, refrigerator and sink, all of which will be separate and distinct from other Units;

(v) Each Unit in the Project will be rented or available for rental on a continuous basis to members of the general public at all times during the term specified above (unless occupied by or reserved for a resident manager, security personnel or maintenance personnel);

(vi) The Owner will operate and lease the Project in a manner that is consistent with housing policy governing nondiscrimination, as evidenced by rules or regulations of the Department of Housing and Urban Development (HUD), which generally provide that no discrimination can be made on the basis of race, color, religion, sex, national origin, age, familial status, disability and handicap (see HUD handbook 4350.03, or its successor);

(vii) At no time during the term specified above will any Unit in any building or structure in the Project which contains fewer than 5 Units be occupied by the Owner;

(viii) At no time during the term specified above will any of the Units in the Project be utilized on a transient basis by being leased or rented for a period of less than 30 days or by being used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, sanitarium, nursing home, rest home, trailer park or trailer court;

(ix) The land and the facilities will be functionally related and subordinate to the Units comprising the Project and will be of size and character which is commensurate with the size and number of such Units; and

(i) The Owner hereby represents, covenants and agrees, continuously during the Qualified Project Period, as follows:

(i) Forty percent 40% of the Units (except for manager, security personnel and maintenance units that are reasonably required for the Project) (the "Set Aside") within the Project (and any other building which is comprised of similarly constructed Units, will be owned by the Owner for federal income tax purposes, will be located on the same or contiguous tract that is not separated from the Project except by a road, street, stream, or similar property, and is financed by the Note) that are available for occupancy, including expiration or lawful termination of an existing lease, shall be occupied or held vacant and available for occupancy at all times by Low-Income Tenants. For the purposes of this subparagraph (i), a vacant Unit which was most recently occupied by a Low-Income Tenant is treated as rented and occupied by a Low-Income Tenant until reoccupied, at which time the character of such Unit shall be redetermined.

(ii) The Owner shall maintain complete and accurate records pertaining to Low-Income Tenants and file all documents as required by section 142(d) of the Code and this Agreement, including Tenant Income Certifications attached as Exhibit C hereto.

(iii) No tenant qualifying as a Low-Income Tenant shall be denied continued occupancy of a Unit in the Project because, after admission, such tenant's Anticipated Annual Income increases to exceed the qualifying limit for Low-Income Tenants; provided, however, that, should a Low-Income Tenant's Anticipated Annual Income, as of the most recent determination thereof, exceed 140% of the then applicable income limit for

a Low-Income Tenant of the same family size and such Low-Income Tenant constitutes a portion of the Set Aside, the next available Unit of comparable or smaller size must be rented to (or held vacant and available for immediate occupancy by) a Low-Income Tenant and such new Low-Income Tenant will then constitute a portion of the Set Aside requirement of paragraph (i) of this Section 2(i); and provided, further, that, until such next available Unit is rented to a tenant who is a Low-Income Tenant, the former Low-Income Tenant who has ceased to qualify as such shall be deemed to continue to be a Low-Income Tenant for purposes of the requirement of subparagraph (i) of this Section 2(i).

The parties hereto recognize that the requirements stated in Section 2(h) and this Section 2(i) shall continue in effect until the termination of the Qualified Project Period.

(j) The Owner further covenants and agrees to prepare and submit to the Governmental Lender and the Fiscal Agent, no more than 60 days prior to the last day of the Qualified Project Period a certificate setting forth the date on which the Qualified Project Period will end, which certificate shall be in recordable form. The Governmental Lender need not affirmatively consent to the termination of the covenants.

(k) Anything in this Agreement to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that the Governmental Lender and the Fiscal Agent may rely conclusively on the truth and accuracy of any certificate, opinion, notice, representation or instrument made or provided by the Owner in order to establish the existence of any fact or statement of affairs solely within the knowledge of the Owner, and which is required to be noticed, represented or certified by the Owner hereunder or in connection with any filings, representations or certifications required to be made by the Owner in connection with the issuance and delivery of the Note.

(l) The Owner shall provide to the Fiscal Agent, a certificate certifying (i) within 90 days thereof, the date on which 10% of the Units in the Project are occupied; and (ii) within 90 days thereof, the date on which 50% of the Units in each Project are occupied.

Section 3. Modification of Tax Covenants. Subsequent to the issuance of the Note and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Funding Loan Agreement), this Agreement may not be amended, changed, modified, altered or terminated except as permitted in Section 19 and by the Funding Loan Agreement. Anything contained in this Agreement or the Funding Loan Agreement to the contrary notwithstanding, the Governmental Lender, the Fiscal Agent and the Owner, hereby agree upon the written request of one of the parties hereto, to amend this Agreement and, if appropriate, the Funding Loan Agreement and the Loan Agreement, to the extent required, in the written opinion of Bond Counsel delivered to the Governmental Lender, the Owner and the Fiscal Agent, in order for interest on the Note to remain excludable from gross income for federal income tax purposes. The party requesting such amendment shall notify the other parties to this Agreement in writing of the proposed amendment and send a copy of such requested amendment to Bond Counsel. After review of such proposed amendment, Bond Counsel shall render to the Fiscal Agent, the Owner and the Governmental Lender, an opinion to the effect that such amendments are permitted, necessary and sufficient in order to enable compliance with the provisions of the Code such that the interest on the Note will remain excludable from gross income for purposes of federal income taxation. The Owner shall pay all necessary fees and expenses incurred with respect to such amendment, including necessary reasonable and actual attorney's fees and expenses incurred by Bond Counsel in rendering such opinion. The Owner, the Governmental Lender and, where applicable, the Fiscal Agent pursuant to written instructions from the Governmental Lender, shall execute, deliver and, if applicable, the Owner shall file of record, any and all documents and instruments, including without limitation, an amendment to this Regulatory Agreement, necessary to effectuate the intent of this Section 3, and the Owner and the

Governmental Lender hereby appoint the Fiscal Agent as their true and lawful attorney-in-fact to execute, deliver and, if applicable, file of record on behalf of the Owner or the Governmental Lender, as is applicable, any such document or instrument (in such form as may be approved by and upon instruction of Bond Counsel) if either the Owner or the Governmental Lender defaults in the performance of its obligation under this Section 3; provided, however, that the Fiscal Agent shall take no action under this Section 3 without first notifying the Owner or the Governmental Lender, as is applicable, in writing of its intention to take such action and providing the Owner or the Governmental Lender, as is applicable, 10 Business Days after delivery of such notice to comply with the requirements of this Section 3.

Section 4. Residential Development. The Governmental Lender and the Owner hereby recognize and declare their understanding and intent that the Project is to be owned, managed and operated as a "residential development," as such term is defined in Section 394.003(13) of the Act, and in compliance with applicable restrictions and limitations as provided in the Act and the rules of the Governmental Lender, until the expiration of the Qualified Project Period or for as long as any portion of the Note remains outstanding and unpaid, whichever is longer.

(a) The Owner hereby represents, as of the date hereof, and covenants and agrees for the term of this Regulatory Agreement that at least 90% of the Units shall be rented to Eligible Tenants and that the Owner shall not rent or lease any Unit to a person not an Eligible Tenant if such rental would cause less than 90% of the Units to be rented to Eligible Tenants.

(b) The Owner hereby represents, covenants and agrees as follows:

(i) To assure that 40% of the occupied Units at the Project are occupied at all times by Low-Income Tenants;

(ii) To obtain a Tenant Income Certification from each tenant in the Project not later than the date of such tenant's initial occupancy of a Unit in the Project and to maintain a file of all such Tenant Income Certifications, together with all supporting documentation, for a period of not less than 3 years following the end of the Qualified Project Period;

(iii) To obtain from each tenant in the Project, at the time of execution of the lease pertaining to the Unit occupied by such tenant, a written certification, acknowledgment and acceptance that (A) such lease is subordinate to the Security Instrument and this Regulatory Agreement, (B) all statements made in the Tenant Income Certification submitted by such tenant are accurate, (C) the family income and eligibility requirements of this Agreement and the Loan Agreement are substantial and material obligations of tenancy in the Project, (D) such tenant will comply promptly with all requests for information with respect to such requirements from the Owner, the Fiscal Agent and the Governmental Lender, and (E) failure to provide accurate information in the Tenant Income Certification or refusal to comply with a request for information with respect thereto will constitute a violation of a substantial obligation of the tenancy of such tenant in the Project;

(iv) To cause to be prepared and submitted to the Governmental Lender for the first calendar quarter that includes the 1st day of the Qualified Project Period, and thereafter for each calendar quarter by the 25th calendar day of each January, April, July, and October, as applicable, or other quarterly schedule as determined by the Governmental Lender, a certified Compliance Monitoring Report and Occupancy Summary in a form attached hereto as Exhibit D or at the

reasonable request of the Governmental Lender in such other form provided by the Governmental Lender from time to time;

(v) To the extent legally permissible and subject to the rights of tenants to permit any duly authorized representative of the Governmental Lender or the Fiscal Agent (without any obligation to do so) to inspect the books and records of the Owner pertaining to the Project or the incomes of Project tenants, including but not limited to tenant files, during regular business hours and to make copies therefrom if so desired and file such reports as are necessary to meet the Governmental Lender's requirements; and

(vi) The Owner will obtain a Tenant Income Certification from each tenant at least annually after the tenant's initial occupancy or as otherwise directed by the Governmental Lender in writing.

Section 5. [Reserved].

Section 6. Consideration. The Governmental Lender has issued the Note to provide funds to make the Loan to finance the Project, all for the purpose, among others, of inducing the Owner to acquire the Project Site, construct, equip and operate the Project. In consideration of the issuance of the Note by the Governmental Lender, the Owner has entered into this Regulatory Agreement and has agreed to restrict the uses to which this Project can be put on the terms and conditions set forth herein.

Section 7. Reliance. The Governmental Lender, the Fiscal Agent and the Owner hereby recognize and agree that the representations and covenants set forth herein may be relied upon by all persons interested in the legality and validity of the Note, and in the excludability from gross income for purposes of federal income taxation of the interest on the Note. In performing their duties and obligations hereunder, the Governmental Lender and the Fiscal Agent may rely upon statements and certificates of the Low-Income Tenants and the Owner and upon audits of the books and records of the Owner pertaining to the Project. In addition, the Governmental Lender, the Owner and the Fiscal Agent may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Governmental Lender, the Owner or the Fiscal Agent hereunder in good faith and in conformity with such opinion. In determining whether any default by the Owner exists under this Regulatory Agreement, the Fiscal Agent shall not be required to conduct any investigation into or review of the operations or records of the Owner and may rely on any written report, notice or certificate delivered to the Fiscal Agent by any Person retained to review the Owner's compliance with this Regulatory Agreement or by the Owner or the Governmental Lender with respect to the occurrence or absence of a default which it shall in good faith believe to be genuine and to have been passed or signed by the proper person.

Section 8. Project in Austin, Texas. The Owner hereby represents that the Project is located entirely within the Austin, Texas.

Section 9. Sale or Transfer of the Project. The Owner covenants and agrees not to sell, transfer or otherwise dispose of the Project prior to the expiration of the Qualified Project Period or the date on which the Note have been paid in full, whichever is later, without (i) complying with any applicable provisions of the Loan Agreement and this Regulatory Agreement, and (ii) obtaining the prior written consent of the Governmental Lender. Such consent of the Governmental Lender shall not be unreasonably withheld or delayed and shall be given if all conditions to the sale set forth in the Loan Agreement and this Regulatory Agreement are met or are waived in writing by the Governmental Lender, including (1) there is delivered to the Fiscal Agent and the Governmental Lender a written Opinion of Counsel reasonably satisfactory to the Fiscal Agent and the Governmental Lender, addressed to the Fiscal Agent and the Governmental Lender concluding that the transferee has duly assumed all of the rights and obligations of

the Owner under the Loan Agreement (to the extent still in effect) and this Regulatory Agreement and that each of the documents executed by the transferee in connection therewith has been duly authorized, executed and delivered by the transferee and is a valid and enforceable obligation of the transferee, subject to customary qualifications, (2) the Fiscal Agent and the Governmental Lender receives a Favorable Opinion of Bond Counsel, which opinion shall be furnished at the expense of the Owner or the transferee, regarding such sale, transfer or disposition, (3) the proposed purchaser or assignee executes any document reasonably requested by the Governmental Lender with respect to assuming the obligations of the Owner under the Loan Agreement (to the extent still in effect) and this Regulatory Agreement, and (4) the Governmental Lender shall not have any reason to believe that the purchaser or assignee is incapable, financially or otherwise, of complying with, or may be unwilling to comply with, the terms of all agreements and instruments binding on such proposed purchaser or assignee relating to the Project, including but not limited to the Loan Agreement (to the extent still in effect) and this Regulatory Agreement. The Owner hereby expressly stipulates and agrees that any sale, transfer or other disposition of the Project in violation of this subsection shall be ineffective to relieve the Owner of its obligations under this Agreement. Upon any sale, transfer or other disposition of the Project in compliance with this Agreement, the Owner so selling, transferring or otherwise disposing of the Project shall have no further liability for obligations under the Loan Agreement or this Regulatory Agreement arising after the date of such disposition. The foregoing notwithstanding, the duties and obligations of the Owner as set forth in the Loan Agreement and this Regulatory Agreement with respect to matters arising prior to the date of such sale, transfer or other disposition shall not terminate upon the sale, transfer or other disposition of the Project. The foregoing restrictions on transfer shall not apply to foreclosures, deeds in lieu of foreclosure, transfer by exercise of the power of sale or other similar transfer. The foregoing restrictions on transfer shall not apply to foreclosures, deeds in lieu of foreclosure, transfer by exercise of the power of sale or other similar transfer. The foregoing restriction on transfers shall not apply to transfers permitted in Article 2.08 of the Funding Loan Agreement, except that the Governmental Lender shall receive a favorable Opinion of Bond Counsel. Any such sale or transfer shall be subject to the Governmental Lender's multifamily rules.

The Owner shall not change or cause to be changed the general partner of the Owner (or cause the Owner to have more than one general partner) without the prior written consent of the President, Vice President or Treasurer of the Governmental Lender, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, the limited partner of the Owner may transfer its ownership interests in the Owner at any time and may transfer within the limited partner at any time, the general partner or the [Class B Limited Partner] of the Owner may be removed and replaced by any partner or member of the Owner or any of its affiliates, in accordance with the Owner's Amended and Restated Agreement of Limited Partnership, as it may be amended from time to time, and subject to the satisfaction of the requirements of the Loan Agreement, and the general partner may transfer its ownership interest in the Owner to a nonprofit corporation.

Section 10. Term. This Regulatory Agreement and all and each of the provisions hereof shall become effective upon its execution and delivery, shall remain in full force and effect for the periods provided herein and, except as otherwise provided in this Section 10, shall terminate in its entirety at the end of the Qualified Project Period, it being expressly agreed and understood that the provisions hereof are intended to survive the retirement of the Note, discharge of the Loan, termination of the Loan Agreement and defeasance or termination of the Funding Loan Agreement; *provided*, *however*, that after the date on which no Note remain Outstanding, as provided in the Funding Loan Agreement, the Fiscal Agent shall no longer have any duties or responsibilities under this Regulatory Agreement, shall not be deemed a party to this Regulatory Agreement, and all references to the Fiscal Agent in this Regulatory Agreement shall be deemed references to the Governmental Lender.

The terms of this Regulatory Agreement to the contrary and notwithstanding, this Regulatory Agreement, the Loan Agreement and the Funding Loan Agreement shall terminate, without the requirement of any consent by the Governmental Lender and the Fiscal Agent, and be of no further force and effect in

the event of involuntary noncompliance with the provisions of this Regulatory Agreement caused by fire, seizure, requisition, change in a federal law or an action of a federal agency after the Delivery Date which prevents the Governmental Lender or the Fiscal Agent from enforcing the provisions hereof, or foreclosure or transfer of title by deed in lieu of foreclosure or exercise of the power of sale, condemnation or a similar event, but only if, within a reasonable period thereafter, either the Note are retired in full or amounts received as a consequence of such event are used to provide a qualified residential rental project which meets the requirements of the Code set forth in Sections 1A through 4 of this Regulatory Agreement and the Act. The provisions of the preceding sentence shall cease to apply and the requirements referred to therein shall be reinstated if, at any time during the Qualified Project Period after the termination of such requirements as a result of involuntary noncompliance due to foreclosure, transfer of title by deed in lieu of foreclosure or exercise of power of sale or similar event, the Owner or any related Person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for federal income tax purposes. The Governmental Lender shall not be required to consent to termination of this Regulatory Agreement for any reason other than those specified above.

Upon the termination of the terms of this Regulatory Agreement, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof; provided, however, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Agreement in accordance with its terms. All costs, including reasonable and actual fees and expenses of the Governmental Lender and the Fiscal Agent, incurred in connection with the termination of this Regulatory Agreement shall be paid by the Owner and its successors in interest.

Section 11. Covenants To Run With the Land. The Owner hereby subjects the Project to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The Governmental Lender, the Fiscal Agent and the Owner hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Owner's successors in title to the Project; provided, however, that upon the termination of this Agreement said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

No breach of any of the provisions of this Regulatory Agreement shall impair, defeat or render invalid the lien of any mortgage, deed of trust or like encumbrance made in good faith and for value encumbering the Project or any portion thereof.

Section 12. Burden and Benefit. The Governmental Lender, the Fiscal Agent and the Owner hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the land in that the Owner's legal interest in the Project is rendered less valuable thereby. The Governmental Lender, the Fiscal Agent and the Owner hereby further declare their understanding and intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Project by Low-Income Tenants, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Note were issued.

Section 13. Uniformity; Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project in order to establish and carry out a common plan for the use, development and improvement of the Project Site.

Section 14. Default; Enforcement. If the Owner defaults in the performance or observance of any covenant, agreement or obligation of the Owner set forth in this Regulatory Agreement, and if such default remains uncured for a period of 60 days after written notice thereof shall have been given by the

Governmental Lender or the Fiscal Agent to the Owner in accordance with the Funding Loan Agreement, then the Fiscal Agent, acting on its own behalf or on behalf of the Governmental Lender, provided a Responsible Officer of the Fiscal Agent actually knows of such default pursuant to written notification, shall declare an "Event of Default" to have occurred hereunder; provided, further, however, that, if the default stated in the notice is of such a nature that it cannot be corrected within 60 days, such default shall not constitute an Event of Default hereunder so long as (i) the Owner institutes corrective action within said 60 days and diligently pursues such action until the default is corrected, and (ii) in the written opinion of Bond Counsel delivered to the Fiscal Agent, the failure to cure said default within 60 days will not adversely affect the exclusion from gross income of interest on the Note for federal income tax purposes. The Governmental Lender and the Fiscal Agent agree that a cure of any Event of Default made or tendered by any partner or member of Owner, or a guarantor of any of Owner's obligations, shall be deemed to be a cure by the Owner and shall be accepted or rejected on the same basis as if tendered by Owner.

Following the declaration of an Event of Default hereunder, the Fiscal Agent, subject to being indemnified to its satisfaction with respect to the costs and expenses of any proceeding, or the Governmental Lender may, at its option, take any one or more of the following steps:

(i) by mandamus or other suit, action or proceeding for specific performance, including injunctive relief, require the Owner to perform its obligations and covenants hereunder or enjoin any acts or things which may be unlawful or in violation of the rights of the Governmental Lender or the Fiscal Agent hereunder;

(ii) have access to and inspect, examine and make copies of all of the books and records of the Owner pertaining to the Project; and

(iii) take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Owner hereunder.

The Owner hereby agrees that specific enforcement of the Owner's agreements contained herein is the only means by which the Governmental Lender and the Fiscal Agent may obtain the benefits of such agreements made by the Owner herein, and the Owner therefore agrees to the imposition of the remedy of specific performance against it in the case of any Event of Default by the Owner hereunder.

All rights and remedies herein given or granted to the Governmental Lender and the Fiscal Agent are cumulative, nonexclusive and in addition to any and all rights and remedies that the Governmental Lender and the Fiscal Agent may have or may be given by reason of any law, statute, ordinance, document or otherwise. Notwithstanding the availability of the remedy of specific performance provided for in this Section 14, promptly upon determining that a violation of this Regulatory Agreement has occurred, the Governmental Lender shall to the extent that it has actual knowledge thereof, give written notice to the Fiscal Agent and the Owner that a violation of this Regulatory Agreement has occurred.

Section 15. The Fiscal Agent. The Fiscal Agent shall act as specifically provided herein and in the Funding Loan Agreement. No implied covenants shall be read into this Agreement against the Fiscal Agent. Subject to the right of the Fiscal Agent to be indemnified as provided in the Funding Loan Agreement and Loan Agreement, the Fiscal Agent shall act as the agent of and on behalf of the Governmental Lender when requested in writing by the Governmental Lender to do so, and any act required to be performed by the Governmental Lender as herein provided shall be deemed taken if such act is performed by the Fiscal Agent. The Fiscal Agent is entering into this Regulatory Agreement solely in its capacity as Fiscal Agent under the Funding Loan Agreement, and the duties, powers, rights and obligations of the Fiscal Agent in acting hereunder shall be subject to the provisions of the Funding Loan Agreement, including, without limitation, the provisions of Article VII thereof, which are incorporated by reference herein. The incorporated provisions of the Funding Loan Agreement are intended to survive the retirement

of the Note, discharge of the Loan and Security Instrument, termination of the Loan Agreement and defeasance or termination of the Funding Loan Agreement, and the resignation or removal of the Fiscal Agent.

Neither the Fiscal Agent nor any of its officers, directors or employees shall be liable for any action taken or omitted to be taken by it or them hereunder or in connection herewith except for its or their own gross negligence, fraud or willful misconduct as finally adjudicated by a court of competent jurisdiction. No provision of this Regulatory Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder, in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that the payment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Fiscal Agent shall receive and hold all documents prepared by the Owner and furnished to the Fiscal Agent but shall not be responsible for any act or omission of the Owner under this Regulatory Agreement. The Fiscal Agent shall notify the Governmental Lender and the Owner in writing if the Fiscal Agent does not receive any document from the Owner at the time required under this Regulatory Agreement. The Fiscal Agent may conclusively rely on and shall be protected in acting or omitting to act in good faith upon the certificates and other writings, which materially conform on their face to the requirements of this Regulatory Agreement, as the Fiscal Agent may receive in connection with the administration of its obligation hereunder and has no duty or obligation to make an independent investigation with respect thereto.

Section 16. Recording and Filing. The Owner shall cause this Regulatory Agreement, and all amendments and supplements hereto and thereto, to be recorded and filed in the real property records of Travis County, Texas and in such other places as the Governmental Lender or the Fiscal Agent may reasonably request. The Owner shall pay all fees and charges incurred in connection with any such recording. This Agreement is subject to and subordinate to all matters of record as of the date hereof.

Section 17. Reimbursement of Expenses. Notwithstanding any prepayment of the Loan or redemption of the Note and notwithstanding a discharge of the Funding Loan Agreement, throughout the term of this Regulatory Agreement, the Owner shall continue to pay to the Governmental Lender and the Fiscal Agent reimbursement for all fees and expenses actually incurred thereby required to be paid to the Governmental Lender and the Fiscal Agent by the Owner pursuant to the Loan Agreement.

Section 18. Governing Law. This Regulatory Agreement shall be governed by the laws of the State (other than in respect of conflicts of laws). The Fiscal Agent's rights, duties, powers and obligations hereunder are governed in their entirety by the terms and provisions of this Agreement and the Funding Loan Agreement.

Section 19. Amendments. Subject to the provisions of Section 3 hereof, this Regulatory Agreement shall be amended only by a written instrument executed by the parties hereto, or their successors in title and duly recorded in the real property records of Travis County, Texas and only upon receipt by the Governmental Lender, the Owner and the Fiscal Agent of a Favorable Opinion of Bond Counsel regarding such amendment.

Section 20. Notices. Any notice required to be given hereunder to the Governmental Lender and the Fiscal Agent, or the Owner and its limited partner shall be given in the manner and to the address as set forth in the Funding Loan Agreement.

Section 21. Severability. If any provision of this Regulatory Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

Section 22. Multiple Counterparts. This Regulatory Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 23. Authorization to Act for Governmental Lender. To the extent allowed by law, the Governmental Lender may authorize the Owner to take on behalf of the Governmental Lender actions required or permitted to be taken by it hereunder, or under the Funding Loan Agreement and the Loan Agreement and to make on behalf of the Governmental Lender all elections and determinations required or permitted to be made by the Governmental Lender hereunder or under the Funding Loan Agreement and the Loan Agreement. In addition, to the extent allowed by law, the Governmental Lender may authorize the Owner to exercise, on behalf of the Governmental Lender, any election with respect to the Note pursuant to the Code or the Regulations, and in such case, the Governmental Lender will cooperate with the Owner and execute any form of statement required by the Code or the Regulations required to effectuate any such election. Any authorization by the Governmental Lender under this Section 23 shall be in writing.

Section 24. Lease Addendum. All tenant leases shall have attached to them a lease addendum as set forth in Exhibit F.

Section 25. Incorporation of Freddie Mac Rider. The provisions of the Freddie Mac Rider attached hereto as Exhibit E are incorporated by reference as if fully set forth herein. In the event of a conflict between provisions of the Freddie Mac Rider and the provisions of this Agreement, the provisions of the Freddie Mac Rider shall control. The provisions of the Freddie Mac Rider shall be terminated automatically and without further action required of any party hereto, the Loan Servicer, or Freddie Mac following the Freddie Mac Purchase Date (as defined in the Funding Loan Agreement) upon the earlier of (a) the date the Governmental Note is paid in full, retired, or otherwise discharged and (b) the date neither the Loan Servicer nor Freddie Mac is the Funding Lender or Funding Lender Representative.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Governmental Lender, the Fiscal Agent and the Owner have executed this Regulatory Agreement by duly authorized representatives, all as of the date first above written.

AUSTIN HOUSING FINANCE CORPORATION

By:_____
Name: Deletta Dean
Title: Treasurer

ACKNOWLEDGMENT

STATE OF TEXAS)
) SS
COUNTY OF TRAVIS)

I, _____, a Notary Public, do hereby certify that Deletta Dean, personally known to me to be the same person whose name is, as Treasurer of Austin Housing Finance Corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that she, being thereunto duly authorized, signed, and delivered the said instrument as the free and voluntary act of said entity and as her own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _____ day of _____, 2026.

_____
Notary Public in and for
the State of Texas

(SEAL)

My commission expires:

UMB BANK, N.A.,
as Fiscal Agent

By: _____
Name:
Title:

ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

I, _____, a Notary Public, do hereby certify that _____, personally known to me to be the same person whose name is, as a _____ of UMB Bank, N.A., subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that he, being thereunto duly authorized, signed, and delivered the said instrument as the free and voluntary act of said entity and as his own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _____ day of _____, 2026.

_____
Notary Public in and for
the State of _____

(SEAL)

My commission expires:

ELM RIDGE PRESERVATION, LP,
a Texas limited partnership

By: _____
Name: Josh Plattner
Title: Authorized Signatory

ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

I, _____, a Notary Public, do hereby certify that Josh Plattner, personally known to me to be the same person whose name is, as authorized signatory of Elm Ridge Preservation, LP, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that he, being thereunto duly authorized, signed, and delivered the said instrument as the free and voluntary act of said entity and as his own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _____ day of _____, 2026.

_____
Notary Public in and for
the State of _____

(SEAL)

My commission expires:

EXHIBIT A

Legal Description for Title Commitment

EXHIBIT B

PROJECT AND OWNER

Owner:	Elm Ridge Preservation, LP
Project Site:	1190 Airport Boulevard, Austin, Texas 78702
Project Facilities:	Approximately 130-units.

EXHIBIT C

TENANT INCOME CERTIFICATION

Austin Housing Finance Corporation
Multifamily Housing Revenue Note
(Elm Ridge Apartments),
Series 2026

PART V. DETERMINATION OF INCOME ELIGIBILITY

INCOME CERTIFICATION

☐ Initial Certification ☐ Recertification ☐ Other* _____

Effective Date: _____
Move-in Date: _____ (MM/DD/YYYY)
*Transfer from Unit: _____

PART I – DEVELOPMENT DATA

Property _____ County: _____ BIN #: _____
Name: AHFC# _____ Unit Number: _____ # Bedrooms: _____

PART II. HOUSEHOLD COMPOSITION

HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	Student Status *(circle one)*	Last 4 digits of Social Security Number
1			HEAD		FT / PT / NA	
2					FT / PT / NA	
3					FT / PT / NA	
4					FT / PT / NA	
5					FT / PT / NA	
6					FT / PT / NA	
7					FT / PT / NA	

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
TOTALS	$	$	$	$

Add totals from (A) through (D) above — TOTAL INCOME (E): $

PART IV. INCOME FROM ASSETS

HH Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
		TOTALS:	$	$

Enter Column (H) Total If over $5000 $ _____ — Passbook Rate *X* .06% (effective 2/1/2015) = (J) Imputed Income $

Enter the greater of the total of column I, or J: imputed income — **TOTAL INCOME FROM ASSETS (K)** $

(L) Total Annual Household Income from all Sources [Add (E) + (K)] $

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

Signature	*(Date)*	Signature	*(Date)*
Signature	*(Date)*	Signature	*(Date)*

Supplement to the Income Certification

Unit #: _____ **Date:** _____

See below for Ethnicity, Race, and Other codes that characterize household composition. **Enter both Ethnicity and Race** codes for each household member, if applicable. Also indicate if an individual in the household is elderly and/or disabled.

HH Mbr #	Sex – enter M or F	Age	Ethnicity	Race	Elderly Enter Y or N	Disabled Enter Y or N
1						
2						
3						
4						
5						
6						
7						

The AHFC requests this information in order to comply with HUD's required reporting requirements. Although AHFC would appreciate receiving this information, you may choose not to furnish it. You may not be discriminated against on the basis of this information, or on whether or not you choose to furnish it. If you do not wish to furnish this information, please initial below.

RESIDENT/APPLICANT: I do not wish to furnish information regarding ethnicity, race, sex, age and other household composition.
(*Initials*) _____

The following Ethnicity codes should be used:	**The following Race codes should be used:**
A Hispanic	A White
B Not Hispanic	B Black/African American
	C Asian
	D American Indian/Alaska Native
	E Native Hawaiian/Other Pacific Islander
	F American Indian/Alaska Native & White
	G Asian & White
	H Black/African American & White
	I American Indian/Alaska Native & Black/African American
	J Other Multi Racial

DEFINITIONS

Ethnic categories:

A. Hispanic – A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. Terms such as "Latino" or "Spanish Origin" apply to this category.

B. Not Hispanic – A person not of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.

Racial categories:

A. White – A person having origins in any of the original peoples of Europe, the Middle East, or North Africa.

B. Black/African American – A person having origins in any of the black racial groups of Africa. Terms such as "Haitian" or "Negro" apply to this category.

C. Asian – A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.

D. American Indian/Alaskan Native – A person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.

E. Native Hawaiian/Other Pacific Islander – A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

Note: The remaining racial categories (F-I) are multi racial categories made up of combinations of the single race categories defined above (A-E). If the appropriate multi-racial category is not listed, use the "Other Multi Racial" (J) category.

Disabled:

- A physical or mental impairment which substantially limits one or more major life activities; a record of such an impairment; or being regarded as having such an impairment. For a definition of "physical or mental impairment" and other terms used in this definition, please see 24 CFR 100.201.

"Handicap" does not include current, illegal use of or addiction to a controlled substance.

EXHIBIT D

COMPLIANCE MONITORING REPORT

TO: Austin Housing Finance Corporation
1000 E. 11th Street
Austin, Texas 78702
Attention: Program Manager

UMB Bank, N.A., as Fiscal Agent
6034 West Courtyard Drive, Suite 370
Austin, Texas 78730
Attention: Corporate Trust Department

Austin Housing Finance Corporation
Multifamily Housing Revenue Note
(Elm Ridge Apartments)
Series 2026

Elm Ridge Preservation, LP (the "Owner") and Elm Ridge BD II LLC (the "Administrative Member"), hereby represent and warrant that:

1. A review of the activities of the Owner during the period of _____ through _____ and of the Owner's performance under the Project Loan Agreement and the Regulatory Agreement (as each is defined below), has been made by the Administrative Member and reviewed by [Bel Dev MM, LLC] (the "Managing Member") on behalf of the Owner.

2. The Owner owns Elm Ridge Apartments (the "Development").

3. The Development was financed, in substantial part, as a result of the loan of the proceeds of the above-captioned Note (the "Note") from the Austin Housing Finance Corporation (the "Issuer" or "Governmental Lender") to the Owner.

4. The Administrative Member has read and are thoroughly familiar with the provisions of (1) the Regulatory Agreement and Land Use Restriction Agreement (the "Regulatory Agreement"), dated as of November 1, 2026, among the Owner, the Governmental Lender and UMB Bank, N.A., as Fiscal Agent (the "Fiscal Agent"); and (2) the Project Loan Agreement, dated as of November 1, 2026, among the Owner, the Fiscal Agent and the Governmental Lender (the "Project Loan Agreement"). The Regulatory Agreement was executed, delivered, and recorded against the Development in connection with the issuance of the Note. Hereinafter, unless otherwise expressly provided herein or unless the context requires otherwise, the capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Regulatory Agreement.

5. The Development's Qualified Development Period with respect to the Development is the period beginning on the first day on which 10 percent of the residential units in the Development are occupied and ending on the later of (i) the date which is 15 years after the date on which 50 percent of the residential units in the Development are occupied, (ii)

the first date on which no tax-exempt private activity note issued with respect to the Development are outstanding, or (iii) the first date on which the Development no longer receives assistance under Section 8 of the United States Housing Act of 1937, as amended. The Qualified Development Period began on _____, 20__.

6. For the entire Qualified Development Period, at least 40% of the Units at each Development Facility shall at all times be rented to and occupied by Low Income Tenants.

7. As of the end date of the period covered by this Compliance Monitoring Report, the following percentages of completed Units in the Development (i) were occupied by Low Income Tenants or (ii) were vacant and held available for such occupancy by Low Income Tenants:

Occupied by Low Income Tenants: ____ percent

Held vacant for occupancy continuously since last occupied by Low Income Tenant: ____ percent

8. At no time since the date of filing of the last Compliance Monitoring Report has less than all of the units in the Development been occupied by or, if vacant, been last occupied by Low Income Tenants, provided that any vacant units must have been last occupied by Low-Income Tenants.

9. To the best knowledge of the Administrative Member, after due inquiry, (i) as of the end of the period covered by this Compliance Monitoring Report, all completed Units were rented or available for rental on a continuous basis to members of the general public, and (ii) the Owner is not now and has not been in default under the terms of the above-referenced Regulatory Agreement and, to the best knowledge of the undersigned, no Determination of Taxability has occurred with respect to the Note.

10. (If the Owner is in default under the terms of the Regulatory Agreement or the Owner has actual knowledge of a Determination of Taxability with respect to the Note, such knowledge should be detailed here:)

11. The Owner has not transferred any interest in the Development since the date of submission of the Compliance Monitoring Report last submitted to the Fiscal Agent and the Governmental Lender with respect to the Development. (If the Owner has transferred any interest in the Development, such transfer should be detailed here:)

Attached is a separate sheet (the "Occupancy Summary") listing, among other items, the percentage of units which are occupied by Low Income Tenants and which became Low Income Units since the filing of the last Compliance Monitoring Report. The information contained thereon is, to the best knowledge of the Owner and the Administrative Partner (based upon information supplied by tenants of the Development), true and accurate.

[Signature Page Follows]

OWNER:

ELM RIDGE PRESERVATION, LP,
a Texas limited partnership

By: _____
Name: Josh Plattner
Title: Authorized Signatory

ADMINISTRATIVE MEMBER:

ELM RIDGE BD II LLC
a Delaware limited liability company

By: _____
Name:
Title: Authorized Signatory

OCCUPANCY
SUMMARY AS OF .....

$33,000,000
AUSTIN HOUSING FINANCE CORPORATION
MULTIFAMILY HOUSING REVENUE NOTE
(ELM RIDGE APARTMENTS),
SERIES 2026

PROJECT NAME: **Elm Ridge Apartments**

PROJECT LOCATION: Located at approximately
1190 Airport Boulevard
Austin, Texas 78702

I.D.#: Page_ of_

TOTAL NO. UNITS: ____ REQ'D NO. LOW INCOME UNITS: ____

TOTAL UNITS OCCUPIED:
TOTAL LOW INCOME OCCUPIED:
(PERCENTAGE: %)

PREPARED AND SUBMITTED BY:

_____

Phone:.....

Date: .....

Number of Low Income Tenants commencing occupancy this month/quarter:

Number of Low Income Tenants whose Adjusted Income exceeded 140% of the applicable income limit for a Low Income Tenant of the same family size this month/quarter:

Number of Low Income Tenants terminating occupancy this month/quarter:

For Period_____through _____

EXHIBIT E

FREDDIE MAC RIDER

Freddie Mac Rider to Regulatory Agreement – TEL

(Revised 6-27-2023)

THIS FREDDIE MAC RIDER ("**Rider**") is attached to and forms a part of the Regulatory and Land Use Restriction Agreement ("**Regulatory Agreement**"), dated as of [DATE], by and among Austin Housing Finance Corporation ("**Governmental Lender**"), UMB Bank, N.A., as fiscal agent (together with any successor in such capacity, the "**Fiscal Agent**"), and Elm Ridge Preservation, LP (together with any successor to its rights, duties and obligations hereunder and as owner of the Project identified herein, the "**Owner**").

1. **Definitions**. The terms used in this Rider (except as herein otherwise expressly provided or unless the context otherwise requires) shall have the respective meanings specified below. Terms used herein not otherwise defined shall have the respective meanings set forth in the Regulatory Agreement and the Funding Loan Agreement, as applicable.

"**Delivery Date**" means [DATE OF CLOSING].

"**Freddie Mac**" means the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States, and its successors and assigns.

"**Funding Lender**" means any Person who is the holder of the Governmental Note, initially the Initial Funding Lender and on the Freddie Mac Purchase Date, Freddie Mac, and any successors or assigns thereof.

"**Funding Loan Agreement**" means the Funding Loan Agreement, dated as of November 1, 2026, by and among Governmental Lender, Initial Funding Lender, and Fiscal Agent, as such Funding Loan Agreement may be amended, restated, supplemented or otherwise modified from time to time.

"**Governmental Note**" means the Austin Housing Finance Corporation Multifamily Housing Revenue Note (Elm Ridge Apartments), Series 2026, dated the Delivery Date, executed by Governmental Lender and authenticated by Fiscal Agent in favor of Initial Funding Lender, pursuant to the Funding Loan Agreement, as the same may be amended, restated, supplemented or otherwise modified from time to time, or any note executed in substitution therefor, as such substitute note may be amended, restated, supplemented or otherwise modified from time to time, and together with all addenda thereto.

"**Initial Funding Lender**" means Berkadia Commercial Mortgage LLC.

"**Loan Servicer**" means any entity appointed by Funding Lender Representative to service the Loans and any successor in such capacity as appointed by Funding Lender Representative pursuant to Section 3.02 of the Project Loan Agreement. Initially, Loan Servicer shall be Berkadia Commercial Mortgage LLC.

"**Project**" means, collectively, the Land, Improvements, and Fixtures (each as defined in the Security Instrument).

"**Project Loan**" means the loan from Governmental Lender to Borrower pursuant to the Project Loan Documents, which Project Loan is to be assigned to Fiscal Agent as security for the Funding Loan.

"**Project Loan Agreement**" means the Project Loan Agreement, dated as of November 1, 2026, among Borrower, Governmental Lender, and Fiscal Agent, as such Project Loan Agreement may be amended, restated, supplemented or otherwise modified from time to time.

"**Project Loan Documents**" means the Security Instrument, the Project Note, the Project Loan Agreement, the Regulatory Agreement, the Assignment, the Continuing Covenant Agreement, any Subordination Agreement(s) and any and all other instruments and other documents evidencing, securing, or otherwise relating to the Project Loan or any portion thereof.

"**Project Note**" means the Project Note – Fixed Rate – TEL (Immediate), dated the Delivery Date, executed by Borrower in favor of Governmental Lender, evidencing Borrower's payment obligations in respect of the Project Loan, and endorsed by Governmental Lender to Fiscal Agent as security for the Funding Loan, as the same may be amended, restated, supplemented or otherwise modified from time to time, or any note executed in substitution therefor, as such substitute note may be amended, restated, supplemented or otherwise modified from time to time, and together with all riders and addenda thereto.

"**Security Instrument**" means the Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of the Delivery Date, granting a first priority mortgage and security interest in the Project in favor of the Governmental Lender, as the same may be amended, restated, supplemented or otherwise modified from time to time, or any instrument executed in substitution therefor, as such substitute instrument may be amended, restated, supplemented or otherwise modified from time to time, and together with all riders and addenda thereto.

2. **Applicability**. The provisions of this Rider shall amend and supplement the provisions of, and in the event of a conflict shall supersede the conflicting provisions of, the Regulatory Agreement.

3. **Indemnification**. Inasmuch as the covenants, reservations and restrictions of the Regulatory Agreement run with the land, the indemnification obligations of Owner contained in the Regulatory Agreement will be deemed applicable to any successor in interest to Owner, but, it is acknowledged and agreed, notwithstanding any other provision of the Regulatory Agreement to the contrary, that neither Funding Lender nor any successor in interest to Funding Lender will assume or take subject to any liability for the indemnification obligations of Owner for acts or omissions of Owner prior to any transfer of title to Freddie Mac, whether by foreclosure, deed in lieu of foreclosure or comparable conversion of the Project Loan. Borrower shall remain liable under the indemnification provisions for its acts and omissions prior to any transfer of title to Funding Lender. Funding Lender shall indemnify Governmental Lender following acquisition of the Project by Funding Lender, by foreclosure, deed in lieu of foreclosure or comparable conversion of the Project Loan, during, and only during, any ensuing period that Funding Lender owns and operates the Project, provided that Funding Lender's liability shall be strictly limited to acts and omissions of Funding Lender occurring during the period of ownership and operation of the Project by Funding Lender. Funding Lender shall have no indemnification obligations with respect to the Governmental Note or the Project Loan Documents. Owner shall remain liable under the Regulatory Agreement for its actions and omissions prior to any transfer of title to Funding Lender.

4. **Sale or Transfer**. None of the following shall apply to any transfer of title to the Project to Funding Lender or to a third party by foreclosure, deed in lieu of foreclosure or comparable conversion of the Project Loan or to any subsequent transfer by Funding Lender following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan:

   (a) Restrictions on sale or transfer of the Project or of any interest in Owner.

   (b) Governmental Lender or Fiscal Agent consents.

   (c) Transferee agreements, transferee criteria and requirements, opinion requirements, assumption fees, transfer fees, penalties and the like.

   No transfer of the Project shall operate to release Owner from its obligations under the Regulatory Agreement. Nothing contained in the Regulatory Agreement shall affect any provision of the Security Instrument or any of the other Project Loan Documents that requires Borrower to obtain the consent of Funding Lender as a precondition to sale, transfer or other disposition of, or any direct or indirect interest in, the Project or of any direct or indirect interest in Owner, excluding transfers permitted by the [Security Instrument][Continuing Covenant Agreement]. No covenant obligating Owner to obtain an agreement from any transferee to abide by all requirements and restrictions of the Regulatory Agreement shall have any applicability to a transfer to Funding Lender upon foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan by Funding Lender, or to any subsequent transfer by Funding Lender following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan.

5. **Enforcement**. Notwithstanding anything contained in the Regulatory Agreement to the contrary:

   (a) The occurrence of an event of default under the Regulatory Agreement shall not, under any circumstances whatsoever, be deemed or constitute a default under the Project Loan Documents, except as may be otherwise specified in the Project Loan Documents.

   (b) The occurrence of an event of default under the Regulatory Agreement shall not impair, defeat or render invalid the lien of the Security Instrument.

   No person other than Funding Lender shall have the right either to declare the principal balance of the Project Note to be immediately due and payable or commence foreclosure or other like action with respect to the Security Instrument. Governmental Lender and, if the Fiscal Agent is party to the Regulatory Agreement, Fiscal Agent acknowledge and agree that the exercise of any rights and remedies under the Regulatory Agreement is subject to the provisions of the Project Loan Documents.

6. **Notice of Violations**. Promptly upon determining that a violation of the Regulatory Agreement has occurred, Governmental Lender or, if the Fiscal Agent is party to the Regulatory Agreement and required to provide such notice, Fiscal Agent shall, by notice in writing to Owner, Loan Servicer and Funding Lender, inform Owner, Loan Servicer and Funding Lender of each of the following:

   (a) The occurrence of such violation.

   (b) The nature of the violation.

(c) Whether the violation (i) has been cured, (ii) has not been cured, but is curable within a reasonable period of time, or (iii) is incurable.

Notwithstanding the occurrence of such violation, neither Governmental Lender nor Fiscal Agent shall have, and each of them acknowledge that they shall not have, any right to cause or direct acceleration of the Project Loan, to enforce the Project Note, or to foreclose on the Security Instrument.

7. **Amendments**. The Regulatory Agreement shall not be amended without the prior written consent of Funding Lender.

8. **Fees; Penalties**. Funding Lender shall not be liable for the payment of any compensation or any accrued unpaid fees, costs, expenses or penalties otherwise owed by Owner or any subsequent owner of the Project prior to the date of acquisition of the Project by Funding Lender, whether such acquisition is by foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan.

9. **Subordination**. The terms, covenants and restrictions of the Regulatory Agreement, other than those set forth in Section 4, are and shall at all times remain subject and subordinate, in all respects, to the liens, rights and interests created under the Project Loan Documents.

10. **Third-Party Beneficiary**. The parties to the Regulatory Agreement recognize and agree that the terms of the Regulatory Agreement and the enforcement of those terms are essential to the security of Funding Lender and are entered into for the benefit of various parties, including Funding Lender. Funding Lender shall accordingly have contractual rights in the Regulatory Agreement and shall be entitled (but not obligated) to enforce, separately or jointly with Governmental Lender or, if the Fiscal Agent is party to the Regulatory Agreement, Fiscal Agent, or to cause Governmental Lender or, if applicable, Fiscal Agent to enforce, the terms of the Regulatory Agreement. In addition, Funding Lender is intended to be and shall be a third-party beneficiary of the Regulatory Agreement.

11. **Notices**. Copies of all notices under the Regulatory Agreement shall be sent to Loan Servicer at the address set forth below or to such other address as Loan Servicer may from time to time designate:

Berkadia Commercial Mortgage LLC
323 Norristown Road, Suite 300
Ambler, PA 19002
Attention: Servicing – Executive Vice President

Any notice to be given to Freddie Mac shall be sent to Freddie Mac at the address set forth below or to such other address as Freddie Mac may from time to time designate:

Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive
McLean, Virginia 22102
Attention: Multifamily Operations - Loan Accounting
Email: mfla@freddiemac.com
Telephone: (703) 714-4177

with a copy to: Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive
McLean, Virginia 22102
Attention: Managing Associate General Counsel – Multifamily Legal Division
Email: jennifer_davila@freddiemac.com
Telephone: (703) 903-2000

EXHIBIT F

TENANT PROTECTION LEASE ADDENDUM

FOR CITY OF AUSTIN-ASSISTED PROPERTIES

1. This Lease Agreement Addendum ("Addendum") is an addendum to the Lease Agreement (herein referred to as the "Lease Agreement"), entered into on **[Date]** between **[Landlord Name]** (herein referred to as "Owner") and **[Tenant Name]** (herein referred to as "Tenant") for the leasing of the premises at 1190 Airport Boulevard, Austin, Texas 78702 (herein referred to as "the Property"). The term "Owner" includes Owner's agent(s).

2. Except when conflicting with a HUD model lease, the provisions of this Addendum replace any conflicting provisions contained in the Lease Agreement. To the extent any conflict exists between the Lease Agreement and this Addendum, the provisions of this Addendum shall govern.

3. The provisions of this Addendum shall apply during the entirety of a tenancy, including month-to-month tenancies and any holdover tenancy,

4. **Prohibited Lease Terms.** The Owner and Tenant agree that the following provisions, if included in the Lease Agreement, shall be null and void and unenforceable:

   4.1. Any and all provisions in the Lease Agreement that require the Tenant to agree to waive any judicial or administrative proceeding, to admit guilt, or to a judgment in favor of the Owner in a lawsuit brought in connection with the lease or the Property.

   4.2. Any and all provisions in the Lease Agreement that allow the Owner to take, hold, or sell personal property of the Tenant or household members without written notice to the Tenant and a court decision on the rights of the parties except when the property remains in the unit after the Tenant has moved out of the unit and the property is disposed of in accordance with State law.

   4.3. Any and all provisions in the Lease Agreement that excuse the Owner from legal responsibility or liability for any action or failure to act, whether intentional or negligent.

   4.4. Any and all provisions in the Lease Agreement that allow the Owner to institute an eviction lawsuit against the Tenant without notice to the Tenant.

   4.5. Any and all provisions in the Lease Agreement that allow the Owner to evict the Tenant or household members without instituting a civil court proceeding in which the Tenant is provided the opportunity to present a defense or before a court decision on the rights of the parties.

   4.6. Any and all provisions in the Lease Agreement that require the Tenant to waive a trial by jury.

   4.7. Any and all provisions in the Lease Agreement that require the Tenant to waive any right to appeal or to otherwise challenge, in court, a court decision connected to the Lease Agreement, this Addendum, or the Property.

   4.8. Any and all provisions in the lease agreement that require the Tenant to pay the costs of legal actions, regardless of outcome. This includes any agreement by the Tenant to pay attorney's fees or other legal costs even if the Tenant wins in a court proceeding instituted

by the Owner against Tenant. This does not include a provision of the Lease Agreement that obligates the Tenant to pay such costs if the Tenant loses In court.

4.9. Any and all provisions in the Lease Agreement that require the Tenant to waive the right to participate in a class action or collective action against the Owner.

4.10. Any and all provisions in the Lease Agreement that require the Tenant (other than a tenant in transitional housing) to accept supportive services.

4.11. Any and all provisions in the Lease Agreement that require the Tenant to allow the Owner to enter the Tenant's unit with less than twenty-four (24) hours' notice, except as provided in Sections 6.3 and 6.4.

4.12. Any and all provisions in the Lease Agreement that require the Tenant to pay initial charges and/or fees for late payments that total more than five (5) percent of the amount of rent paid by the Tenant for the rental period or cumulative charges and/or fees for late payments that total more than ten (10) percent of the amount paid by the Tenant for the rental period.

4.13. Any and all provisions in the Lease Agreement that allow the Owner to terminate a tenancy for failure to pay fees and fines other than rent. This section also prohibits provisions that allow the Owner to allege that the Tenant owes rent because the Tenant allegedly owes other fees or fines to the Owner.

4.14. Any and all provisions in the Lease Agreement that presume the Tenant is responsible for causing any conditions that necessitate repairs or pest treatments. This prohibition does not preclude property managers from investigating conditions that necessitate repairs or pest treatments and, based upon factual evidence of gross negligence, assigning responsibility.

4.15. Any and all provisions in the Lease Agreement that prohibit overnight guests who stay on the Property for seven or fewer consecutive nights. This limitation does not apply to a guest who is legally prohibited from entering the Property.

4.16. Any and all provisions in the Lease Agreement that prohibit rental payments by money order, cashier's check, or check; and any and all provisions in the Lease Agreement that require the Tenant to pay an additional fee (or fees) because the Tenant uses a money order, cashier's check, or check to pay rent. An Owner may refuse to accept a rental payment by check only after one or more of the Tenant's checks are returned because of insufficient funds.

5. **Termination of Tenancy:**

5.1. Grounds for termination or nonrenewal. Owner may terminate the tenancy or refuse to renew the lease of a Tenant only in the event of:

5.1.1. serious or repeated violations of the terms and conditions of the Lease Agreement (e.g., failure to pay rent; criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents; willful and repeated destruction of rental property or property of other residents); or

5.1.2. violations of applicable Federal, State, or local laws; or

5.1.3. completion of tenancy period for transitional housing; or

5.1.4. the temporary or permanent uninhabitability of the Property justifying relocation of all or some of the Property's tenants (except where such uninhabitability is caused by the actions or inactions of the Owner). Relocation on this ground shall trigger the Relocation provisions in Section 11, except in cases where the property becomes uninhabitable due solely to the Tenant's gross negligence.

5.2. Notices.

5.2.1. 30-day Notice.

5.2.1.1. **Notice of Termination**. To terminate or nonrenew the lease, Owner shall serve written notice upon the Tenant specifying the grounds for the termination or nonrenewal at least 30 days before the effective date of the termination or nonrenewal, unless the termination is based on serious violent criminal activity that poses an Immediate threat to the safety of staff or other residents. The notice to terminate or nonrenewal shall be served on the Tenant by either: (I) both first class mail and either certified or registered mail; and (2) by personal delivery to the Tenant or a household member eighteen years or older.

5.2.1.2. **Opportunity to Discuss**. The written notice required by 5.2.1.1. shall also inform Tenant of the right to discuss with the Owner the proposed termination or non-renewal of tenancy. The notice must give Tenant at least ten days from the date of the notice to request a meeting with the Owner. If the Tenant makes a timely request, the Owner agrees to meet with the Tenant and to discuss the proposed termination or nonrenewal.

5.2.1.3. **Opportunity to Cure Lease Violations**. For termination or nonrenewal of tenancy due exclusively to serious or repeated lease violations (5.1.1), excluding drug activity or other serious criminal activity, the written notice required by 5.2.1.1. shall also inform Tenant of the opportunity to cure any alleged violation of the Lease Agreement. Tenant shall be provided no less than ten days from the date of the requested meeting with the Owner to cure any alleged violation of the Lease Agreement. Should the Tenant fail to make a timely request for a meeting, the opportunity to cure period begins on the date the notice to terminate or nonrenewal was received by the Tenant.

5.2.2. Three-day Notice. If the dispute is not resolved and the Tenant does not vacate the premises by the effective date of the termination as set forth in the notice of lease termination required by 5.2.1.1., Owner shall give the Tenant at least three days written notice to vacate the premises . If the Tenant does not vacate the premises by the end of the third day, Owner may then proceed to obtain possession by a forcible entry and detainer lawsuit in the appropriate Justice of the Peace court.

5.2.3. Failure to Follow Notice Procedure.

5.2.3.1. Except for a termination based on serious violent criminal activity that poses an immediate threat to the safety of staff or other residents, for which neither a 30-day notice nor a three-day notice is required, the Owner agrees that providing the 30-day and three-day notices are conditions precedent to filing a forcible entry and detainer lawsuit.

5.2.3.2. The Owner agrees that it is the burden of the Owner to show, as an element of its eviction case, that all applicable notice procedures were followed, and that termination of tenancy is not effective unless notice procedure is followed correctly.

5.2.3.3. The Owner waives the right to challenge a Tenant's request to dismiss the forcible entry and detainer lawsuit for failure to comply with the notice procedures,

5.2.3.4. The Owner waives the right to appeal to a dismissal of the forcible entry and detainer lawsuit for a failure to comply with the notice procedures.

6. **Entry into Unit.** Owner, Owner's representative, or maintenance staff may enter the unit during reasonable times for any reasonable business purposes after providing to the Tenant at least twenty-four- (24) hours' notice and a-reasonable window of time for entry, except in case of emergency as provided in 6.3 and 6.4.

6.1. Whenever the Tenant or a member of the Tenant's household who is 18 years of age or older is not present in the unit at the time of entry, the Owner must provide written documentation in the unit that states the purpose of entry, the time of entry, and who entered.

6.2. The Owner agrees to avoid entering the unit so frequently as to seriously disturb the Tenant's peaceful enjoyment of the unit.

6.3. In this provision, the term "emergency" does not include every repair the Tenant requests from the Owner. The Tenant agrees that the Owner may enter the unit without 24-hours' notice if:

6.3.1. the Tenant affirmatively waives the notice requirement; or

6.3.2. the Owner believes, in good faith, that an emergency exists that creates either an imminent danger to the Tenant or other resident of the community, or an immediate threat of irreparable damage to the unit or other unit on the property.

6.4. This section does not require the Owner to provide specific notice before entering the Tenant's unit to post a Notice to Vacate, as authorized by the Texas Property Code or to deliver a lease violation / an opportunity' to cure or a notice of termination as required by this addendum.

7. **Remediation of Hazardous Health Conditions.** The Owner shall address and remediate hazardous health conditions, including but not limited to mold in indoor areas, in a timely manner, which is presumed to be seven (7) days from the receipt of notice about the condition. The Owner may rebut this presumption by establishing that the condition was remediated in a timely manner, is in the process of being remediated in a timely manner, or that the Owner has implemented a timely plan for remediation, based on the specific facts of the condition and the remediation.

8. **Cost of Repairs.**

8.1. The Owner may charge Tenant for repairs made to the unit if the damage is caused by the gross negligence of the Tenant or guests of the Tenant and the damage does not constitute normal wear and tear. If the Owner intends to charge the Tenant for the repair, prior to making the repair, the Owner must give the Tenant written notice that includes the estimated costs.

8.2. Upon the Tenant's request, the Owner must provide Tenant with an invoice for the cost of the repairs that are made to the Tenant's unit or otherwise charged to the Tenant.

8.3. The Owner agrees that the Tenant may dispute the necessity and extent of the repairs. If the Tenant disputes the repair, the Owner agrees to provide reasonable evidence of the need.

8.4. Tenant and Owner may agree to a payment plan for any necessary repairs to be charged to the Tenant. Payment of repairs shall not be connected to nor supersede rent payment. Failure to comply with any agreed upon payment plan shall not constitute grounds for termination or nonrenewal under Section 5.1.

8.5. Remedy for Damages for Repair Costs ("Repair Damages"). In the event Tenant fails to pay the cost of repairs as agreed, the Owner may either withhold a portion or all of the Tenant's security deposit upon move-out or file suit for damages in a court of competent jurisdiction.

8.5.1. The Owner agrees that its repair damages are limited to actual damages.

8.5.2. If the Owner files a lawsuit to recover repair damage, the parties agree that the:

8.5.2.1. Owner may seek reasonable attorney's fees and courts costs; and

8.5.2.2. Tenant may take up to 30 days from the date the judgment is entered to pay the damages awarded by the court.

8.5.3. Except as provided in Subsection 5.1., the Owner agrees not to seek to evict solely because the Tenant failed to pay for alleged repair damages.

9. **Relocation.**

9.1. Relocation Assistance.

9.1.1 Owner agrees to provide relocation assistance to Tenant if Tenant is required to vacate the unit, permanently or temporarily, due to repair, transfer, sale, or renovation of the unit or Property. If uninhabitability is caused solely by the willful or negligent act of the Tenant, Owner is not required to provide relocation assistance or a Right of Return as provided in Section 9.2.

9.1.2. Relocation assistance includes moving expenses (actual and anticipated expenses related to moving Tenant, Tenant's household members, and their personal property), utility connection fees, nonrefundable deposits, and rent increases at a temporary unit during the relocation period. Relocation assistance shall be scaled to the applicable timeframe for the relocation. Where the relocation extends less than 30 days, assistance may only be required for temporary accommodations.

9.1.3. The Owner agrees that the payment for a permanently displaced Tenant is the amount necessary to enable the Tenant to lease or rent a comparable dwelling for up to 42 months, as set forth in the Uniform Relocation Assistance and Real Property Acquisition Policies of 1970 ("URA").

9.2. Right to Return. If the Tenant is relocated because of renovations or repairs at the Property, Owner agrees to provide the Tenant the opportunity to return to their original unit or a comparable unit at the same property. A comparable unit has the same number

of bedrooms or equivalent square footage. The Tenant's right to return lasts for one year from the date of completion of the renovations or repairs to the Tenant's unit or the completion of the Tenant's lease at another property, whichever is earlier.

10. **Tenant's Right to Conduct Activities related to a Tenant Organization.**

    10.1. The Owner agrees each tenant may conduct activities on the Property related to establishing or operating a tenant organization, including hosting a tenant organizer at the property.

    10.2. If requested, the Owner agrees to meet with Tenant and a member of a tenant organization during regular business hours to discuss matters related to the Tenant's unit or the Property as a whole.

    10.3. The Owner may not retaliate against a Tenant or Tenant's guests because the Tenant or the Tenant's guest established, attempted to establish, or participated in a tenant organization.

    10.4. The Owner agrees that the Tenant may have access to all common areas, including any community room, for tenant organization activities, the Owner may not impose fees or rules that are not applicable to a tenant who accesses a common area for activities that do not Include tenant organization activities.

11. **Tenant's Right to Access Tenant File.**

    11.1. The Owner agrees the Tenant is entitled to review and copy any documents that the Tenant signed, including a rental application, the Lease Agreement, or this Addendum; and to review and copy any documents that relate to the Owner's reason for terminating or non-renewal of tenancy, including the payment ledger.

    11.2. The Owner may redact documents if the Owner reasonably believes that redaction is necessary to protect the health and safety of staff or other residents and may redact if redactions are required by law. The Owner may not redact any document signed by the Tenant.

12. **Tenant Agreement to Provide Requested Information.** The Tenant understands that the unit leased under the Lease Agreement has received governmental subsidies and that, as a condition of the governmental subsidy, the Tenant is required and hereby agrees to provide Owner with any information and sign such releases which are necessary to allow Owner to verify the Tenant's income and otherwise comply with government rules and regulations. The Tenant agrees to provide Owner accurate and complete information regarding the Tenant's income and to do so by the date specified in Owner's request. The Tenant understands that the intentional failure to supply accurate and complete information regarding Tenant's income shall constitute a serious lease violation. All Tenant files will be available for inspection by all applicable federal, state, and local agencies. The Tenant hereby consents to release of all such information by Owner to governmental agencies.

13. **Copies of Lease Agreement.** Owner agrees to provide Tenant a copy of the Lease Agreement and this Addendum in the language in which the lease was negotiated. Owner also agrees to provide Tenant a copy of any other rules or policies issued by Owner that govern the Tenant's conduct at the Property. Owner agrees to attach a copy of this Addendum to any petition filed in an eviction proceeding against the Tenant. Owner agrees that Owner's failure to provide a copy of this Addendum to the Tenant or to the Court shall be cause for dismissal without prejudice of any eviction lawsuit filed by the Owner.

14. This Addendum is deemed to have been made in compliance with all applicable State and local laws, and if any section or part is not lawful, only that section or part shall be void, and the balance of the Addendum shall remain in full force and effect.

BY: _____ _____

Owner's Representative Date Tenant Date

LANDLORD: THIS DOCUMENT MUST BE ATTACHED TO EACH AND EVERY LEASE SIGNED DURING THE AFFORDABILITY PERIOD, INCLUDING LEASE RENEWALS.