

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
AUSTIN HOUSING FINANCE CORPORATION §

We, the undersigned officers of the Board of Directors of Austin Housing Finance Corporation, hereby certify as follows:

1. The Board of Directors of said corporation convened in REGULAR MEETING ON THE 21ST DAY OF MAY, 2020, via video conference, and the roll was called of the duly constituted officers and members of said Board, to wit:

Steve Adler, President
Natasha Harper-Madison, Member
Delia Garza, Member
Sabino Renteria, Member
Gregorio Casar, Member
Ann Kitchen, Member
Jimmy Flannigan, Member
Leslie Pool, Member
Paige Ellis, Member
Kathryn B. Tovo, Member
Alison Alter, Member

and all of said persons were present, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written

RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF MULTIFAMILY HOUSING GOVERNMENTAL REVENUE NOTE (VI COLLINA APARTMENTS) SERIES 2020; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS; AUTHORIZING THE EXECUTION OF A GROUND LEASE; AUTHORIZING REPRESENTATIVES OF THE AUSTIN HOUSING FINANCE CORPORATION TO EXECUTE DOCUMENTS; AND APPROVING RELATED MATTERS

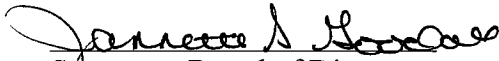
was duly introduced for the consideration of said Board and read in full. It was then duly moved and seconded that said Resolution be adopted; and, after due discussion, said motion carrying with it the adoption of said Resolution, prevailed and carried, with all members of said Board shown present above voting "Aye," except as follows:

NOES: 0

ABSTENTIONS: 0

2. A true, full and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; said Resolution has been duly recorded in said Board's minutes of said Meeting; the above and foregoing paragraph is a true, full and correct excerpt from said Board's minutes of said Meeting pertaining to the adoption of said Resolution; the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said Board as indicated therein; each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for adoption at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose.

SIGNED


Secretary, Board of Directors

President, Board of Directors

2. A true, full and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; said Resolution has been duly recorded in said Board's minutes of said Meeting; the above and foregoing paragraph is a true, full and correct excerpt from said Board's minutes of said Meeting pertaining to the adoption of said Resolution; the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said Board as indicated therein; each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for adoption at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose.

SIGNED

Secretary, Board of Directors



President, Board of Directors

RESOLUTION NO. 20200521-AHFC004

RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF MULTIFAMILY HOUSING GOVERNMENTAL REVENUE NOTE (VI COLLINA APARTMENTS) SERIES 2020; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS; AUTHORIZING THE EXECUTION OF A GROUND LEASE; 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, Texas Local Government Code, as amended (the “Act”), to finance the costs of residential ownership and development that will provide decent, safe and sanitary housing for persons of low and moderate income at prices they can afford; and

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

WHEREAS, the Board of Directors of the Issuer (the “Board”) has determined to (i) authorize the issuance of the Issuer’s Multifamily Housing Governmental Revenue Note (Vi Collina Apartments) Series 2020 (the “Note”), in one or more series in accordance with the terms of a Funding Loan Agreement (the “FLA”) by and among the Issuer, the Fiscal Agent named in the FLA (the “Fiscal Agent”) and Citibank, N.A. (the “Purchaser”), to obtain funds to finance the Project (defined below) and (ii) authorize the execution and delivery of a ground lease (the “Ground Lease”) by the Issuer, as lessor, and Vi Collina, LLC, as Lessee; and

WHEREAS, the Issuer desires to use the proceeds of the Note to finance the costs of development and construction of the residential rental project located in Austin, Texas (the “Project”) containing units occupied by persons of low and moderate income, as determined by the Issuer, 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 Borrower will execute and deliver a Borrower Loan Agreement (the “BLA”) in which the Issuer will agree to lend funds to the Borrower to enable the Borrower to finance the Project; and

WHEREAS, the Issuer will assign its rights under the BLA to the Fiscal Agent pursuant to the FLA 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 Issuer will execute an Assignment of Deed of Trust and Loan Documents (the “Assignment”); and

WHEREAS, the Issuer has further determined that the Issuer will deliver the Note to the Purchaser or an affiliate thereof; and

WHEREAS, the Board has examined proposed forms of the FLA, the BLA, the Regulatory Agreement, the Ground Lease and the Assignment 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 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 FLA, and, upon execution and delivery of the FLA, 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 FLA), and then to deliver the Note to the Purchaser. 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 \$24,000,000 in the aggregate.

Section 1.2 - Approval, Execution and Delivery of the FLA. The form and substance of the FLA (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 FLA and to deliver the FLA to the Fiscal Agent.

Section 1.3 - Approval, Execution and Delivery of the BLA and Regulatory Agreement. The form and substance of the BLA 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 BLA and the Regulatory Agreement.

Section 1.4 - Approval, Execution and Delivery of the Ground Lease. The form and substance of the Ground Lease are approved in substantially final form, and the authorized representatives of the Issuer named in this Resolution each are authorized to execute and attest (if required) the Ground Lease, and to deliver the Ground Lease to the Borrower.

Section 1.5 - Approval, Execution and Delivery of the Assignment. The form and substance of the Assignment 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 Assignment.

Section 1.6 - 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, 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.

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

Exhibit A - FLA

Exhibit B - BLA

Exhibit C - Regulatory Agreement

Exhibit D – Ground Lease

Exhibit E - Assignment

Section 1.8 - 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 1.9 - Authorized Representatives. The President, Vice President, Treasurer, Secretary and Manager each is hereby named as an authorized representative of the Issuer, acting alone, for purposes of executing, attesting, affixing the Issuer's seal to, and delivering the documents and instruments referred to herein.

Section 2.1 - Meeting. The meeting at which this Resolution was adopted was held on May 21, 2020 and a quorum was present. Such meeting was held in accordance with the requirements of applicable law and Issuer's bylaws.

Exhibit A

FLA

FUNDING LOAN AGREEMENT

Among

**CITIBANK, N.A.,
as Funding Lender,**

**AUSTIN HOUSING FINANCE CORPORATION,
as Governmental Lender,**

and

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

Dated as of June 1, 2020

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FUNDING LOAN AGREEMENT

This Funding Loan Agreement, dated as of June 1, 2020 (this "**Funding Loan Agreement**"), is entered into by **CITIBANK, N.A.** (together with any successors and assigns hereunder, the "**Funding Lender**"), **AUSTIN HOUSING FINANCE CORPORATION**, a public nonprofit corporation organized and existing under the laws of the State of Texas (together with its successors and assigns, the "**Governmental Lender**"), and **WILMINGTON TRUST, NATIONAL ASSOCIATION**, a national banking association, as fiscal agent (together with any successor fiscal agent hereunder, the "**Fiscal Agent**").

RECITALS

WHEREAS, the Governmental Lender has been duly created and organized pursuant to and in accordance with the provisions of Chapter 394, Texas Local Government Code, as amended (the "**Act**"); and

WHEREAS, pursuant to the Act, the Governmental Lender is authorized to issue bonds and to use the proceeds thereof to provide monies to aid in financing the acquisition, construction and equipping of residential rental property for dwelling units; and

WHEREAS, Vi Collina, LLC, a Texas limited liability company (the "**Borrower**"), has requested the Governmental Lender to enter into this Funding Loan Agreement under which (i) the Funding Lender will purchase the Governmental Lender Notes (as defined herein), and (ii) the Governmental Lender will apply the proceeds of the Governmental Lender Notes to make a loan (the "**Borrower Loan**") to the Borrower to finance the acquisition, construction and equipping of a multifamily rental housing development to be located in Travis County, Texas, and to be known as Vi Collina Apartments; and

WHEREAS, simultaneously with the delivery of this Funding Loan Agreement, the Governmental Lender and the Borrower will enter into a Borrower Loan Agreement of even date herewith (as it may be supplemented or amended, the "**Borrower Loan Agreement**"), whereby the Borrower agrees to make loan payments to the Governmental Lender in an amount, which, when added to other funds available under this Funding Loan Agreement, will be sufficient to enable the Governmental Lender to repay the Governmental Lender Notes and to pay all costs and expenses related thereto when due; and

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

WHEREAS, in order to assure compliance with Sections 103 and 142 through 150, inclusive, of the Code, the Governmental Lender, the Fiscal Agent and the Borrower have entered into the Tax Certificate and Agreement and the Regulatory Agreement (as each such term is

defined herein), each of which sets forth various certifications, representations, and covenants relating to the tax-exempt status of the Governmental Lender Notes; and

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

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, the parties hereto do hereby agree as follows:

It is hereby covenanted and declared that (i) the Governmental Lender Notes are to be delivered to evidence the payment obligations of the Governmental Lender pursuant to this Funding Loan Agreement and (ii) the Collateral (as defined in the Borrower Loan Agreement) subject to this Funding Loan Agreement is to be held and applied by the Fiscal Agent, subject to the covenants, conditions and trusts hereinafter set forth, and the Governmental Lender does hereby covenant and agree to and with the Fiscal Agent, for the benefit (except as otherwise expressly provided herein) of the Funding Lender, as follows:

ARTICLE I

DEFINITIONS; PRINCIPLES OF CONSTRUCTION

Section 1.1. Definitions. For all purposes of this Funding Loan Agreement, except as otherwise expressly provided or unless the context otherwise clearly requires:

(a) Unless specifically defined herein, all capitalized terms shall have the meanings ascribed thereto in the Borrower Loan Agreement, the Regulatory Agreement, or the Tax Certificate and Agreement.

(b) The terms "herein," "hereof" and "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. The terms "agree" and "agreements" contained herein are intended to include and mean "covenant" and "covenants."

(c) All references made (i) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, and (ii) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well. Singular terms shall include the plural as well as the singular, and vice versa.

(d) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with the Approved Accounting Method. All references herein to "Approved Accounting Method" refer to such principles as they exist at the date of application thereof.

(e) All references in this instrument to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and subdivisions of this instrument as originally executed.

(f) All references in this instrument to a separate instrument are to such separate instrument as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(g) References to the Governmental Lender Notes as "tax-exempt" or to the "tax-exempt status" of the Governmental Lender Notes are to treatment of interest on the Governmental Lender Notes as excludable from gross income for federal income tax purposes pursuant to Section 103(a) of the Code, except with respect to interest on a Governmental Lender Note for any period during which it is held by a Person who is a "substantial user" of the Project or a "related person" to such a "substantial user," each within the meaning of Section 147(a) of the Code.

(h) The following terms have the meanings set forth below:

"Additional Borrower Payments" shall have the meaning given such term in the Borrower Loan Agreement.

"Affiliate" shall mean, as to any Person, any other Person that, directly or indirectly, is in Control of, is Controlled by or is under common Control with such Person.

"Approved Transferee" means (1) a "qualified institutional buyer" ("QIB") as defined in Rule 144A promulgated under the Securities Act that is a financial institution or commercial bank having capital and surplus of \$5,000,000,000 or more, (2) an affiliate of the Funding Lender, or (3) a trust or custodial arrangement established by the Funding Lender or one of its affiliates or any state or local government or any agency or entity which is a political subdivision of a federal, state or local government (a "Governmental Entity"), in each case (i) the beneficial interests in which will be owned only by QIBs or (ii) the beneficial interests in which will be rated in the "BBB" category or higher without regard to modifier (or the equivalent investment grade category) by at least one nationally recognized rating agency, or (4) a Governmental Entity.

"Authorized Amount" shall mean, with respect to the Series A-1 Governmental Lender Note, \$20,450,000, and with respect to the Series A-2 Governmental Lender Note, \$3,500,000.

"Authorized Representative" shall mean with respect to (i) the Governmental Lender, the President, Vice President or Secretary of its board of directors, or its Treasurer; (ii) the Borrower, the "Authorized Borrower Representative," as defined in the Borrower Loan Agreement; and (iii) the Funding Lender, an authorized signatory or a Vice President of the Funding Lender, or, in each case, such other person at any time designated by the Governmental Lender, the Borrower or the Funding Lender to act on behalf of the Governmental Lender, the Borrower or the Funding Lender, as the case may be, as evidenced by a written certificate delivered to the Fiscal Agent containing the specimen signature of such person and signed by one of the above titled officers. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties and exercise all powers of an Authorized Representative. The Fiscal Agent may conclusively presume that a person designated in a written certificate filed with it as an Authorized Representative is an Authorized Representative until such time as the Governmental Lender, the

Borrower and/or the Funding Lender, as the case may be, file with it a written certificate revoking such person's authority to act in such capacity.

"Borrower" shall mean Vi Collina, LLC, a Texas limited liability company.

"Borrower Equity Account" shall mean the Borrower Equity Account of the Project Fund established under Section 7.3.

"Borrower Loan" shall mean the mortgage loan made by the Governmental Lender to the Borrower pursuant to the Borrower Loan Agreement in the aggregate principal amount of the Borrower Loan Amount, as evidenced by the Borrower Notes.

"Borrower Loan Agreement" shall mean the Borrower Loan Agreement, of even date herewith, between the Governmental Lender and the Borrower, as supplemented, amended or replaced from time to time in accordance with its terms.

"Borrower Loan Agreement Default" shall mean any "event of default" as defined and set forth in Section 8.1 of the Borrower Loan Agreement. A Borrower Loan Agreement Default shall "exist" if a Borrower Loan Agreement Default shall have occurred and be continuing beyond any applicable notice, grace or cure period.

"Borrower Loan Amount" shall mean the amount of \$23,950,000.

"Borrower Loan Documents" shall have the meaning given such term in the Borrower Loan Agreement.

"Borrower Notes" shall mean the Series A-1 Borrower Note and the Series A-2 Borrower Note.

"Business Day" shall mean any day other than (i) a Saturday or a Sunday, or (ii) a day on which federally insured depository institutions in New York, New York or in the location of the Corporate Trust Office or Operations Office are authorized or obligated by law, regulation, governmental decree or executive order to be closed.

"Closing Costs Fund" shall mean the fund of that name established under Section 7.3(d) hereof.

"Closing Date" shall mean June 18, 2020, the date when the Governmental Lender Note proceeds are funded hereunder.

"Code" shall have the meaning given such term in the Regulatory Agreement.

"Comptroller" shall mean the Comptroller of Public Accounts of the State of Texas.

"Conditions to Conversion" shall have the meaning given such term in the Construction Funding Agreement.

"Construction Funding Agreement" means that certain Construction Funding Agreement of even date herewith, between the Funding Lender and Borrower, pursuant to which the Borrower Loan will be advanced by the Fiscal Agent on behalf of the Governmental Lender, to the Borrower and setting forth certain provisions relating to disbursement of the Borrower Loan during construction, insurance and other matters, as such agreement may be amended, modified, supplemented and replaced from time to time.

"Control" shall mean, with respect to any Person, either (i) ownership directly or through other entities of more than 50% of all beneficial equity interest in such Person, or (ii) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, through the ownership of voting securities, by contract or otherwise.

"Conversion" shall have the meaning given such term in the Borrower Loan Agreement.

"Conversion Date" shall have the meaning given such term in the Borrower Loan Agreement.

"Corporate Trust Office" means the office of the Fiscal Agent at 15950 North Dallas Parkway, Suite 550, Dallas, Texas 75248.

"Costs of Issuance" shall have the meaning given such term in the Tax Certificate and Agreement.

"County" shall mean Travis County, Texas.

"Event of Default" shall have the meaning ascribed thereto in Section 9.1 hereof.

"Fiscal Agent" shall mean Wilmington Trust, National Association, as fiscal agent hereunder, and any successor fiscal agent or co-fiscal agent appointed under this Funding Loan Agreement.

"Fiscal Agent's Fees" shall mean the ongoing compensation and expenses payable to the Fiscal Agent as follows:

(a) an acceptance fee of \$1,500 and the annual administration fees of the Fiscal Agent, for the ordinary services of the Fiscal Agent rendered under this Funding Loan Agreement during each twelve-month period and shall be equal to an annual minimum fee of \$3,750, payable annually in advance on the Closing Date and thereafter on each November 1, commencing June 1, 2020 until the Governmental Lender Note is paid in full;

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

shall have been made; and

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

"Funding Lender" shall mean Citibank N.A., a national banking association, and any successor under this Funding Loan Agreement and the Borrower Loan Documents.

"Funding Loan" shall mean the funds advanced by the Funding Lender to or for the account of the Governmental Lender and applied by the Governmental Lender to make the Borrower Loan.

"Funding Loan Agreement" shall mean this Funding Loan Agreement, of even date herewith, by and among the Funding Lender, the Governmental Lender and the Fiscal Agent, as it may from time to time be supplemented, modified or amended by one or more funding loan agreements, indentures or other instruments supplemental hereto entered into pursuant to the applicable provisions hereof.

"Funding Loan Documents" shall mean (i) this Funding Loan Agreement, (ii) the Borrower Loan Agreement, (iii) the Regulatory Agreement, (iv) the Tax Certificate and Agreement, (v) the Borrower Loan Documents, (vi) all other documents evidencing, securing, governing or otherwise pertaining to the Governmental Lender Notes, and (vii) all amendments, modifications, renewals and substitutions of any of the foregoing.

"Governmental Lender" shall mean the Austin Housing Finance Corporation, a public nonprofit corporation organized and existing under the laws of the State.

"Governmental Lender Closing Costs" shall mean the fees, costs and expenses incurred in connection with the issuance of the Governmental Lender Notes.

"Governmental Lender Counsel" shall mean any counsel nationally recognized as having an expertise in connection with the excludability of interest on obligations of states and local governmental units from gross income for federal income tax purposes, and initially shall mean McCall, Parkhurst & Horton L.L.P.

"Governmental Lender Counsel Approving Opinion" shall mean an opinion of Governmental Lender Counsel substantially to the effect that the Governmental Lender Notes constitute valid and binding obligations of the Governmental Lender and that, under existing statutes, regulations published rulings and judicial decisions, the interest on the Governmental Lender Notes is excludable from gross income for federal income tax purposes (subject to the inclusion of such customary exceptions as are acceptable to the recipient thereof).

"Governmental Lender Counsel No Adverse Effect Opinion" shall mean, with respect to any action, or omission of an action, the taking or omission of which requires such an opinion, an unqualified written opinion of Governmental Lender Counsel to the effect that such action or omission does not adversely affect the excludability from gross income for federal income tax purposes of interest payable on the Governmental Lender Notes under existing law (subject to the

inclusion of any exceptions contained in the opinion of Governmental Lender Counsel delivered upon original issuance of the Governmental Lender Notes or other customary exceptions acceptable to the recipient thereof).

"Governmental Lender Fee" shall mean (i) the Governmental Lender's issuance fee in the amount of .50% of the original principal amount of the Governmental Lender Notes, payable by the Fiscal Agent to the Governmental Lender on or before the Closing Date from amounts in the Closing Costs Fund, or otherwise by the Borrower, and (ii) the annual fee of the Governmental Lender equal to greatest of (x) \$1,200 or (y) \$12 per Project rental unit or (z) .03% of the principal balance of the Governmental Lender Notes Outstanding. The annual fee shall be paid in advance, initially at closing for the two years ending June 1, 2022, and thereafter on June 1 of each year until the Governmental Lender Notes are no longer Outstanding (but not before 15 years after the commencement of the Qualified Project Period).

"Governmental Lender Notes" shall mean, collectively, the Series A-1 Governmental Lender Note and the Series A-2 Governmental Lender Note, the forms of which are contained in Exhibit A-1 and Exhibit A-2 to this Funding Loan Agreement.

"Highest Rating Category" shall mean, with respect to a Permitted Investment, that the Permitted Investment is rated by S&P or Moody's in the highest rating given by that rating agency for that general category of security. By way of example, the Highest Rating Category for tax exempt municipal debt established by S&P is "A 1+" for debt with a term of one year or less and "AAA" for a term greater than one year, with corresponding ratings by Moody's of "MIG 1" (for fixed rate) or "VMIG 1" (for variable rate) for three months or less and "Aaa" for greater than three months. If at any time (i) both S&P and Moody's rate a Permitted Investment and (ii) one of those ratings is below the Highest Rating Category, then such Permitted Investment will, nevertheless, be deemed to be rated in the Highest Rating Category if the lower rating is no more than one rating category below the highest rating category of that rating agency. For example, a Permitted Investment rated "AAA" by S&P and "Aa3" by Moody's is rated in the Highest Rating Category. If, however, the lower rating is more than one full rating category below the Highest Rating Category of that rating agency, then the Permitted Investment will be deemed to be rated below the Highest Rating Category. For example, a Permitted Investment rated "AAA" by S&P and "A1" by Moody's is not rated in the Highest Rating Category.

"Initial Note" means each initial Governmental Lender Note registered by the Comptroller and subsequently canceled and replaced by a definitive Governmental Lender Note pursuant to this Funding Loan Agreement.

"Investment" means any Permitted Investment and any other investment within the meaning of Section 1.148-1(b) of the Regulations held under this Funding Loan Agreement that does not constitute a Permitted Investment.

"Maturity Date" shall mean July 1, 2053 for the Series A-1 Governmental Lender Note and July 1, 2053 for the Series A-2 Governmental Lender Note.

"**Maximum Rate**" shall mean the lesser of (i) 12% per annum and (ii) the maximum interest rate that may be paid on the Governmental Lender Notes under State law pursuant to Chapter 1204 of the Texas Government Code.

"**Minimum Beneficial Ownership Amount**" shall mean an amount no less than fifteen percent (15%) of the outstanding principal amount of the Governmental Lender Notes.

"**Moody's**" shall mean Moody's Investors Service, Inc., or its successor.

"**Mortgaged Property**" means the real property described in the Security Instrument, together with all improvements, fixtures and personal property (to the extent of the Borrower's interest therein) located on such real property.

"**Noteowner**" or "owner of the Governmental Lender Notes" means an owner of a Governmental Lender Note as shown on the registration books maintained by the Fiscal Agent pursuant to Section 2.5(b).

"**Note Proceeds Account**" means the Note Proceeds Account of the Project Fund established under Section 7.3.

"**Operations Office**" means the offices of the Fiscal Agent where principal and interest on the Governmental Lender Notes are paid and where the Governmental Lender Notes are surrendered for transfer, exchange or cancellation, which office is presently located at Wilmington Trust, National Association, 15950 North Dallas Parkway, Suite 550, Dallas, Texas 75248.

"**Opinion of Counsel**" shall mean a written opinion from an attorney or firm of attorneys, acceptable to the Funding Lender and the Governmental Lender with experience in the matters to be covered in the opinion; provided that whenever an Opinion of Counsel is required to address the exclusion of interest on the Governmental Lender Notes from gross income for purposes of federal income taxation, such opinion shall be provided by Governmental Lender Counsel.

"**Permanent Period Amount**" shall have the meaning given such term in the Borrower Loan Agreement.

"**Permitted Investments**" shall mean, to the extent authorized by law for investment of any moneys held under this Funding Loan Agreement:

(a) Direct obligations of the United States of America including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America.

(b) Direct obligations of, and obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by, any agency or instrumentality of the United States of America, or direct obligations of the World Bank, which obligations are rated in the Highest Rating Category.

(c) Demand deposits or time deposits with, or certificates of deposit issued by, the 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 and maturing in less than 365 days; provided that the Fiscal Agent or such other institution has been rated at least "VMIG-1"/"A-1+" by Moody's/S&P and such 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.

(d) Bonds (including tax-exempt bonds), bills, notes or other obligations of or secured by Fannie Mae, Freddie Mac, the Federal Home Loan Bank or the Federal Farm Credit Bank.

(e) Money market funds rated AAA by S&P which are registered with the Securities and Exchange Commission and which meet the requirements of Rule 2(a)(7) of the Investment Company Act of 1940, as amended, which may be administered by the Fiscal Agent or its affiliates.

(f) Collateralized investment agreements or repurchase agreements with financial institutions rated in the "A" category or higher without regard to qualifiers, by at least one Rating Agency. The agreement must be continually collateralized with obligations specified in paragraphs (a), (b) and/or (d) above, eligible for wire through the Federal Reserve Bank System or the DTC/PTC as applicable, and at a level of at least 103% of the amount on deposit and valued no less than daily. The collateral must be held by a third party custodian and be free and clear of all liens and claims of third parties. Securities must be valued daily, marked-to-market at current market price plus accrued interest. If the market value of the securities is found to be below the required level, the provider must restore the market value of the securities to the required level within one (1) business day. Permitted collateral must be delivered to and held in a segregated account by the Fiscal Agent or a custodian (the "Collateral Agent"), and the Collateral Agent cannot be the provider. The collateral must be delivered to the Collateral Agent before/simultaneous with payment (perfection by possession of certificated securities). Acceptable collateral must be free and clear of all liens and claims of third parties and shall be registered in the name of the Collateral Agent for the benefit of the Governmental Lender and Fiscal Agent. The agreement shall state that the Collateral Agent has a valid and perfected first priority security interest in the securities, any substituted securities and all proceeds thereof.

(g) Any other investment authorized by the laws of the State, if such investment is Approved in Writing in advance by the Funding Lender in its sole discretion.

Permitted Investments shall not include any of the following:

(1) Except for any investment described in the next sentence, any investment or any agreement with a maturity profile greater than the date(s) on which funds representing the corpus of the investment may be needed under the Funding Loan Documents. This exception (1) shall not apply to Permitted Investments listed in paragraph (g).

- (2) Any obligation bearing interest at an inverse floating rate.
- (3) Any investment which may be prepaid or called at a price less than its purchase price prior to stated maturity.
- (4) Any investment the interest rate on which is variable and is established other than by reference to a single index plus a fixed spread, if any, and which interest rate moves proportionately with that index.

The Fiscal Agent shall not be responsible for verifying that a Permitted Investment is authorized by law.

"Person" shall mean any individual, corporation, limited liability company, partnership, joint venture, estate, trust, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

"Pledged Revenues" shall mean the amounts pledged under this Funding Loan Agreement to the payment of the principal of, prepayment premium, if any, and interest on the Governmental Lender Notes, consisting of the following: (i) all income, revenues, proceeds and other amounts to which the Governmental Lender is entitled (other than amounts received by the Governmental Lender with respect to the Reserved Rights) derived from or in connection with the Project and the Funding Loan Documents, including all Borrower Loan Payments due under the Borrower Loan Agreement and the Borrower Notes, payments with respect to the Borrower Loan Payments and all amounts obtained through the exercise of the remedies provided in the Funding Loan Documents and all receipts credited under the provisions of this Funding Loan Agreement against said amounts payable, and (ii) moneys held in the funds and accounts established under this Funding Loan Agreement, together with investment earnings thereon (except any amounts on deposit in the Closing Costs Fund).

"Prepayment Premium" shall mean (i) any premium payable by the Borrower pursuant to the Borrower Loan Documents in connection with a prepayment of a Borrower Note (including any Prepayment Premium as set forth in the Borrower Notes) and (ii) any premium payable on the Governmental Lender Notes pursuant to this Funding Loan Agreement.

"Project" shall have the meaning given to that term in the Borrower Loan Agreement.

"Qualified Project Costs" shall have the meaning given such term in the Tax Certificate and Agreement.

"Rating Agency" shall mean any one and each of S&P, Moody's and Fitch then rating the Permitted Investments or any other nationally recognized statistical rating agency then rating the Permitted Investments, which has been approved by the Funding Lender.

"Rebate Analyst" means a Person that is (i) qualified and experienced in the calculation of rebate payments under Section 148 of the Code and in compliance with the arbitrage rebate Regulations promulgated under the Code, (ii) chosen by the Borrower prior to the Closing Date

and (iii) engaged for the purpose of determining the amount of required deposits, if any to the Rebate Fund.

"Rebate Fund" means the Rebate Fund created by Section 7.3(e) hereof.

"Regulations" shall mean the applicable proposed, temporary or final Treasury 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.

"Regulatory Agreement" shall mean that certain Regulatory Agreement and Declaration of Restrictive Covenants, dated as of the date hereof, by and among the Governmental Lender, the Borrower and the Fiscal Agent, as hereafter amended or modified.

"Required Transferee Representations Letter" shall mean the representations in substantially the form of the letter attached to this Funding Loan Agreement as Exhibit B, duly executed by the holder of the Governmental Lender Notes and delivered to the Governmental Lender and the Fiscal Agent.

"Reserved Rights" means (a) all of the Governmental Lender's right, title and interest in and to all reimbursement, costs, expenses and indemnification, (b) all rights of the Governmental Lender to receive the Governmental Lender's Fee and any Rebate Amount, (c) all rights of the Governmental Lender to receive notices, reports and other statements and to make any determination and to grant any approval or consent to anything in this Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement and the other Funding Loan Documents requiring the determination, consent or approval of the Governmental Lender, (d) all rights of the Governmental Lender of access to the Mortgaged Property and documents related thereto and to specifically enforce the representations, warranties, covenants and agreements of the Borrower set forth in the Tax Certificate and Agreement and in the Regulatory Agreement, (e) any and all rights, remedies and limitations of liability of the Governmental Lender set forth in this Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement, the Tax Certificate and Agreement and the other Funding Loan Documents, as applicable, regarding (1) the negotiability, registration and transfer of the Governmental Lender Notes, (2) the loss or destruction of the Governmental Lender Notes, (3) the limited liability of the Governmental Lender as provided in the Act, this Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement and the other Funding Loan Documents, (4) no liability of the Governmental Lender to third parties, and (5) no warranties of suitability or merchantability by the Governmental Lender, (f) all rights of the Governmental Lender in connection with any amendment to or modification of this Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement, the Tax Certificate and Agreement and the other Funding Loan Documents, and (g) any and all limitations of the Governmental Lender's liability and the Governmental Lender's disclaimers of warranties set forth in this Funding Loan Agreement, the Regulatory Agreement, the Tax Certificate and Agreement or the Borrower Loan Agreement, and the Governmental Lender's right to inspect and audit the books, records and permits of the Borrower and the Mortgaged Property.

"Resolution" shall mean the resolution of the Governmental Lender authorizing the Governmental Lender Notes and the execution and delivery of the Funding Loan Documents to which the Governmental Lender is a party.

"Responsible Officer" shall mean any officer within the Corporate Trust Office of the Fiscal Agent, including any vice president, assistant vice president, assistant secretary or any other officer or assistant officer of the Fiscal Agent customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, who is responsible for the administration of this Funding Loan Agreement.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Security" shall mean the security for the performance by the Governmental Lender of its obligations under the Governmental Lender Notes and this Funding Loan Agreement as more fully set forth in Article IV hereof.

"Security Instrument" shall mean the Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (as amended, restated and/or supplemented from time to time) of even date herewith, made by the Borrower in favor of the Governmental Lender, as assigned to the Fiscal Agent for the benefit of the Funding Lender to secure the performance by the Governmental Lender of its obligations under the Governmental Lender Notes.

"Series A-1 Borrower Note" shall mean that certain Multifamily Note (Tranche A), dated the Closing Date, in the original principal amount of \$20,450,000 made by the Borrower and payable to the Governmental Lender, evidencing the loan of the proceeds of the Series A-1 Governmental Lender Note, as executed by the Borrower on the Closing Date and endorsed and assigned by the Governmental Lender without recourse to the Fiscal Agent, and as it may thereafter be amended or supplemented from time to time.

"Series A-2 Borrower Note" shall mean that certain Multifamily Note (Tranche B), dated the Closing Date, in the original principal amount of \$3,500,000 made by the Borrower and payable to the Governmental Lender, evidencing the loan of the proceeds of the Series A-2 Governmental Lender Note, as executed by the Borrower on the Closing Date and endorsed and assigned by the Governmental Lender without recourse to the Fiscal Agent, and as it may thereafter be amended or supplemented from time to time.

"Series A-1 Governmental Lender Note" shall mean that certain Austin Housing Finance Corporation Multifamily Mortgage Revenue Note (Vi Collina Apartments) Series 2020A-1, dated the Closing Date, in the original principal amount of \$20,450,000, made by the Governmental Lender and payable to the Funding Lender, as executed by the Governmental Lender on the Closing Date and as it may thereafter be amended or supplemented from time to time.

"Series A-2 Governmental Lender Note" shall mean that certain Austin Housing Finance Corporation Multifamily Mortgage Revenue Note (Vi Collina Apartments) Series 2020A-2, dated the Closing Date, in the original principal amount of \$3,500,000, made by the Governmental Lender and payable to the Funding Lender, as executed by the Governmental Lender on the Closing Date and as it may thereafter be amended or supplemented from time to time.

"Servicer" shall mean any Servicer appointed by the Funding Lender to perform certain servicing functions with respect to the Governmental Lender Notes and on the Borrower Loan pursuant to a separate servicing agreement to be entered into between the Funding Lender and the

Servicer. Initially the Servicer shall be the Funding Lender pursuant to this Funding Loan Agreement.

"Servicing Agreement" shall mean the servicing agreement, if any, entered into between the Funding Lender and a Servicer with respect to the servicing of the Funding Loan and/or the Borrower Loan.

"S&P" shall mean S&P Global Ratings, a business of Standard & Poor's Financial Services LLC, or its successors.

"State" shall mean the State of Texas.

"Tax Certificate and Agreement" shall mean that certain Federal Tax Certificate dated as of the date hereof, by and among the Governmental Lender and the Borrower as in effect on the Closing Date and as it may thereafter be amended or supplemented or restated in accordance with its terms.

"UCC" shall mean the Uniform Commercial Code as in effect in the State.

"Written Certificate," "Written Certification," "Written Consent," "Written Direction," "Written Notice," "Written Order," "Written Request," "Written Requisition," "Approved in Writing" and "Approval in Writing" shall mean a written certificate, consent, direction, notice, order, request, requisition or approval signed by an Authorized Representative of the Borrower or the Governmental Lender and delivered to the Funding Lender, the Servicer, if any, the Fiscal Agent or such other Person as required under the Funding Loan Documents.

Section 1.2. Effect of Headings and Table of Contents. The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.3. Date of Funding Loan Agreement. The date of this Funding Loan Agreement is intended as and for a date for the convenient identification of this Funding Loan Agreement and is not intended to indicate that this Funding Loan Agreement was executed and delivered on said date.

Section 1.4. Designation of Time for Performance. Except as otherwise expressly provided herein, any reference in this Funding Loan Agreement to the time of day shall mean the time of day in the city where the Funding Lender maintains its place of business for the performance of its obligations under this Funding Loan Agreement.

Section 1.5. Interpretation. The parties hereto acknowledge that each of them and their respective counsel have participated in the drafting and revision of this Funding Loan Agreement. Accordingly, the parties agree that any rule of construction that disfavors the drafting party shall not apply in the interpretation of this Funding Loan Agreement or any amendment or supplement or exhibit hereto.

ARTICLE II TERMS; GOVERNMENTAL LENDER NOTES

Section 2.1. Terms.

(a) Principal Amount. The principal amount of each Governmental Lender Note is hereby expressly limited to the respective Authorized Amount.

(b) Funding. The purchase price of the Governmental Lender Notes, which shall be equal to the principal amount thereof, shall be paid by the Funding Lender to the Fiscal Agent for the account of the Governmental Lender on the Closing Date, and will be disbursed to the Borrower in accordance with the disbursement provisions of Section 7.7 hereof, Section 2.10 of the Borrower Loan Agreement and of the Construction Funding Agreement.

(c) Issuance Date; Maturity. The Governmental Lender Notes shall be issued on the Closing Date and shall mature on their respective Maturity Dates at which time the entire principal amount, to the extent not previously paid, and all accrued and unpaid interest, shall be due and payable.

(d) Principal. The outstanding principal amount of the Governmental Lender Notes as of any given date shall be the Authorized Amount, less any payments of principal of the Governmental Lender Notes previously received from payments of corresponding principal amounts under the respective Borrower Notes, including regularly scheduled principal payments and voluntary and mandatory prepayments. The principal amount of the Governmental Lender Notes and interest thereon shall be payable on the basis specified in this paragraph (d) and in paragraphs (e) and (f) of this Section 2.1, and based on (i) principal payments actually made by the Fiscal Agent or (ii) principal payments that the Fiscal Agent has been appropriately advised have been made on their behalf.

The Fiscal Agent shall keep a record of all principal repayments made under the Governmental Lender Notes and shall upon Written Request provide the Governmental Lender and the Funding Lender with a statement of the outstanding principal balance of the Governmental Lender Notes.

(e) Interest. Interest shall be paid on the outstanding principal amount of each Governmental Lender Note on each Borrower Loan Payment Date at the rate or rates set forth in the corresponding Borrower Note and otherwise as set forth in the Borrower Loan Agreement; provided, however, that in no event shall interest paid on the Governmental Lender Notes (including any default interest rate) exceed the Maximum Rate.

(f) Corresponding Payments. The payment or prepayment of principal, interest and premium, if any, late payment fees and other amounts due on the Governmental Lender Notes shall be made on the Loan Payment Date and shall be identical with and shall be made on the same terms and conditions, as the principal, interest, premium, if any, late payment fees and other amounts due on the Borrower Notes. If there is a Servicer, payments of principal and interest on the Borrower Notes shall be paid to the Servicer when required under the Borrower Notes and Borrower Loan Agreement, and the Servicer, on behalf of the Funding Lender, shall then remit such funds to the Fiscal Agent to be deposited in the Governmental Lender Note Payment Fund

established under this Funding Loan Agreement. If there is no Servicer, payments of principal and interest on the Borrower Notes shall be paid directly to the Fiscal Agent and deposited into the Governmental Lender Note Payment Fund.

(g) Usury. The Governmental Lender intends to conform strictly to the usury laws applicable to this Funding Loan Agreement and the Governmental Lender Notes and all agreements made in the Governmental Lender Notes, this Funding Loan Agreement and the Funding Loan Documents are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid as interest or the amounts paid for the use of money advanced or to be advanced hereunder exceed the highest lawful rate prescribed under any law which a court of competent jurisdiction may deem applicable hereto including Chapter 1204 of the Texas Government Code and other applicable laws of the State of Texas. If, from any circumstances whatsoever, the fulfillment of any provision of the Governmental Lender Notes, this Funding Loan Agreement or the other Funding Loan Documents shall involve the payment of interest in excess of the limit prescribed by any law which a court of competent jurisdiction may deem applicable hereto, then the obligation to pay interest hereunder shall be reduced to the maximum limit prescribed by law. If from any circumstances whatsoever, the Funding Lender shall ever receive anything of value deemed interest, the amount of which would exceed the highest lawful rate, such amount as would be excessive interest shall be deemed to have been applied, as of the date of receipt by the Funding Lender, to the reduction of the principal remaining unpaid hereunder and not to the payment of interest, or if such excessive interest exceeds the unpaid principal balance, such excess shall be refunded to the Borrower. In no event shall the interest on the Governmental Lender Notes exceed the Maximum Rate. This paragraph shall control every other provision of the Governmental Lender Notes, this Funding Loan Agreement and all other Funding Loan Documents.

In determining whether the amount of interest charged and paid might otherwise exceed the limit prescribed by law, the Governmental Lender intends and agrees that (i) interest shall be computed upon the assumption that payments under the Borrower Loan Agreement and other Funding Loan Documents will be paid according to the agreed terms, and (ii) any sums of money that are taken into account in the calculation of interest, even though paid at one time, shall be spread over the actual term of the Governmental Lender Notes.

(h) 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 LENDER NOTES SOLELY OUT OF THE SECURITY, INCLUDING THE PLEDGED REVENUES. THE GOVERNMENTAL LENDER NOTES SHALL BE SPECIAL LIMITED OBLIGATIONS OF THE GOVERNMENTAL LENDER PAYABLE SOLELY FROM THE SECURITY, INCLUDING THE PLEDGED REVENUES. THE GOVERNMENTAL LENDER NOTES 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 LENDER NOTES AND WHICH SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THIS FUNDING LOAN AGREEMENT.**

Section 2.2. Form of Governmental Lender Notes. Simultaneously with the delivery of this Funding Loan Agreement, the Governmental Lender hereby agrees to execute and deliver the Governmental Lender Notes. The Governmental Lender Notes shall be substantially in the form set forth in Exhibits A-1 and A-2 attached hereto, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Funding Loan Agreement. Except for the Initial Note for the Series A-1 Governmental Lender Note, which shall be numbered IA1-1, the Series A-1 Governmental Lender Note shall be numbered consecutively from RA1-1 upwards. Except for the Initial Note for the Series A-2 Governmental Lender Note, which shall be numbered IA2-1, the Series A-2 Governmental Lender Note shall be numbered consecutively from RA2-1 upwards. In connection with Conversion, the Funding Lender shall have the right to exchange the then existing Series A-1 Governmental Lender Note on or after the Conversion Date for a new Series A-1 Governmental Lender Note with a dated date of the Conversion Date and in a stated principal amount equal to the then outstanding principal amount of the Series A-1 Governmental Lender Note, which amount will equal the Permanent Period Amount of the Borrower Loan. .

Each Initial Note, registered by the Comptroller, shall be identical to the form of each Governmental Lender Note attached as Exhibits A-1 and A-2, except that the following paragraph will not appear in the Initial Notes:

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

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

"THIS GOVERNMENTAL LENDER NOTE SHALL NOT BE VALID OR BECOME OBLIGATORY for any purpose or be entitled to any benefit or security under the Funding Loan Agreement unless the Comptroller's Registration Certificate hereon has been executed by an authorized representative of the Texas Comptroller of Public Accounts by manual signature."

In lieu of the authentication certificate of the Fiscal Agent, each Initial Note shall contain the following certificate:

**"REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS**

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

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

Witness my signature and seal of office this _____.

Texas Comptroller of Public Accounts

(SEAL)"

The provisions of Exhibit A-1 and A-2 may be rearranged or re-ordered for purposes of the Initial Notes.

Section 2.3. Execution and Authentication of Governmental Lender Notes. Each Governmental Lender Note (including the Initial Notes) shall be signed, by manual or facsimile signature, by an Authorized Representative of the Governmental Lender, and shall bear the seal of the Governmental Lender or a facsimile thereof and shall be attested by the manual or facsimile signature of an Authorized Representative of the Governmental Lender. In case any officer whose signature or a facsimile of whose signature appears on any Governmental Lender Note shall cease to be that officer before the issuance of the Governmental Lender Note, the officer's signature or the facsimile thereof nevertheless shall be valid and sufficient for all purposes, the same as if he or she had remained in office until that time. Any Governmental Lender Note may be executed on behalf of the Governmental Lender by an officer who, on the date of execution is the proper officer, although on the date of the Governmental Lender Note that person was not the proper officer.

Except for the Initial Notes, no Governmental Lender Note shall be secured by, or be entitled to any lien, right or benefit under, this Funding Loan Agreement or be valid or obligatory for any purpose, unless there appears on such Governmental Lender Note a certificate of authentication substantially in the form provided for herein, executed by the Fiscal Agent by manual signature, and such certificate upon the definitive Governmental Lender Note shall be conclusive evidence, and the only evidence, that such definitive Governmental Lender Note has been duly authenticated and delivered hereunder.

Section 2.4. Mutilated, Lost, Stolen or Destroyed Governmental Lender Note. If any Governmental Lender Note is mutilated, lost, stolen or destroyed, the Governmental Lender shall execute and the Fiscal Agent shall authenticate and deliver a new Governmental Lender Note of the same maturity, interest rate, principal amount, series and tenor in lieu of and in substitution for the mutilated, lost, stolen or destroyed Governmental Lender Note, provided, however, that in the case of any mutilated Governmental Lender Note, the mutilated Governmental Lender Note must first be surrendered to the Fiscal Agent, and in the case of any lost, stolen or destroyed Governmental Lender Note, there must be first furnished to the Fiscal Agent evidence satisfactory to it of the ownership of the Governmental Lender Note, and of the loss, theft or destruction, together with indemnity satisfactory to the Fiscal Agent and the Governmental Lender and compliance with such other reasonable requirements as the Fiscal Agent and the Governmental Lender may prescribe. If any such Governmental Lender Note will mature within the ensuing 60 days, or if such Governmental Lender Note has been called for prepayment or a prepayment date pertaining to such Governmental Lender Note has passed, instead of replacing the Governmental

Lender Note, the Fiscal Agent may, upon receipt of such indemnity, pay the Governmental Lender Note on such maturity date or prepayment date. The Fiscal Agent shall cancel any mutilated Governmental Lender Note surrendered to it. In connection with any such substitution or payment, the Governmental Lender and the Fiscal Agent may charge the holder of such Governmental Lender Note their reasonable fees and expenses, including attorneys' fees and expenses.

If, after the delivery of such replacement Governmental Lender Note, the original Governmental Lender Note in lieu of which such replacement Governmental Lender Note was issued is presented for payment or registration, the Fiscal Agent shall seek to recover such replacement Governmental Lender Note from the person to whom it was delivered or any person taking therefrom and shall be entitled to recover from the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Fiscal Agent, the Borrower or the Governmental Lender in connection therewith.

Section 2.5. Registration and Transfer of Governmental Lender Notes.

(a) The Fiscal Agent acknowledges that the Funding Lender is the initial holder of the Governmental Lender Notes and shall remain the sole holder of the Governmental Lender Notes except as transferred as provided herein.

(b) The Fiscal Agent, on behalf of the Governmental Lender, shall provide for the registration of the Governmental Lender Notes and the registration of transfers thereof pursuant to Chapter 1203 of the Texas Government Code. In that regard, the Fiscal Agent shall maintain a register, which shall contain a record of every Governmental Lender Note at any time authenticated hereunder, together with the name and address of the holder thereof, the date of authentication, the date of transfer or payment, and such other matters as may be deemed appropriate by the Fiscal Agent or the Governmental Lender. The Governmental Lender, the Fiscal Agent and any agent of the Governmental Lender or the Fiscal Agent may treat the person in whose name a Governmental Lender Note is registered as the owner of such Governmental Lender Note for the purpose of receiving payment of the Governmental Lender Note and for all other purposes whatsoever whether or not the Governmental Lender Note payments are overdue, and, to the extent permitted by law, neither the Governmental Lender, the Fiscal Agent nor any such agent shall be affected by notice to the contrary.

(c) The transfer of a Governmental Lender Note is subject to registration by the holder thereof only upon compliance with the conditions for registration of transfer imposed on the holder under this Section 2.5 and Section 2.6 hereof. Upon surrender of a Governmental Lender Note at the Operations Office of the Fiscal Agent, the Governmental Lender shall execute (if necessary), and the Fiscal Agent shall authenticate and deliver, in the name of the designated transferee (but not registered in blank or to "bearer" or a similar designation), a new Governmental Lender Note of a like principal amount, and having the same stated maturity, tenor and interest rate.

(d) A Governmental Lender Note delivered in exchange for or upon transfer of a Governmental Lender Note shall be a valid limited obligation of the Governmental Lender evidencing the same debt, and entitled to the same benefits under this Funding Loan Agreement, as the Governmental Lender Note surrendered for such exchange or transfer.

(e) Registration of the transfer of a Governmental Lender Note may be made on the Fiscal Agent's register by the holder thereof in person or by such holder's attorney duly authorized in writing. The Governmental Lender Note presented or surrendered for registration of transfer or exchange shall (i) be accompanied by evidence of compliance with the provisions of (g) and Section 2.6 hereof, (ii) be duly endorsed or be accompanied by a written instrument or instruments of transfer, in a form satisfactory to the Fiscal Agent, duly executed and with guaranty of signature of the holder thereof or his, her or its attorney duly authorized in writing and (iii) include written instructions as to the details of the transfer of the Governmental Lender Note.

(f) No service charge shall be made to the registered holder of a Governmental Lender Note for any registration, transfer or exchange, but the Fiscal Agent and the Governmental Lender may require payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in connection with any transfer or exchange of the Governmental Lender Note, and any legal or unusual costs of transfers.

(g) No Governmental Lender Note may be transferred through the services of the Depository Trust Company or any other third party registrar other than the Fiscal Agent.

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

(a) For each Initial Note delivered to the Funding Lender on the Closing Date, the Funding Lender shall deliver to the Governmental Lender and the Fiscal Agent a signed Required Transferee Representations Letter in substantially the form attached hereto as Exhibit B on the Closing Date.

(b) The Funding Lender shall have the right to sell (i) a Governmental Lender Note, or (ii) subject to subsection (c) below, participation interests or other beneficial ownership interests in such Governmental Lender Note, provided that in each case such sale shall be only to Approved Transferees that execute and deliver to the Fiscal Agent, with a copy to the Governmental Lender, the Required Transferee Representations Letter; provided, however, that no Required Transferee Representations shall be required to be delivered by transferees or beneficial interest holders described in clauses (3) or (4) of the definition of "Approved Transferee." Anything herein to the contrary notwithstanding, the Governmental Lender Note shall only be transferable in whole so that there is, at any time, only a single registered owner thereof, although participation or beneficial ownership interests may be sold or transferred subject to the requirements of this Section 2.6.

(c) Notwithstanding the other provisions of this Section 2.6, no participation interest or other beneficial ownership interest in a Governmental Lender Note and Funding Loan shall be sold in an amount that is less than the Minimum Beneficial Ownership Amount; provided, however, that beneficial ownership interests in the Governmental Lender Notes described in clause (3) of the definition of "Approved Transferee" may be sold in any amount without regard to the Minimum Beneficial Ownership Amount.

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

(e) The Fiscal Agent will have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Funding Loan Agreement or under applicable law with respect to any transfer of a Governmental Lender Note other than to examine the Required Transferee Representations Letter delivered to it to determine substantial compliance as to form with the express requirements hereof.

ARTICLE III PREPAYMENT

Section 3.1. Prepayment of the Governmental Lender Notes from Prepayment under the Borrower Notes. The Governmental Lender Notes are subject to voluntary and mandatory prepayment as follows:

(a) Each Governmental Lender Note shall be subject to voluntary prepayment in full or in part by the Governmental Lender, from funds received by the Governmental Lender, to the extent and in the manner and on any date that the corresponding Borrower Note is subject to voluntary prepayment as set forth therein, at a prepayment price equal to the principal balance of the Borrower Note to be prepaid, plus interest thereon to the date of prepayment and the amount of any Prepayment Premium payable under the Borrower Note, plus any Additional Borrower Payments due and payable under the Borrower Loan Agreement through the date of prepayment, but only from amounts received pursuant to the Borrower Loan Documents.

The Borrower shall not have the right to voluntarily prepay all or any portion of a Borrower Note, thereby causing the applicable Governmental Lender Note to be prepaid, except as specifically permitted in the Borrower Note, without the prior Written Consent of Funding Lender, which may be withheld in Funding Lender's sole and absolute discretion.

(b) Each Governmental Lender Note shall be subject to mandatory prepayment in whole or in part upon prepayment of the corresponding Borrower Note at the Written Direction of the Funding Lender in accordance with the terms of the Borrower Note, at a prepayment price equal to the outstanding principal balance of the Borrower Note prepaid, plus accrued interest plus any other amounts payable under the Borrower Note or the Borrower Loan Agreement, but only from amounts received pursuant to the Borrower Loan Documents.

Section 3.2. Notice of Prepayment. Notice of prepayment of a Governmental Lender Note shall be deemed given to the extent that notice of prepayment of the applicable Borrower Note is timely and properly given to Funding Lender in accordance with the terms of the Borrower Note and the Borrower Loan Agreement, and no separate notice of prepayment of the Governmental Lender Note is required to be given.

ARTICLE IV SECURITY

Section 4.1. Security for the Governmental Lender Notes. To secure the payment of the Governmental Lender Notes, to declare the terms and conditions on which the Governmental Lender Notes are secured, and in consideration of the premises and of the purchase of the Governmental Lender Notes by the Funding Lender, the Governmental Lender by these presents does grant, bargain, sell, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge,

set over and confirm to the Fiscal Agent (except as limited herein), for the benefit of the holders from time to time of the Governmental Lender Notes, a lien on and security interest in the following described property (excepting, however, the Reserved Rights) (said property, rights and privileges being herein collectively called, the "Security"):

(a) All right, title and interest of the Governmental Lender in, to and under the Borrower Loan Agreement and the Borrower Notes, including, without limitation, all rents, revenues and receipts derived thereunder by the Governmental Lender from the Borrower relating to the Project and including, without limitation, all Pledged Revenues, Borrower Loan Payments and Additional Borrower Payments (except those related to the Reserved Rights) derived by the Governmental Lender under and pursuant to, and subject to the provisions of, the Borrower Loan Agreement; provided that the pledge and assignment made under this Funding Loan Agreement shall be limited to the Security received by the Governmental Lender from the Borrower, but subject to such limitation shall not impair or diminish the obligations of the Governmental Lender under the provisions of the Borrower Loan Agreement;

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

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

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

The pledge and assignment of and the security interest granted in the Security pursuant to this Section 4.1 for the payment of the principal of, premium, if any, and interest on the Governmental Lender Notes, in accordance with their terms and provisions, and for the payment of all other amounts due hereunder, shall attach and be valid and binding from and after the time of the delivery of the Governmental Lender Notes by the Governmental Lender. The Security so pledged and then or thereafter received by the Fiscal Agent or the Funding Lender shall immediately be subject to the lien of such pledge and security interest without any physical delivery or recording thereof or further act, and the lien of such pledge and security interest shall be valid and binding and prior to the claims of any and all parties having claims of any kind in tort, contract or otherwise against the Governmental Lender irrespective of whether such parties have

notice thereof. The Fiscal Agent shall have no responsibilities (except as expressly set forth herein) as to the validity, sufficiency, value, genuineness, ownership or transferability of the Security, written instructions, or any other documents in connection therewith, and will not be regarded as making nor be required to make, any representations thereto.

In the event that any of the Security shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the Security, the Fiscal Agent is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. In the event that the Fiscal Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

Section 4.2. Delivery of Security. To provide security for the payment of the Governmental Lender Notes, the Governmental Lender has pledged and assigned to secure payment of the Governmental Lender Notes its right, title and interest in the Security to the Fiscal Agent in trust for the benefit of the Noteowner. In connection with such pledge, assignment, transfer and conveyance, the Governmental Lender shall deliver to the Fiscal Agent the following documents or instruments promptly following their execution and, to the extent applicable, their recording or filing:

- (a) The Borrower Notes endorsed without recourse to the Fiscal Agent by the Governmental Lender;
- (b) The originally executed Borrower Loan Agreement and Regulatory Agreement;
- (c) The originally executed Security Instrument and all other Borrower Loan Documents existing at the time of delivery of the Borrower Note and an assignment for security of the Security Instrument from the Governmental Lender to the Fiscal Agent, in recordable form and acceptable to the Funding Lender as evidenced by its acceptance thereof on the Closing Date;
- (d) Uniform Commercial Code financing statements or other chattel security documents giving notice of the Fiscal Agent's status as an assignee of the Governmental Lender's security interest in any personal property forming part of the Project, in form suitable for filing and acceptable to the Funding Lender as evidenced by its acceptance thereof on the Closing Date; and
- (e) Uniform Commercial Code financing statements giving notice of the pledge by the Governmental Lender of the Security pledged under this Funding Loan Agreement and acceptable to the Funding Lender as evidenced by its acceptance thereof on the Closing Date.

The Governmental Lender shall deliver and deposit with the Fiscal Agent or the Funding Lender such additional documents, financing statements, and instruments as the Fiscal Agent, at the Written Direction of the Funding Lender, or the Funding Lender may reasonably require from

time to time for the better perfecting and assuring to the Funding Lender of its lien and security interest in and to the Security, at the expense of the Borrower.

The Fiscal Agent shall have no obligation to give, execute, deliver, file, record, authorize or obtain any financing statements, notices, instruments, documents, agreements, consents or other papers as shall be necessary to (i) create, preserve, perfect or validate the security interest granted to the Fiscal Agent pursuant this Funding Loan Agreement (except for the filing of continuation statements for filed financing statements on which the "Public-Finance Transaction" box has been marked to indicate that such financing statements have been filed in connection with a public finance transaction, copies of which are delivered to the Fiscal Agent as provided above); or (ii) enable the Fiscal Agent to exercise and enforce its rights with respect to such pledge and security interest. In addition, the Fiscal Agent shall have no responsibility or liability (i) in connection with the acts or omission of the Borrower in respect of the foregoing; or (ii) for or with respect to the legality, validity and enforceability of any security interest created in the Security or the perfection and priority of such security interest.

ARTICLE V LIMITED LIABILITY

Section 5.1. Source of Payment of Governmental Lender Notes and Other 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 LENDER NOTES SOLELY OUT OF THE PLEDGED REVENUES AND SECURITY PLEDGED AND ASSIGNED HEREUNDER. THE GOVERNMENTAL LENDER NOTES SHALL BE SPECIAL LIMITED OBLIGATIONS OF THE GOVERNMENTAL LENDER PAYABLE SOLELY FROM THE PLEDGED REVENUES AND SECURITY PLEDGED AND ASSIGNED HEREUNDER. THE GOVERNMENTAL LENDER NOTES SHALL CONSTITUTE A VALID CLAIM OF THE RESPECTIVE NOTEOWNERS THEREOF AGAINST THE PLEDGED REVENUES AND SECURITY PLEDGED AND ASSIGNED HEREUNDER, WHICH IS PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE GOVERNMENTAL LENDER NOTES AND WHICH SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THIS FUNDING LOAN AGREEMENT. THE GOVERNMENTAL LENDER NOTES DO NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION, AN INDEBTEDNESS, OBLIGATIONS OR LOANS OF CREDIT OF THE STATE, THE COUNTY OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE. THE GOVERNMENTAL LENDER NOTES DO NOT CREATE A MORAL OBLIGATION ON THE PART OF THE STATE, THE COUNTY OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE AND EACH OF SUCH ENTITIES IS PROHIBITED BY THE ACT FROM MAKING ANY PAYMENTS WITH RESPECT TO THE GOVERNMENTAL LENDER NOTES. THE GOVERNMENTAL LENDER HAS NO TAXING POWER.

Section 5.2. Exempt from Individual Liability. No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of any present or future

officer, director, employee or agent of the Governmental Lender in his individual capacity, and neither the officers, directors, employees or agents of the Governmental Lender executing the Governmental Lender Notes or this Funding Loan Agreement shall be liable personally on the Governmental Lender Notes or under this Funding Loan Agreement or be subject to any personal liability or accountability by reason of the issuance of the Governmental Lender Notes or the execution of this Funding Loan Agreement.

ARTICLE VI CLOSING CONDITIONS; APPLICATION OF FUNDS

Section 6.1. Conditions Precedent to Closing. Closing of the sale of the Governmental Lender Notes on the Closing Date shall be conditioned upon satisfaction or waiver by the Funding Lender in its sole discretion of each of the conditions precedent to closing set forth in this Funding Loan Agreement, including but not limited to the following:

- (a) Receipt by the Funding Lender of the original executed Governmental Lender Notes, authenticated by the Fiscal Agent;
- (b) Receipt by the Fiscal Agent of the original executed Borrower Notes, endorsed to the Fiscal Agent by the Governmental Lender;
- (c) Receipt by the Funding Lender of executed counterparts of this Funding Loan Agreement, the Borrower Loan Agreement, the Construction Funding Agreement, the Regulatory Agreement, the Tax Certificate and Agreement, the Security Instrument, and any UCC financing statement required by the Security Instrument;
- (d) Receipt by the Fiscal Agent of a certified copy of the Resolution;
- (e) Receipt by the Governmental Lender and Fiscal Agent of the executed Required Transferee Representations Letter from the Funding Lender;
- (f) A written request and authorization by the Governmental Lender (acting through an Authorized Representative) to the Fiscal Agent to authenticate and deliver the Governmental Lender Notes to or for the account of the Funding Lender upon receipt from the Funding Lender of the proceeds of the Governmental Lender Notes;
- (g) Delivery into escrow with the Title Company (or separate escrow company, if applicable) or to the Fiscal Agent, as appropriate, of all amounts required to be paid in connection with the origination of the Borrower Loan and the Governmental Lender Notes and any underlying real estate transfers or transactions, including the Costs of Issuance Deposit, in accordance with Section 2.3(c)(ii) of the Borrower Loan Agreement;
- (h) Receipt by the Funding Lender and the Fiscal Agent of a Governmental Lender Counsel Approving Opinion;
- (i) Receipt by the Funding Lender and the Fiscal Agent of an Opinion of Counsel to the effect that the Governmental Lender Notes are exempt from registration under the Securities

Act of 1933, and this Funding Loan Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(j) Delivery of an opinion of counsel to the Borrower addressed to the Governmental Lender, the Fiscal Agent and the Funding Lender to the effect that the Borrower Loan Documents, the Regulatory Agreement, and the Tax Certificate and Agreement are valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their terms, subject to such exceptions and qualifications as are acceptable to the Governmental Lender and the Funding Lender;

(k) Receipt by the Funding Lender of the Initial Notes registered by the Comptroller and an Opinion of the Attorney General of the State of Texas approving the Governmental Lender Notes; and

(l) Receipt by the Funding Lender and the Governmental Lender of any other documents or opinions that the Funding Lender, the Governmental Lender or Governmental Lender Counsel may require. The Funding Lender shall be deemed to have received or waived all conditions precedent upon the release of the Funding Loan.

Section 6.2. Application of Funds. The Fiscal Agent shall deposit the proceeds of the Governmental Lender Notes and amounts received from or on behalf of the Borrower, as follows:

(a) The Fiscal Agent shall deposit the proceeds of the Governmental Lender Notes as follows: \$23,950,000 into the Note Proceeds Account of the Project Fund; \$0 into the Capitalized Interest Account of the Project Fund; \$0 into the Expense Fund; and \$0 into the Closing Costs Fund.

(b) From the amounts received from or on behalf of the Borrower, the Fiscal Agent shall deposit the following amounts in the following funds:

(1) An amount equal to \$0 into the Capitalized Interest Account of the Project Fund;

(2) An amount equal to \$0 into the Expense Fund; and

(3) An amount equal to \$0 into the Borrower Equity Account of the Project Fund.

(c) Subsequent to the Closing Date, funds shall be deposited as provided in Article VII.

ARTICLE VII FUNDS AND ACCOUNTS

Section 7.1. Authorization to Create Funds and Accounts. Funds and accounts shall be established on the Closing Date as provided in Section 7.3 hereof. Fiscal Agent is authorized, and the Funding Lender and the Servicer, if any, may give Written Directions to the Fiscal Agent, to establish and create from time to time such other funds and accounts or subaccounts as may be necessary for the deposit of moneys (including, without limitation, insurance proceeds and/or

condemnation awards), if any, received by the Governmental Lender, the Funding Lender, the Fiscal Agent or the Servicer, if any, pursuant to the terms hereof or any of the other Funding Loan Documents and not immediately transferred or disbursed pursuant to the terms of the Funding Loan Documents and/or the Borrower Loan Documents.

Section 7.2. Investment of Funds. Amounts held in any funds or accounts created under this Funding Loan Agreement shall be invested in Permitted Investments at the Written Direction of the Borrower, subject in all cases to the restrictions of Section 8.7 hereof and of the Tax Certificate and Agreement, and as more particularly described in Section 7.7 hereof. Pursuant to the Tax Certificate, the Fiscal Agent shall cause to be kept and maintained adequate records pertaining to investment of all proceeds of the Governmental Lender Notes sufficient to permit the Borrower, on behalf of the Governmental Lender, to determine the amount of rebate, if any, required to be paid to the United States of America pursuant to Section 148 of the Code. The Fiscal Agent shall have no responsibility to make such determination.

Section 7.3. Establishment of Funds. There are established with the Fiscal Agent the following funds and accounts:

- (a) The Governmental Lender Note Payment Fund;
- (b) The Project Fund, and within the Project Fund, a Note Proceeds Account, a Capitalized Interest Account and a Borrower Equity Account;
- (c) The Expense Fund;
- (d) The Closing Costs Fund; and
- (e) The Rebate Fund.

All money required to be deposited with or paid to the Fiscal Agent for the account of any of the funds or accounts created by this Funding Loan Agreement shall be held by the Fiscal Agent in trust for the benefit of the Funding Lender, and except for money held in the Expense Fund, the Closing Costs Fund and the Rebate Fund, shall, while held by the Fiscal Agent, constitute part of the Pledged Revenues and be subject to the lien hereof.

Section 7.4. Governmental Lender Note Payment Fund. The Governmental Lender and the Borrower shall have no interest in the Governmental Lender Note Payment Fund or the moneys therein, which shall always be maintained by the Fiscal Agent completely separate and segregated from all other moneys held hereunder and from any other moneys of the Governmental Lender and the Borrower.

The Fiscal Agent shall deposit into the Governmental Lender Note Payment Fund any amounts received from the Borrower as payments of principal, interest, premiums, if any, late payment fees on the Borrower Loan and any other amounts received by the Fiscal Agent that are subject to the lien and pledge of this Funding Loan Agreement, including any Pledged Revenues not required to be deposited to the Expense Fund or not otherwise specifically directed in writing to be deposited into other funds created by this Funding Loan Agreement.

The Fiscal Agent shall apply all amounts on deposit in the Governmental Lender Note Payment Fund in the following order of priority (unless otherwise directed in writing by the Funding Lender):

First, to pay or provide for the payment of the interest then due on the Governmental Lender Note;

Second, to pay or provide for the payment or the prepayment of principal (and premium, if any) on the Governmental Lender Notes, provided moneys have been transferred or deposited into the Governmental Lender Note Payment Fund for such purpose; and

Third, to pay or provide for the payment of the Governmental Lender Notes on their respective Maturity Dates.

Section 7.5. Expense Fund. The Fiscal Agent shall deposit in the Expense Fund the amounts required by the Regulatory Agreement or the Borrower Loan Agreement to be paid by the Borrower to the Governmental Lender or the Fiscal Agent. Amounts on deposit in the Expense Fund shall be used to pay the fees and expenses of the Governmental Lender and the Fiscal Agent, as and when the same become due. In that regard, moneys in the Expense Fund shall be withdrawn or maintained, as appropriate, by the Fiscal Agent to pay (i) at the Written Direction of the Governmental Lender, the Governmental Lender Fee, (ii) on each November 1, commencing June 1, 2020, to the Fiscal Agent amounts due pursuant to subpart (a) of the definition of "Fiscal Agent's Fees" herein, (iii) upon receipt, to the Fiscal Agent, any amounts due to the Fiscal Agent which have not been paid, other than amounts paid in accordance with clause (ii) hereof, and (iv) upon receipt, to, or at the Written Direction of, the Governmental Lender, any amounts owing the Governmental Lender by the Borrower and then due and unpaid, other than amounts paid in accordance with clause (i) hereof.

In the event that the amounts on deposit in the Expense Fund are not equal to the amounts payable from the Expense Fund as provided in the preceding paragraph on any date on which such amounts are due and payable, the Fiscal Agent shall give notice to the Borrower of such deficiency and of the amount of such deficiency and request payment within two Business Days to the Fiscal Agent of the amount of such deficiency.

Written notice of any insufficiency, which results in the Governmental Lender not receiving the Governmental Lender Fee on the applicable due date, shall be provided by the Fiscal Agent to the Governmental Lender (with a copy to the Borrower and the Funding Lender) within 10 days of the respective due date.

Notwithstanding anything herein to the contrary, the Fiscal Agent, on behalf of the Governmental Lender, shall prepare and submit a written invoice to the Borrower for payment of the Governmental Lender Fee not later than 30 days prior to the due date for payment of such the Governmental Lender Fee, and shall remit moneys received by the Borrower to the Governmental Lender for payment of such fee.

Section 7.6. Closing Costs Fund. On the Closing Date, the Borrower shall deposit or cause to be deposited with the Fiscal Agent, for deposit in the Closing Costs Fund, the amount specified in Section 6.2; provided that, no more than two percent of the proceeds of the

Governmental Lender Notes shall be deposited in the Closing Costs Fund. Amounts in the Closing Costs Fund shall be disbursed by the Fiscal Agent to pay Closing Costs on the Closing Date or as soon as practicable thereafter: (a) Costs of Issuance, as stated in a completed requisition in the form of Exhibit D; and (b) the Fiscal Agent its closing fee of \$1,500 and annual minimum administrative fee of \$3,750. Any interest earnings on amounts on deposit in the Closing Costs Fund shall remain in the Closing Costs Fund. Any moneys remaining in the Closing Costs Fund (including investment proceeds) after the earlier of (i) the payment of all Costs of Issuance as certified in writing to the Fiscal Agent by the Borrower or (ii) a period of six (6) months after the Closing Date, shall be paid to or at the Written Direction of the Borrower and the Closing Costs Fund shall be closed.

Section 7.7. Project Fund.

(a) All proceeds of the Governmental Lender Notes provided by the Funding Lender shall be deposited to the Note Proceeds Account or Capitalized Interest Account of the Project Fund and disbursed as herein provided. The Fiscal Agent shall disburse moneys in the Note Proceeds Account of Project Fund for the acquisition, construction and equipping of the Project, to pay other Qualified Project Costs and to pay other costs related to the Project as provided herein as requested by the Borrower pursuant to a Written Requisition in the form attached hereto as Exhibit C. All funds deposited by or on behalf of the Borrower for credit to the Borrower Equity Account Project Fund shall be disbursed as requested by the Borrower pursuant to a Written Requisition in the form attached hereto as Exhibit C.

Before any payment shall be made from the Project Fund, the Regulatory Agreement shall have been executed and submitted to a title company for recordation in the official records of Travis County, Texas, and there shall be filed with the Fiscal Agent a Written Requisition of the Borrower substantially in the form attached hereto as Exhibit C and approved by the Funding Lender pursuant to the terms, conditions and provisions of the Construction Funding Agreement.

In addition to the above, in connection with a Written Requisition:

(1) Only the signature of an Authorized Representative of the Funding Lender shall be required on a Written Requisition during any period in which Borrower Loan Agreement Default has occurred and is then continuing under the Borrower Loan Documents (Written Notice of which default has been given by an Authorized Representative of the Funding Lender to the Fiscal Agent and the Governmental Lender, and the Fiscal Agent shall be entitled to conclusively rely on any such Written Notice as to the occurrence and continuation of such a default).

(2) The Fiscal Agent shall disburse amounts in the Project Fund for the payment of interest due on the Governmental Lender Note upon receipt from the Funding Lender of a statement detailing the amount due (and without the need for a Written Requisition signed by the Funding Lender or any approval by an Authorized Representative of the Borrower), so long as the amounts to be disbursed do not exceed \$1,417,817 in the aggregate.

(3) The Fiscal Agent may conclusively rely on all Written Requisitions, the execution of the Written Requisitions by the Authorized Representative of the Borrower

and the approval of all Written Requisitions by the Authorized Representative of the Funding Lender, as required by this Section, as conditions of payment from the Project Fund, which Written Requisitions constitute, as to the Fiscal Agent, irrevocable determinations that all conditions to payment of the specified amounts from the Project Fund have been satisfied. These documents shall be retained by the Fiscal Agent, subject at all reasonable times to examination by the Borrower, the Governmental Lender, the Funding Lender and the agents and representatives thereof upon reasonable notice to the Fiscal Agent. The Fiscal Agent is not required to inspect the Project or the construction work or to make any independent investigation with respect to the matters set forth in any Written Requisition or other statements, orders, certifications and approvals received by the Fiscal Agent. The Fiscal Agent is not required to obtain completion bonds, lien releases or otherwise supervise the acquisition, construction, renovation, equipping, improvement and installation of the Project.

(b) Upon receipt of each Written Requisition submitted by the Borrower and Approved in Writing by the Funding Lender, the Fiscal Agent shall promptly, but in any case within three Business Days, make payment from the appropriate account within the Project Fund in accordance with such Written Requisition. The Fiscal Agent shall have no duty to determine whether any requested disbursement from the Note Proceeds Account of the Project Fund complies with the terms, conditions and provisions of the Funding Loan Documents, constitutes payment of Qualified Project Costs or complies with the other representations in the Written Requisition. The Approval in Writing of a Written Requisition by the Funding Lender shall be deemed a certification and, insofar as the Fiscal Agent is concerned, shall constitute conclusive evidence that all of the terms, conditions and requirements of the Funding Loan Documents applicable to such disbursement have been fully satisfied or waived and the Written Requisition from the Borrower shall, insofar as the Fiscal Agent is concerned, constitute conclusive evidence that the costs described in the Written Requisition constitute Qualified Project Costs or other permitted Project costs.

The Fiscal Agent shall promptly provide Written Notice to the Borrower, the Funding Lender and the Governmental Lender if there are not sufficient funds available to or on deposit with the Fiscal Agent to make the disbursements as and when required by this Section 7.7(b). Except as provided in the next sentence, all such payments shall be made in the manner and per the payment instructions provided in the Written Requisition and approved by both parties executing it. Upon the occurrence of an Event of Default of the Borrower of which the Fiscal Agent has knowledge as provided herein, which is continuing under the Funding Loan Documents, with the Written Consent of the Funding Lender, the Fiscal Agent may apply amounts on deposit in the Borrower Equity Account of the Project Fund to the payment of principal of and interest on the Governmental Lender Note. If a Written Requisition signed by the Authorized Representative of the Borrower and countersigned by an Authorized Representative of the Funding Lender is received by the Fiscal Agent, the requested disbursement shall be paid by the Fiscal Agent as soon as practicable, but in no event later than three Business Days following receipt thereof by the Fiscal Agent. Upon final disbursement of all amounts on deposit in the Project Fund, the Fiscal Agent shall close the Project Fund.

(c) Moneys on deposit in the Capitalized Interest Account of the Project Fund, together with investment earnings thereon, which shall be retained therein, shall be transferred to the

Governmental Lender Note Payment Fund and applied pursuant to Section 7.4 on each Borrower Loan Payment Date to the extent necessary to enable the Fiscal Agent to pay interest due on the Funding Loan on such date; provided that, upon receipt of a Written Direction of the Borrower, moneys on deposit in the Capitalized Interest Account of the Project Fund shall be transferred to the Servicer on the date when due under the Borrower Note in an amount as set forth in such Written Direction, which amount shall represent the Borrower Loan Payment due at such time. Upon the request of the Fiscal Agent, the Servicer shall provide the Fiscal Agent with a schedule of the Borrower Loan Payment Dates and corresponding Borrower Loan Payment amounts. The transfer of moneys from the Capitalized Interest Account of the Project Fund to the Governmental Lender Note Payment Fund or the Servicer as set forth above shall occur automatically without the need for a Written Requisition of the Borrower, or consent of the Funding Lender. After the Closing Date, the Borrower, with the written consent of the Funding Lender, may deposit additional funds into the Capitalized Interest Account.

(d) Immediately prior to any mandatory prepayment of the Governmental Lender Notes pursuant to the terms hereof, any amounts then remaining in the Project Fund shall, at the Written Direction of the Funding Lender, be transferred to the Governmental Lender Note Payment Fund to be applied to the prepayment of the Governmental Lender Notes pursuant hereto.

(e) Amounts on deposit in the Project Fund shall be invested in Permitted Investments at the Written Direction of the Borrower. Investment income earned on amounts on deposit in each account of the Project Fund shall be retained in and credited to and become a part of the amounts on deposit in that account of the Project Fund.

(f) Amounts on deposit in the Governmental Lender Note Payment Fund, Expense Fund and Closing Costs Fund shall be invested in Permitted Investments at the Written Direction of the Borrower. The Fiscal Agent shall have no discretion for investing funds or advising any party on investing funds. Investment income earned on amounts on deposit in each account of the Governmental Lender Note Payment Fund, Expense Fund and Closing Costs Fund shall be retained in and credited to and become a part of the amounts on deposit in that account of the Governmental Lender Note Payment Fund, Expense Fund and Closing Costs Fund.

In the absence of Written Direction from the Borrower, such amounts shall be invested by the Fiscal Agent only in investments described in (e) of the definition of Permitted Investments.

The Fiscal Agent is authorized to implement its automated cash investment system to assure that cash on hand is invested and to charge its normal cash management fees, which may be deducted from income earned on investments. The Fiscal Agent shall not be liable for any losses (including, specifically depreciation of value) resulting from investments made in Permitted Investments. The Fiscal Agent shall not be responsible for the Governmental Lender Notes becoming "arbitrage bonds" as defined in the Code when it makes investments pursuant to the terms hereof.

The Fiscal Agent may make any and all investments permitted under this Funding Loan Agreement through its own trust or banking department or any Affiliate and may pay said department reasonable, customary fees for placing such investments. The Fiscal Agent and its Affiliates may act as principal, agent, sponsor, advisor or depository with respect to Permitted

Investments under this Funding Loan Agreement. The Fiscal Agent shall have no responsibility or liability for any loss which may result from any investment or sale of investment made pursuant to this Funding Loan Agreement. The Fiscal Agent is hereby authorized in making or disposing of any investment permitted by this Funding Loan Agreement, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or any such affiliate is acting as agent of the Fiscal Agent or for any third person or dealing as principal for its own account. The Governmental Lender, the Funding Lender and the Borrower acknowledge that the Fiscal Agent is not providing investment supervision, recommendations, or advice.

The Governmental Lender, the Funding Lender and the Borrower (by its execution of the Borrower Loan Agreement) acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Governmental Lender or the Funding Lender the right to receive brokerage confirmations of security transactions as they occur, the Governmental Lender and the Funding Lender will not receive such confirmations to the extent permitted by law. The Fiscal Agent shall furnish the Borrower, the Funding Lender and the Governmental Lender (to the extent requested by such parties) periodic cash transaction statements which shall detail for all investment transactions, if any, made by the Fiscal Agent hereunder.

(g) Unless otherwise approved by the Governmental Lender and the Funding Lender, any amounts representing proceeds of the Funding Loan remaining on deposit in any fund or account held under this Funding Loan Agreement on July 1, 2023, shall be immediately transferred to the Funding Loan Payment Account and used to prepay the Governmental Lender Notes.

Section 7.8. Rebate Fund. (a) The Fiscal Agent shall maintain the Rebate Fund, for the benefit of all persons who are or have at any time been owners of the Governmental Lender Notes, at all times prior to the final payment to the United States of America of the amounts described in Subsection (c) of this Section which funds shall not be part of the Security established hereunder. The money deposited to the Rebate Fund, together with all investments thereof and investment income therefrom, shall be held in trust separately and apart from the other funds held under this Funding Loan Agreement and applied solely as provided in this Section, unless in the Opinion of Governmental Lender Counsel failure to make such application will not adversely affect any exclusion from gross income of interest on the Governmental Lender Notes under the Code.

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

(c) (i) Within 30 days after each Computation Date, the Fiscal Agent, on behalf of the Governmental Lender, shall withdraw from the Rebate Fund and pay to the United States of America the appropriate portion of the Rebate Amount (determined by the Rebate Analyst on behalf of the Borrower) in the installments, to the place and in the manner required by section 148(f) of the Code, the Regulations, and rulings thereunder as instructed by the Borrower

or its legal counsel and as provided in subsection (iii) below. The Fiscal Agent shall have no obligation to pay any amounts required to be rebated pursuant to this Section other than from moneys held in the Funds created under this Funding Loan Agreement or from other moneys provided to it by the Borrower.

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

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

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

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

(f) If at any time during the term of this Funding Loan Agreement the Borrower or the Governmental Lender desires to take any action which would otherwise be prohibited by the terms of this Section, such person shall be permitted to take such action if it shall first obtain and provide at the expense of the Borrower to the other persons named herein an opinion of Governmental Lender Counsel to the effect that such action shall not adversely affect the exclusion of interest on the Governmental Lender Notes from gross income of the owners of the Governmental Lender Notes for Federal income tax purposes and shall be in compliance with the laws of the State of Texas.

(g) Notwithstanding any provision of this Funding Loan Agreement or the other Funding Loan Documents, the Fiscal Agent shall not be liable or responsible for any method of calculation, or any calculation or determination which may be required in connection with or for the purpose of complying with Section 148 of the Code or any successor statute or any regulation, ruling, or other judicial or administrative interpretation thereof, including, without limitation, the

calculation of amounts required to be paid the United States of America or the determination of the maximum amount which may be invested in Nonpurpose Investments having a higher yield than the yield on the Governmental Lender Notes, in connection with any such investments. The method of calculation and determination required by section 148 of the Code shall be accomplished by a Rebate Analyst engaged by the Borrower. The Fiscal Agent shall not be liable or responsible for the negligence or misconduct of the Rebate Analyst. The Fiscal Agent shall not be liable or responsible for monitoring the compliance by the Borrower or the Governmental Lender of any of the requirements of Section 148 of the Code or any applicable regulation, ruling, or other judicial or administrative interpretation thereof (except for the administrative functions described in this Section and in this Funding Loan Agreement), it being acknowledged and agreed that the sole obligation of the Fiscal Agent in this regard shall be (i) to invest the moneys received by the Fiscal Agent pursuant to the written instructions of the Borrower in the specific investments identified by the Borrower or, in the absence of such identification, to make investments as otherwise provided herein and to disburse said moneys in accordance with the terms of this Funding Loan Agreement and (ii) to follow instructions contained in this Section and in this Funding Loan Agreement. The Fiscal Agent shall not be liable for the Governmental Lender Notes becoming "arbitrage bonds" within the meaning of the Code, as a result of investments it makes in compliance with the instructions it receives or pursuant to or in compliance with the terms of this Funding Loan Agreement.

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

ARTICLE VIII REPRESENTATIONS AND COVENANTS

Section 8.1. General Representations. The Governmental Lender makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Governmental Lender is a public nonprofit corporation, organized and existing under the laws of the State of Texas, has the power and authority to (i) enter into the Funding Loan Documents to which it is a party and the transactions contemplated thereby, (ii) incur the special limited obligation represented by the Governmental Lender Notes and the Funding Loan and apply the proceeds of such obligation or loan to finance the Project and (iii) carry out its other obligations under this Funding Loan Agreement and the Governmental Lender Notes, and by proper action has duly authorized the Governmental Lender's execution and delivery of, and its performance under, such Funding Loan Documents and all other agreements and instruments relating thereto.

(b) The Governmental Lender is not in default under or in violation of, and the execution and delivery of the Funding Loan Documents to which it is a party and its compliance with the terms and conditions thereof will not conflict or constitute a default under or a violation of, (i) the Act, (ii) to its knowledge, any other existing laws, rules, regulations, judgments, decrees and orders applicable to it, or (iii) to its knowledge, the provisions of any agreements and instruments to which the Governmental Lender is a party, a default under or violation of which would prevent it from entering into the Funding Loan Agreement, executing and delivering the Governmental Lender Notes, financing the Project, executing and delivering the other Funding Loan Documents to which it is a party or consummating the transactions contemplated thereby,

and, to its knowledge, no event has occurred and is continuing under the provisions of any such agreement or instrument or otherwise that with the lapse of time or the giving of notice, or both, would constitute such a default or violation (it being understood, however, that the Governmental Lender is making no representations as to the necessity of registering the Borrower Notes pursuant to any securities laws or complying with any other requirements of securities laws).

(c) No litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, to the knowledge of the Governmental Lender, threatened against the Governmental Lender with respect to (i) the organization and existence of the Governmental Lender, (ii) its authority to execute or deliver the Funding Loan Documents to which it is a party, (iii) the validity or enforceability of any such Funding Loan Documents or the transactions contemplated thereby, (iv) the title of any officer of the Governmental Lender who executed such Funding Loan Documents or (v) any authority or proceedings relating to the execution and delivery of such Funding Loan Documents on behalf of the Governmental Lender, and no such authority or proceedings have been repealed, revoked, rescinded or amended but are in full force and effect.

(d) The revenues and receipts to be derived from the Borrower Loan Agreement, the Borrower Notes and this Funding Loan Agreement have not been pledged previously by the Governmental Lender to secure any of its notes or bonds other than the Funding Loan Agreement as evidenced by the Governmental Lender Notes.

THE GOVERNMENTAL LENDER MAKES NO REPRESENTATION, COVENANT OR AGREEMENT AS TO THE FINANCIAL POSITION OR BUSINESS CONDITION OF THE BORROWER OR THE PROJECT AND DOES NOT REPRESENT OR WARRANT AS TO ANY STATEMENTS, MATERIALS, REPRESENTATIONS OR CERTIFICATIONS FURNISHED BY THE BORROWER IN CONNECTION WITH THE GOVERNMENTAL LENDER NOTE OR AS TO THE CORRECTNESS, COMPLETENESS OR ACCURACY THEREOF.

Section 8.2. No Encumbrance on Security. The Governmental Lender will not knowingly create any mortgage, pledge, lien, charge or encumbrance of any kind on the Security or any part thereof prior to or on a parity with the lien of this Funding Loan Agreement, except as expressly permitted or contemplated by the Funding Loan Documents.

Section 8.3. Repayment of Governmental Lender Notes. Subject to the provisions of Article V hereof, the Governmental Lender will duly and punctually repay, or cause to be repaid, the Governmental Lender Notes as and when the same shall become due, all in accordance with the terms of the Governmental Lender Notes and this Funding Loan Agreement but only from available Pledged Revenues.

Section 8.4. Servicer. The Funding Lender may appoint a Servicer to service and administer the Funding Loan and/or the Borrower Loan on behalf of the Funding Lender and the Fiscal Agent, including without limitation the fulfillment of rights and responsibilities granted by Governmental Lender to Funding Lender pursuant to Section 2.1 of the Borrower Loan Agreement.

Section 8.5. Borrower Loan Agreement Performance.

(a) The Funding Lender, the Fiscal Agent and the Servicer, if any, on behalf of the Governmental Lender, may (but shall not be required or obligated) perform and observe any such agreement or covenant of the Governmental Lender under the Borrower Loan Agreement, all to the end that the Governmental Lender's rights under the Borrower Loan Agreement may be unimpaired and free from default.

(b) The Fiscal Agent will promptly notify the Borrower, the Governmental Lender, the Servicer, if any, and the Funding Lender in writing of the occurrence of any Borrower Loan Agreement Default, provided that the Fiscal Agent has received Written Notice thereof.

Section 8.6. Maintenance of Records; Inspection of Records.

(a) The Fiscal Agent shall keep and maintain records pertaining to any funds and accounts established hereunder, including all deposits to and disbursements from said funds and accounts and shall keep and maintain the registration books for the Governmental Lender Notes and interests therein. The Fiscal Agent shall retain in its possession all certifications and other documents presented to it, all such records and all records of principal, interest and premium paid on the Governmental Lender Notes, subject to the inspection of the Funding Lender and the Governmental Lender and their representatives at all reasonable times and upon reasonable prior notice.

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

Section 8.7. Tax Covenants.

(a) *Governmental Lender's Covenants.* The Governmental Lender covenants to and for the benefit of the Funding Lender that it will:

(1) neither make or use nor cause to be made or used any investment or other use of the proceeds of the Governmental Lender Notes or the money and investments held in the funds and accounts in any manner which would cause the Governmental Lender Notes to be "arbitrage bonds" under Section 148 of the Code and the Regulations issued under Section 148 of the Code (the "**Regulations**") or which would otherwise cause the interest payable on the Governmental Lender Notes to be includable in gross income for federal income tax purposes;

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

(3) 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 Lender Notes to be includable in gross income for federal income tax purposes;

(4) 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 the Governmental Lender on the Governmental Lender Notes will be excluded from the gross income for federal income tax purposes, of the Funding Lender pursuant to the Code, except in the event where the Funding Lender is a "substantial user" of the facilities financed with the Governmental Lender Notes or a "related person" within the meaning of the Code

(5) 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 Lender Notes to be "federally guaranteed" within the meaning of Section 149(b) of the Code and the Regulations; and

In furtherance of the covenants in this Section 5.07, the Governmental Lender and the 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, and by its acceptance of this Funding Loan Agreement the 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 it.

(b) Fiscal Agent's Covenants. The Fiscal Agent agrees that it will invest funds held under this Funding Loan Agreement in accordance with its covenants and the terms of this Funding Loan Agreement. The Fiscal Agent covenants to and for the benefit of the Funding Lender that, notwithstanding any other provisions of this Funding Loan Agreement or of any other Funding Loan 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 Lender Notes to be classified as "arbitrage bonds" within the meaning of Sections 103(b) and 148 of the Code or would cause the interest on the Governmental Lender Notes to be includable in gross income for federal income tax purposes; provided that the 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 the Borrower, the Governmental Lender, the Governmental Lender Counsel or the Rebate Analyst or Section 7.7(f) hereof in the absence of direction. This covenant shall extend, throughout the term of the Governmental Lender Notes, 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, the 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 the 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 the Borrower, the Governmental Lender, Governmental Lender Counsel or the Rebate Analyst. The Fiscal Agent further covenants that should the Governmental Lender or the Borrower file with the Fiscal Agent (it being understood that neither the Governmental Lender nor the Borrower has an obligation to so file), or should the Fiscal Agent receive, an opinion of Governmental Lender Counsel to the effect that any proposed investment or other use of proceeds of the Governmental Lender Notes would cause the Governmental Lender Notes to

become "arbitrage bonds," then the Fiscal Agent will comply with any written instructions of the Governmental Lender, the Borrower or the Governmental Lender Counsel regarding such investment (which shall, in any event, be a Qualified Investment) or use so as to prevent the Governmental Lender Notes from becoming "arbitrage bonds," and the Fiscal Agent will bear no liability to the Governmental Lender, the Borrower or the Funding Lender for investments made in accordance with such instructions.

Section 8.8. Performance by the Borrower. Without relieving the Governmental Lender from the responsibility for performance and observance of the agreements and covenants required to be performed and observed by it hereunder, the Borrower, on behalf of the Governmental Lender, may perform any such agreement or covenant if no Borrower Loan Agreement Default or Potential Default under the Borrower Loan Agreement exists.

Section 8.9. Maintenance of Records. The Funding Lender shall keep and maintain adequate records pertaining to funds and accounts relative to the Borrower Loan not established with the Fiscal Agent, if any, including all deposits to and disbursements from said funds and accounts and will provide information and records relating thereto to the Fiscal Agent or the Governmental Lender upon request.

Section 8.10. Program Investment. The proceeds of the Governmental Lender Notes are to be used to finance the Project. With respect to the Governmental Lender Notes, (a) at least 95 percent of all obligations acquired with the proceeds of the Governmental Lender Notes, by amount of cost outstanding, will be loans to a substantial number of persons representing the general public, loans to exempt persons, or loans to provide housing and related facilities, or any combination of the foregoing; (b) at least 95 percent of all amounts received by the Governmental Lender with respect to the Governmental Lender Notes 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 Lender Notes, to reimburse the Governmental Lender or to pay for administrative costs of issuing such obligations, or to redeem or retire such Governmental Lender Notes of the Governmental Lender at the next earliest possible date of redemption; and (c) any person or any related party, as defined in section 1.150-1 of the Treasury Regulations, from whom the Governmental Lender may acquire obligations, shall not, pursuant to an arrangement, formal or informal, purchase the Governmental Lender Notes in an amount related to the amount of the obligations to be acquired from such person by the Governmental Lender.

ARTICLE IX DEFAULT; REMEDIES

Section 9.1. Events of Default. Any one or more of the following shall constitute an event of default (an "Event of Default") under this Funding Loan Agreement (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or Governmental body):

(a) A default in the payment of any interest upon the Governmental Lender Notes when such interest becomes due and payable; or

(b) A default in the payment of principal of, or premium on, the Governmental Lender Notes when such principal or premium becomes due and payable, whether at its stated maturity, by declaration of acceleration or call for mandatory prepayment or otherwise; or

(c) Subject to Section 8.8 hereof, default in the performance or breach of any material covenant or warranty of the Governmental Lender in this Funding Loan Agreement (other than a covenant or warranty or default in the performance or breach of which is elsewhere in this Section specifically dealt with), and continuance of such default or breach for a period of 30 days after there has been given Written Notice, as provided in Section 12.1 hereof, to the Governmental Lender and the Borrower by the Funding Lender or the Servicer, specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" under this Funding Loan Agreement; provided that, so long as the Governmental Lender has commenced to cure such failure to observe or perform within the thirty (30) day cure period and the subject matter of the default is not capable of cure within said thirty (30) day period and the Governmental Lender or Borrower is diligently pursuing such cure to the Funding Lender's satisfaction, with the Funding Lender's Written Direction or Written Consent, then the Governmental Lender or Borrower shall have an additional period of time as reasonably necessary (not to exceed 30 days unless extended by the Written Direction of the Funding Lender) within which to cure such default; or

(d) A default in the payment of any Additional Borrower Payments; or

(e) Any other "Default" or "Event of Default" under any of the other Funding Loan Documents (taking into account any applicable notice, grace or cure periods therein).

Section 9.2. Provisions Regarding Any Default and Acceleration.

(a) In the event of an Event of Default, the Funding Lender, in its discretion, may accelerate the amounts due hereunder and under the Borrower Loan Agreement and take other remedial actions available hereunder or thereunder. The Funding Lender may, in its discretion, upon the acceleration of the Borrower's obligations under the Borrower Loan Documents, give Written Direction to the Fiscal Agent to simultaneously accelerate the maturity of the Governmental Lender Notes and apply any funds available hereunder to the payment of the Governmental Lender Notes (after paying the fees and expenses of the Fiscal Agent and the Governmental Lender). The Governmental Lender shall cooperate with the Fiscal Agent and the Funding Lender in exercising rights and remedies under the Funding Loan Documents and the Borrower Loan Documents, but only upon being satisfactorily indemnified by the Borrower for any fees or expenses relating thereto as provided in the Funding Loan Agreement, the Borrower Loan Agreement and Regulatory Agreement. The Fiscal Agent shall take Written Direction from the Funding Lender with respect to the foregoing matters. Funding Lender will provide written notice of any such acceleration to Governmental Lender, Borrower and Equity Investor.

(b) At any time after a declaration of acceleration has been made pursuant to paragraph (a) of this Section, the Funding Lender may by Written Notice to the Governmental Lender, with a copy to the Fiscal Agent, rescind and annul such declaration and its consequences if:

(1) There has been deposited with the Fiscal Agent a sum sufficient to pay (i) all overdue installments of interest on the Governmental Lender Notes, (ii) the principal of

and Prepayment Premium on the Governmental Lender Notes that has become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in the Governmental Lender Notes, (iii) to the extent that payment of such interest is lawful, interest upon overdue installments of interest at the rate or rates prescribed therefor in the Governmental Lender Notes, and (iv) all sums paid or advanced by the Funding Lender and the Fiscal Agent and the reasonable compensation, expenses, disbursements and advances of the Funding Lender, the Fiscal Agent, and their agents and counsel (but only to the extent not duplicative with subclauses (i) and (iii) above); and

(2) All Events of Default, other than the non-payment of the principal of the Governmental Lender Note which have become due solely by such declaration of acceleration, have been cured or have been waived in writing as provided in Section 9.9 hereof.

No such rescission and annulment shall affect any subsequent default or impair any right consequent thereon.

(c) Notwithstanding the occurrence and continuation of an Event of Default, it is understood that the Funding Lender shall pursue no remedies against the Borrower or the Project if no Borrower Loan Agreement Default has occurred and is continuing. An Event of Default hereunder shall not in and of itself constitute a Borrower Loan Agreement Default.

Section 9.3. Additional Remedies; Funding Lender Enforcement.

(a) Upon the occurrence of an Event of Default, the Funding Lender may, subject to the provisions of this Section 9.3 and Section 9.9 hereof, proceed to protect and enforce its rights by mandamus or other suit, action or proceeding at law or in equity. No remedy conferred by this Funding Loan Agreement upon or remedy reserved to the Funding Lender is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and shall be in addition to any other remedy given to the Funding Lender hereunder or now or hereafter existing at law or in equity or by statute.

(b) Upon the occurrence and continuation of any Event of Default, the Funding Lender may proceed forthwith to protect and enforce its rights in this Funding Loan Agreement by such suits, actions or proceedings as the Funding Lender, in its sole discretion, shall deem expedient. Funding Lender shall have upon the occurrence and continuation of any Event of Default all rights, powers, and remedies with respect to the Security as are available under the Uniform Commercial Code applicable thereto or as are available under any other applicable law at the time in effect and, without limiting the generality of the foregoing, the Funding Lender may proceed at law or in equity or otherwise, to the extent permitted by applicable law:

(1) to take possession of the Security or any part thereof, with or without legal process, and to hold, service, administer and enforce any rights thereunder or thereto, and otherwise exercise all rights of ownership thereof, including (but not limited to) the sale of all or part of the Security;

(2) to become mortgagee of record for the Borrower Loan including, without limitation, completing the assignment of the Security Instrument by the Governmental

Lender to the Funding Lender as anticipated by this Funding Loan Agreement, and recording the same in the real estate records of the jurisdiction in which the Project is located, without further act or consent of the Governmental Lender, and to service and administer the same for its own account;

(3) to service and administer the Governmental Lender Note as agent and on behalf of the Governmental Lender or otherwise, and, if applicable, to take such actions necessary to enforce the Borrower Loan Documents and the Funding Loan Documents on its own behalf, and to take such alternative courses of action, as it may deem appropriate; or

(4) to take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in the Governmental Lender Notes, this Funding Loan Agreement or the other Funding Loan Documents, or the Borrower Loan Documents, or in and of the execution of any power herein granted, or for foreclosure hereunder, or for enforcement of any other appropriate legal or equitable remedy or otherwise as the Funding Lender may elect.

(c) Whether or not an Event of Default has occurred, the Funding Lender, in its sole discretion, shall have the sole right to waive or forbear any term, condition, covenant or agreement of the Security Instrument, the Borrower Loan Agreement, the Borrower Notes or any other Borrower Loan Documents or Funding Loan Documents applicable to the Borrower, or any breach thereof, other than a covenant that would adversely impact the tax-exempt status of the interest on the Governmental Lender Notes, and provided that the Governmental Lender may enforce specific performance with respect to the Reserved Rights; provided, however, that any such forbearance by the Funding Lender in the exercise of its remedies under the Funding Loan Documents shall not be construed as a waiver by the Funding Lender of any Conditions to Conversion.

(d) If the Borrower defaults in the performance or observance of any covenant, agreement or obligation of the Borrower set forth in the Regulatory Agreement, and if such default remains uncured for a period of 60 days after the Borrower and the Funding Lender receive Written Notice stating that a default under the Regulatory Agreement has occurred and specifying the nature of the default, the Funding Lender shall have the right to seek specific performance of the provisions of the Regulatory Agreement or to exercise its other rights or remedies thereunder.

(e) If the Borrower defaults in the performance of its obligations under the Borrower Loan Agreement to make rebate payments, to comply with any applicable continuing disclosure requirements, or to make payments owed pursuant to Sections 2.5, 5.14 or 5.15 of the Borrower Loan Agreement for fees, expenses or indemnification, the Funding Lender shall have the right to exercise all its rights and remedies thereunder (subject to the last paragraph of Section 9.14 hereof).

Section 9.4. Application of Money Collected. Any money collected by the Funding Lender pursuant to this Article and any other sums then held by the Funding Lender as part of the Security, shall be applied in the following order, at the date or dates fixed by the Funding Lender:

(a) First: To the payment of any and all amounts due under the Funding Loan Documents, other than with respect to principal and interest accrued on the Governmental Lender

Note, including, without limitation, any amounts due to the Governmental Lender, the Funding Lender, the Servicer, the Fiscal Agent and the Rebate Analyst;

(b) Second: To the payment of the whole amount of the Governmental Lender Note, then due and unpaid in respect of which or for the benefit of which such money has been collected, with interest (to the extent that such interest has been collected or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Governmental Lender Notes) on overdue principal of, and Prepayment Premium and overdue installments of interest on the Governmental Lender Notes; provided, however, that partial interests in any portion of the Governmental Lender Notes shall be paid in such order of priority as may be prescribed by Written Direction of the Funding Lender in its sole and absolute discretion; and

(c) Third: The payment of the remainder, if any, to the Borrower or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

If and to the extent this Section 9.4 conflicts with the provisions of the Servicing Agreement, if any, the provisions of the Servicing Agreement shall control (except for the obligation to pay items listed under (a) above). Capitalized terms used in this Section 9.4 but not otherwise defined in this Funding Loan Agreement shall have the meanings given such terms in the Servicing Agreement.

Section 9.5. Remedies Vested in Funding Lender. All rights of action and claims under this Funding Loan Agreement or the Governmental Lender Notes may be prosecuted and enforced by the Funding Lender without the possession of the Governmental Lender Notes or the production thereof in any proceeding relating thereto.

Section 9.6. Restoration of Positions. If Funding Lender shall have instituted any proceeding to enforce any right or remedy under this Funding Loan Agreement and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Funding Lender, then and in every such case the Governmental Lender and the Funding Lender shall, subject to any determination in such proceeding, be restored to their former positions hereunder, and thereafter all rights and remedies of the Governmental Lender and the Funding Lender shall continue as though no such proceeding had been instituted.

Section 9.7. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Funding Lender is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 9.8. Delay or Omission Not Waiver. No delay or omission of the Funding Lender to exercise any right or remedy accruing upon an Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Funding Lender may be exercised from time to time, and as often as may be deemed expedient, by Funding Lender. No waiver of

any default or Event of Default pursuant to Section 9.9 hereof shall extend to or shall affect any subsequent default or Event of Default hereunder or shall impair any rights or remedies consequent thereon.

Section 9.9. Waiver of Past Defaults. Before any judgment or decree for payment of money due has been obtained by the Funding Lender, the Funding Lender may, subject to Section 9.6 hereof, by Written Notice to the Governmental Lender, the Fiscal Agent and the Borrower, waive any past default hereunder or under the Borrower Loan Agreement and its consequences except for default in obligations due the Governmental Lender pursuant to or under the Reserved Rights. Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Funding Loan Agreement and the Borrower Loan Agreement; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 9.10. Remedies Under Borrower Loan Agreement or Borrower Note. As set forth in this Section 9.10 but subject to Section 9.9 hereof, the Funding Lender shall have the right, in its own name or on behalf of the Governmental Lender, to declare any default and exercise any remedies under the Borrower Loan Agreement or the Borrower Notes (provided any applicable notice, cure or grace periods have expired), whether or not the Governmental Lender Note has been accelerated or declared due and payable by reason of an Event of Default.

Section 9.11. Waiver of Appraisal and Other Laws.

(a) To the extent permitted by law, the Governmental Lender will not at any time insist upon, plead, claim or take the benefit or advantage of, any appraisal, valuation, stay, extension or redemption law now or hereafter in force, in order to prevent or hinder the enforcement of this Funding Loan Agreement; and the Governmental Lender, for itself and all who may claim under it, so far as it or they now or hereafter may lawfully do so, hereby waives the benefit of all such laws. The Governmental Lender, for itself and all who may claim under it, waives, to the extent that it may lawfully do so, all right to have the property in the Security marshaled upon any enforcement hereof.

(b) If any law now in effect prohibiting the waiver referred to in Section 9.11(a) shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to constitute any part of the contract herein contained or to preclude the application of this Section 9.11.

Section 9.12. Suits to Protect the Security. The Funding Lender shall have power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Security by any acts that may be unlawful or in violation of this Funding Loan Agreement and to protect its interests in the Security and in the rents, issues, profits, revenues and other income arising therefrom, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any Governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security hereunder or be prejudicial to the interests of the Funding Lender.

Section 9.13. Remedies Subject to Applicable Law. All rights, remedies and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Funding Loan Agreement invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law.

Section 9.14. Assumption of Obligations. In the event that the Funding Lender or its 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 the Borrower under the Borrower Loan Agreement, the Borrower Notes, the Regulatory Agreement and any other Funding Loan Documents to which the Borrower is a party. 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 the Borrower.

It is the intention of the parties hereto that upon the occurrence and continuance of an Event of Default hereunder, rights and remedies may be pursued pursuant to the terms of the Funding Loan Documents.

ARTICLE X
AMENDMENT; AMENDMENT OF BORROWER LOAN AGREEMENT
AND OTHER DOCUMENTS

Section 10.1. Amendment of Funding Loan Agreement. Any of the terms of this Funding Loan Agreement and the Governmental Lender Notes may be amended or waived only by an instrument signed by the Funding Lender, the Governmental Lender and the Fiscal Agent, provided, however, no such amendment or waiver which materially affects the rights, duties, obligations or other interests of the Borrower shall be made without the consent of the Borrower, and, provided further, that if the Borrower is in default under any Funding Loan Document (beyond any applicable notice, grace or cure periods), no Borrower consent shall be required unless such amendment or waiver has a material adverse effect on the rights, duties, obligations or other interests of the Borrower. All of the terms of this Funding Loan Agreement shall be binding upon the successors and assigns of and all persons claiming under or through the Governmental Lender, the Fiscal Agent or any such successor or assign, and shall inure to the benefit of and be enforceable by the successors and assigns of the Funding Lender. The Fiscal Agent shall sign any amendment or waiver instrument authorized pursuant to this Article X, if the amendment or waiver, in the sole discretion of the Fiscal Agent, does not adversely affect the rights, duties, liabilities or immunities of the Fiscal Agent.

Section 10.2. Amendments Require Funding Lender Consent. Neither the Governmental Lender nor the Fiscal Agent shall consent to any amendment, change or modification of the Borrower Loan Agreement or any other Borrower Loan Document or Funding Loan Document without the prior Written Consent of the Funding Lender.

Section 10.3. Consents and Opinions. No amendment to this Funding Loan Agreement or any other Funding Loan Document entered into under this Article X or any amendment, change or modification otherwise permitted under this Article X shall become effective unless and until (i) the Funding Lender shall have Approved in Writing the same in its sole discretion and (ii) the Funding Lender, Governmental Lender and the Fiscal Agent shall have received, at the expense of the Borrower, a Governmental Lender Counsel No Adverse Effect Opinion and an Opinion of Counsel to the effect that any such proposed amendment or waiver is authorized and complies with the provisions of this Funding Loan Agreement, including this Article X 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 XI THE FISCAL AGENT

Section 11.1. Appointment of Fiscal Agent; Acceptance. The Governmental Lender hereby appoints Wilmington Trust, National Association as Fiscal Agent hereunder. The Fiscal Agent shall signify its acceptance of the duties and obligations imposed upon it by this Funding Loan Agreement by executing this Funding Loan Agreement.

Section 11.2. Certain Duties and Responsibilities of Fiscal Agent.

(a) The Fiscal Agent undertakes to 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 the Fiscal Agent.

(b) If an Event of Default exists hereunder or under any Borrower Loan Document, the Fiscal Agent shall exercise such of the rights and powers vested in it by this Funding Loan Agreement, unless directed otherwise by the Funding Lender and subject to Section 11.2(c)(3) hereof, use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such prudent person's own affairs.

(c) The Fiscal Agent shall not be liable for any acts or omissions, except for such losses, damages or expenses which have been finally adjudicated by a court of competent jurisdiction to have directly resulted from the Fiscal Agent's gross negligence or willful misconduct; provided, however, no provision of this Funding Loan Agreement shall be construed to relieve the Fiscal Agent from liability for its own grossly negligent action, its own grossly negligent failure to act, or its own willful misconduct, in each case, as finally adjudicated by a court of competent jurisdiction, except that:

(1) This paragraph shall not be construed to limit the effect of paragraph (a) of this Section;

(2) The Fiscal Agent shall not be liable for any action taken, or error of judgment made in good faith, by any of its officers, employees or agents unless it shall be proved that the Fiscal Agent was grossly negligent in ascertaining the pertinent facts;

(3) The Fiscal Agent shall be entitled to request and receive, and shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the

direction of the Funding Lender relating to the time, method and place of conducting any proceeding for any remedy available to the Fiscal Agent, or exercising any trust or power conferred upon the Fiscal Agent under this Funding Loan Agreement; and

(4) No provision of this Funding Loan Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not assured to it in its sole discretion.

Subject to its rights to indemnification pursuant to Section 11.4 hereof, the Fiscal Agent is directed to enter into the Borrower Loan Documents to which it is a party and other related documents, solely in its capacity as Fiscal Agent. The Fiscal Agent shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or document other than the Funding Loan Documents to which it is a party, whether or not an original or a copy of such other agreement, instrument or document has been provided to the Fiscal Agent. The Fiscal Agent shall have no duty to know or inquire as to the performance or nonperformance of any provision of any other agreement, instrument, or document other than the Funding Loan Documents to which it is a party.

(d) Whether or not therein expressly so provided, every provision of this Funding Loan Agreement and the other Funding Loan Documents relating to the conduct or affecting the liability of or affording protection to the Fiscal Agent shall be subject to the provisions of this Section.

(e) The Fiscal Agent may, at the expense of Borrower, request and conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, and act upon certificates, reports or opinions furnished to the Fiscal Agent and conforming to the requirements of this Funding Loan Agreement; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Fiscal Agent, the Fiscal Agent shall be under a duty to examine the same to determine whether or not they conform on their face to the requirements of this Funding Loan Agreement.

(f) The permissive rights of the Fiscal Agent to do things enumerated in this Funding Loan Agreement shall not be construed as a duty.

(g) The rights of the Fiscal Agent and limitations of liability enumerated herein and in Section 11.4 shall extend to actions taken or omitted in its role as assignee of the Governmental Lender under the Borrower Loan Agreement and the other Funding Loan Documents.

(h) The Fiscal Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under this Funding Loan Agreement arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or

governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility.

(i) In no event shall the Fiscal Agent be responsible or liable for special, indirect, punitive, incidental or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Fiscal Agent has been advised of the likelihood of such loss or damage and regardless of the form of action. The Fiscal Agent shall not be liable for any amount in excess of the value of the Security.

Section 11.3. Notice of Defaults. Upon the occurrence of any default hereunder or under any Borrower Loan Document and provided that a Responsible Officer of the Fiscal Agent has actual knowledge of or has received Written Notice of the existence of such default, promptly, and in any event within 15 days, the Fiscal Agent shall transmit to the Governmental Lender, the Borrower, the Servicer, if any, and the Funding Lender, in the manner and at the addresses for notices set forth in Section 12.1 hereof, notice of such default hereunder known to the Fiscal Agent pursuant to Section 11.4(g) hereof, unless such default shall have been cured or waived.

Section 11.4. Certain Rights of Fiscal Agent. Except as otherwise provided in Section 11.1 hereof:

(a) The Fiscal Agent may request at the expense of the Borrower, may conclusively rely on, and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, debenture, coupon or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties not only as to due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein;

(b) Any request or direction of the Governmental Lender mentioned herein shall be sufficiently evidenced by a certificate or order executed by an Authorized Governmental Lender Representative;

(c) Whenever in the administration of this Funding Loan Agreement or any Borrower Loan Document the Fiscal Agent shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Fiscal Agent (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, at the expense of the Borrower, request and rely upon a Written Certificate of the Governmental Lender, the Funding Lender, the Servicer or the Borrower, as appropriate, and shall incur no liability and shall be fully protected in acting or refraining from acting in accordance with such certificates;

(d) The Fiscal Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Funding Loan Agreement or any Borrower Loan Document at the request or direction of the Funding Lender, pursuant to this Funding Loan Agreement, unless the Funding Lender shall have offered to the Fiscal Agent in writing security or indemnity reasonably satisfactory to the Fiscal Agent against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction, except costs, expenses and liabilities which are adjudicated to have resulted from its own gross negligence or willful misconduct;

(e) The Fiscal Agent shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, debenture, coupon or other paper or document but the Fiscal Agent, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Fiscal Agent shall determine to make such further inquiry or investigation, it shall be entitled to examine the books and records of the Governmental Lender, if any, and of the Borrower, in either case personally or by agent or attorney after reasonable notice and during normal business hours;

(f) The Fiscal Agent may execute any of its powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and pay reasonable compensation thereto and the Fiscal Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder. The Fiscal Agent may act upon the advice of counsel or other professionals of its choice concerning all matters hereof and the Fiscal Agent shall not be responsible for any loss or damage resulting from any action or inaction taken in good faith reliance upon said advice; and

(g) The Fiscal Agent shall not be required to take notice or be deemed to have notice of any default hereunder or under any Borrower Loan Document except for failure by the Borrower to make payments of principal, interest, premium, if any, or Governmental Lender Fee when due, unless a Responsible Officer of the Fiscal Agent shall be specifically notified by a Written Notice of such default by the Governmental Lender, the Servicer or the Funding Lender, and all notices or other instruments required by this Funding Loan Agreement or under any Borrower Loan Document to be delivered to the Fiscal Agent, must, in order to be effective, be delivered in writing to a Responsible Officer of the Fiscal Agent at the Corporate Trust Office of the Fiscal Agent, and in the absence of such Written Notice so delivered the Fiscal Agent may conclusively assume there is no default as aforesaid.

(h) Notwithstanding anything to the contrary contained herein, the Borrower shall defend, release, indemnify and hold harmless the Fiscal Agent and its directors, officers, employees and agents from any and against all liabilities, losses, actions, suits or proceedings at law or in equity, and any other expenses, fees or charges of any character or nature (including, without limitation, reasonable attorney's fees and expenses and the reasonable costs of enforcement of this Funding Loan Agreement or any provision thereof), which such parties may incur or be threatened by reason of acting as or on behalf of the Fiscal Agent under this Funding Loan Agreement, except to the extent the same shall have been finally adjudicated by a court of competent jurisdiction to have been directly caused by the Fiscal Agent's gross negligence or willful misconduct. The indemnity contained in this paragraph shall not apply to any consequential, indirect or punitive damages. The terms of this indemnity shall survive the termination of this Funding Loan Agreement or the earlier resignation or removal of the Fiscal Agent.

Section 11.5. Not Responsible for Recitals. The recitals contained herein and in the Governmental Lender Notes shall be taken as the statements of the Governmental Lender, and the Fiscal Agent assumes no responsibility for their correctness. The Fiscal Agent makes no representations as to the value or condition of the Pledged Revenues, the Security or any part thereof, or as to the title of the Governmental Lender thereto or as to the security afforded thereby

or hereby, or as to the validity or sufficiency of this Funding Loan Agreement or of the Governmental Lender Notes.

The Fiscal Agent 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 funding of the Governmental Lender Notes.

The Fiscal Agent shall not be required to monitor the performance or financial condition of the Borrower or the physical condition of the Project. The Fiscal Agent shall not have any liability in connection with the malfeasance or nonfeasance by any party other than itself. The Fiscal Agent may assume performance by all such Persons of their respective obligations. The Fiscal Agent shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other Person. Unless otherwise expressly provided, the Fiscal Agent shall be under no obligation to analyze, review or make any credit decisions with respect to any financial statements, reports, notices, certificates or documents received hereunder but shall hold such financial statements reports, notices, certificates and documents solely for the benefit of, and review by, the Funding Lender and such other parties to whom the Fiscal Agent may provide such information pursuant to this Funding Loan Agreement.

The Fiscal Agent makes no representations as to and shall have no responsibility for the sufficiency of the insurance required under any of the Borrower Loan Documents.

Section 11.6. May Hold Governmental Lender Notes. The Fiscal Agent in its individual or any other capacity may become the owner or pledgee of the Governmental Lender Notes and may otherwise deal with the Governmental Lender, the Funding Lender and the Borrower with the same rights it would have if it were not Fiscal Agent.

Section 11.7. Moneys Held in Trust. Moneys held by the Fiscal Agent in trust hereunder need not be segregated from other funds except to the extent required by law. The Fiscal Agent shall be under no liability for interest on any moneys received by it hereunder except as otherwise provided herein.

Section 11.8. Compensation and Reimbursement. Under the Borrower Loan Agreement, the Borrower has agreed to, except as otherwise expressly provided herein, reimburse the Fiscal Agent as provided in this Funding Loan Agreement or the Borrower Loan Agreement, upon its request for all reasonable expenses, disbursements and advances incurred or made by the Fiscal Agent in accordance with any provision of this Funding Loan Agreement (including the reasonable fees, expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Fiscal Agent's gross negligence or willful misconduct, both as finally adjudicated by a court of competent jurisdiction.

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

(a) The Governmental Lender has no obligation to pay the Fiscal Agent for services rendered.

(b) As security for the performance of the obligations of the Borrower under this Section and for the payment of such compensation, expenses, reimbursements and indemnity, the Fiscal Agent shall have the right to use and apply any moneys held by it as Pledged Revenues.

(c) The Fiscal Agent's rights to compensation and reimbursement shall survive its resignation or removal, the payment of the Governmental Lender Notes or the Borrower Loan or the release of this Funding Loan Agreement.

Section 11.9. Fiscal Agent Required; Eligibility. Any successor Fiscal Agent shall at all times be a trust company, a state banking corporation or a national banking association with the authority to accept trusts in the State approved in writing by the Governmental Lender and either (a) have a combined capital and surplus of at least \$50,000,000 as set forth in its most recent published annual report of condition, (b) be a wholly owned subsidiary of a bank holding company, or a wholly owned subsidiary of a company that is a wholly owned subsidiary of a bank holding company, having a combined capital surplus of at least \$50,000,000 as set forth in its most recent published annual report of condition, have at least \$500,000,000 of trust assets under management and have a combined capital surplus of at least \$2,000,000 as set forth in its most recent published annual report of condition, or (c) be otherwise acceptable to the Funding Lender and the Governmental Lender in their sole and absolute discretion.

Section 11.10. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Fiscal Agent hereunder and no appointment of a successor Fiscal Agent pursuant to this Article shall become effective until the written acceptance by the successor Fiscal Agent of such appointment.

(b) The Fiscal Agent may resign at any time by giving 30 days' Written Notice thereof to the Governmental Lender, the Borrower, the Servicer, if any, and the Funding Lender. If an instrument of acceptance by a successor Fiscal Agent shall not have been delivered to the Fiscal Agent within 45 days after the giving of such notice of resignation, the resigning Fiscal Agent may petition any court of competent jurisdiction for the appointment of a successor Fiscal Agent.

(c) The Fiscal Agent may be removed at any time with 30 days' notice by (i) the Governmental Lender, with the Written Consent of the Funding Lender, (ii) the Borrower (unless the Borrower is in default under any of the Borrower Loan Documents), with the Written Consent of the Funding Lender and the Governmental Lender, or (iii) the Funding Lender by Written Notice delivered to the Fiscal Agent, the Governmental Lender and the Borrower.

(d) If the Fiscal Agent shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the Office of the Fiscal Agent for any cause, the Governmental Lender shall promptly appoint a successor Fiscal Agent, with the consent of the Funding Lender. In case all or substantially all of the Pledged Revenues and Security shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee may similarly appoint a successor to fill such vacancy until a new Fiscal Agent shall be so appointed by the Governmental Lender. If, within 60 days after such resignation, removal or incapability or the occurrence of such vacancy, the Governmental Lender has failed to so appoint a successor Fiscal Agent, then a successor Fiscal Agent shall be appointed by the Funding Lender (from any of the institutions approved by the

Governmental Lender to serve as a fiscal agent or trustee) with Written Notice thereof delivered to the Governmental Lender, the Borrower, the Servicer, if any, and the retiring Fiscal Agent, and the successor Fiscal Agent so appointed shall, forthwith upon its acceptance of such appointment, become the successor Fiscal Agent and supersede the successor Fiscal Agent appointed by such receiver or Fiscal Agent. If no successor Fiscal Agent shall have been appointed by the Governmental Lender or the Funding Lender and accepted appointment in the manner hereinafter provided, the Fiscal Agent may petition any court of competent jurisdiction for the appointment of a successor Fiscal Agent.

(e) The retiring Fiscal Agent shall cause Written Notice of each resignation and each removal of the Fiscal Agent and each appointment of a successor Fiscal Agent to be provided to the Funding Lender. Each notice shall include the name of the successor Fiscal Agent and the address of the office of the successor Fiscal Agent.

Section 11.11. Acceptance of Appointment by Successor.

(a) Every successor Fiscal Agent appointed hereunder shall execute, acknowledge and deliver to the Governmental Lender and to the retiring Fiscal Agent an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Fiscal Agent shall become effective and such successor Fiscal Agent, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Fiscal Agent; notwithstanding the foregoing, on request of the Governmental Lender or the successor Fiscal Agent, such retiring Fiscal Agent shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to such successor Fiscal Agent upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Fiscal Agent, and shall duly assign, transfer and deliver to such successor Fiscal Agent all property and money held by such retiring Fiscal Agent hereunder. Upon request of any such successor Fiscal Agent, the Governmental Lender shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Fiscal Agent all such estates, properties, rights, powers and trusts.

(b) No successor Fiscal Agent shall accept its appointment unless at the time of such acceptance such successor Fiscal Agent shall be qualified and eligible under this Article, to the extent operative.

Section 11.12. Merger, Conversion, Consolidation or Succession to Business. Any corporation or association into which the Fiscal Agent may be converted or merged or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Fiscal Agent shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Fiscal Agent, shall be the successor of the Fiscal Agent hereunder, provided such corporation or association shall be otherwise qualified and eligible under this Article, to the extent operative, without the execution or filing of any paper or any further act on the part of any of the parties hereto. Notwithstanding the foregoing, any such successor Fiscal Agent shall cause Written Notice of such succession to be delivered to the Governmental Lender and Funding Lender within 30 days of such succession.

Section 11.13. Appointment of Co-Fiscal Agent. It is the purpose of this Funding Loan Agreement that there shall be no violation of any laws of any jurisdiction (including particularly the laws of the State) 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 this Funding Loan Agreement, the Borrower Loan Agreement, any other Borrower Loan Document or the Regulatory Agreement, and in particular in case of the enforcement of any of them on default, or in case the 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 granted to the Fiscal Agent or hold title to the properties, in trust, as herein provided, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Fiscal Agent appoint an additional individual or institution as a separate or co-fiscal agent. The following provisions of this Section are adopted to these ends.

The Fiscal Agent is hereby authorized to appoint an additional individual or institution as a separate or co-fiscal agent hereunder, upon Written Notice to the Governmental Lender, the Funding Lender and the Borrower, and with the consent of the Governmental Lender and the Funding Lender, but without the necessity of further authorization or consent, in which event each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Funding Loan Agreement, any Borrower Loan Document, the Regulatory Agreement or the Borrower Loan Agreement to be exercised by or vested in or conveyed to the Fiscal Agent with respect thereto shall be exercisable by and vest in such separate or co-fiscal agent but only to the extent necessary to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-fiscal agent shall run to and be enforceable by either of them.

Should any instrument in writing from the Governmental Lender be required by the separate fiscal agent or co-fiscal agent appointed by the 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 of the Fiscal Agent, be executed, acknowledged and delivered by the Governmental Lender. In case any separate fiscal agent or co-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 separate fiscal agent or co-fiscal agent, so far as permitted by law, shall vest in and be exercised by the Fiscal Agent until the appointment of a successor to such separate fiscal agent or co-fiscal agent.

The Fiscal Agent will not be responsible for the negligence or misconduct of a separate fiscal agent or co-fiscal agent, and no separate fiscal agent or co-fiscal agent shall be responsible for the negligence or misconduct of the Fiscal Agent.

Section 11.14. Loan Servicing. The Governmental Lender and the Fiscal Agent acknowledge that the Funding Lender shall have the right to appoint a Servicer to service and administer the Borrower Loan as set forth in a Servicing Agreement. The Governmental Lender and the Fiscal Agent shall not be responsible for monitoring the performance of any Servicer or for any acts or omissions of such Servicer. The Funding Lender may, in its sole discretion, terminate or replace the Servicer.

Section 11.15. No Recourse Against Officers or Employees of Fiscal Agent. No recourse with respect to any claim related to any obligation, duty or agreement contained in this Funding Loan Agreement or any other Funding Loan Document shall be had against any officer or employee, as such, of the Fiscal Agent, it being expressly understood that the obligations, duties and agreements of the Fiscal Agent contained in this Funding Loan Agreement and the other Funding Loan Documents are solely corporate in nature.

ARTICLE XII MISCELLANEOUS

Section 12.1. Notices. All notices, demands, requests and other communications required or permitted to be given by any provision of this Funding Loan Agreement shall be in writing and sent by first class, regular, registered or certified mail, commercial delivery service, overnight courier, telegraph, telex, telecopier or facsimile transmission, air or other courier, or hand delivery to the party to be notified addressed as follows:

If to the Borrower:	Vi Collina, LLC c/o O-SDA/Saigebrook 5501-A Balcones Dr. #302 Austin, Texas 78731 Attention: Megan Lasch Phone: (830) 330-0762
With a copy to:	Shackelford, Bowen, McKinley & Norton, LLP 9201 N Central Expressway, 4th Floor Dallas, TX 75231 Attention: John Shackelford, Esq. Phone: (214) 780-1414
If to the Governmental Lender:	Austin Housing Finance Corporation 1000 East 11 th St. Austin, Texas 78702 Attention: Program Manager Phone: (512) 974-3192
If to the Funding Lender:	CITIBANK, N.A. 388 Greenwich Street, Trading 6 th Floor New York, New York 10013 Attention: Transaction and Asset Management Group Re: Vi Collina Deal ID No. 60000227 Facsimile: (212) 723-8209

and
325 East Hillcrest Drive, Suite 160
Thousand Oaks, California 91360
Attention: Operations Manager/Asset Manager
Re: Vi Collina Deal ID No. 60000227
Facsimile: (805) 557-0924

Prior to the Conversion Date,
with a copy to:
CITIBANK, N.A.
388 Greenwich Street, Trading 6th Floor
New York, New York 10013
Attention: Account Specialist
Re: Vi Collina Deal ID No. 60000227
Facsimile: (212) 723-8209

Following the Conversion
Date, with a copy to:
Citibank, N.A.
c/o Berkadia Commercial Servicing Department
323 Norristown Road, Suite 300
Ambler, Pennsylvania 19002
Attention: Client Relations Manager
Re: Vi Collina Deal ID No. 60000227
Facsimile: (215) 328-0305

And a copy of any notices of
default sent to:
CITIBANK, N.A.
388 Greenwich Street, 17th Floor
New York, New York 10013
Attention: General Counsel's Office
Re: Vi Collina Deal ID No. 60000227
Facsimile: (646) 291-5754

If to the Fiscal Agent:
Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 550
Dallas, Texas 75248
Attention: Dayna Smith
Facsimile: (888) 316-6238

If to the Equity Investor:
AHP Housing Fund 261, LLC
c/o Affordable Housing Partners, Inc.
10250 Constellation Blvd., Suite 1270
Los Angeles, California 90067
Attention: Michael L. Fowler

With a copy to:
Kutak Rock LLP
1801 California Street, Suite 3000
Denver, Colorado 80202
Attention: Ellen O'Brien, Esq.

Any such notice, demand, request or communication shall be deemed to have been given and received for all purposes under this Funding Loan Agreement: (i) three Business Days after

the same is deposited in any official depository or receptacle of the United States Postal Service first class, or, if applicable, certified mail, return receipt requested, postage prepaid; (ii) on the date of transmission when delivered by telecopier or facsimile transmission, telex, telegraph or other telecommunication device, provided any telecopy or other electronic transmission received by any party after 4:00 p.m., local time, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Day; (iii) on the next Business Day after the same is deposited with a nationally recognized overnight delivery service that guarantees overnight delivery; and (iv) on the date of actual delivery to such party by any other means; provided, however, if the day such notice, demand, request or communication shall be deemed to have been given and received as aforesaid is not a Business Day, such notice, demand, request or communication shall be deemed to have been given and received on the next Business Day. Any facsimile signature by a Person on a document, notice, demand, request or communication required or permitted by this Funding Loan Agreement shall constitute a legal, valid and binding execution thereof by such Person.

Any party to this Funding Loan Agreement may change such party's address for the purpose of notice, demands, requests and communications required or permitted under this Funding Loan Agreement by providing Written Notice of such change of address to all of the parties by Written Notice as provided herein.

Section 12.2. Term of Funding Loan Agreement. This Funding Loan Agreement shall be in full force and effect until all payment obligations of the Governmental Lender hereunder have been paid in full and the Governmental Lender Notes have been retired or the payment thereof has been provided for; except that on and after payment in full of the Governmental Lender Notes, this Funding Loan Agreement shall be terminated, without further action by the parties hereto.

Section 12.3. Successors and Assigns. All covenants and agreements in this Funding Loan Agreement by the Governmental Lender shall bind its successors and assigns, whether so expressed or not.

Section 12.4. Legal Holidays. In any case in which the date of payment of any amount due hereunder or the date on which any other act is to be performed pursuant to this Funding Loan Agreement shall be a day that is not a Business Day, then payment of such amount or such act need not be made on such date but may be made on the next succeeding Business Day, and such later payment or such act shall have the same force and effect as if made on the date of payment or the date fixed for prepayment or the date fixed for such act, and no additional interest shall accrue for the period after such date and prior to the date of payment.

Section 12.5. Governing Law. This Funding Loan Agreement shall be governed by and shall be enforceable in accordance with the laws of the State, without giving effect to the choice of law principles of the State that would require the application of the laws of a jurisdiction other than that of the State. The Fiscal Agent's rights, duties, power and obligations hereunder are governed entirely by the terms and provisions of this Funding Loan Agreement and the Regulatory Agreement. The parties hereby (i) irrevocably submit to the exclusive jurisdiction of any federal or state court sitting in the state of Texas, (ii) waive any objection to laying of venue in any such action or proceeding in such courts, and (iii) waive any objection that such courts are an inconvenient forum or do not have jurisdiction over any party.

Section 12.6. Severability. If any provision of this Funding Loan Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions shall not in any way be affected or impaired. In case any covenant, stipulation, obligation or agreement contained in the Governmental Lender Notes or in this Funding Loan Agreement shall for any reason be held to be usurious or in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Governmental Lender or the Funding Lender only to the full extent permitted by law.

Section 12.7. Execution in Several Counterparts. This Funding Loan Agreement may be contemporaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original. The exchange of copies of this Funding Loan Agreement and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this instrument to the parties hereto and may be used in lieu of the original instrument for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

Section 12.8. Nonrecourse Obligation of the Borrower. Except as otherwise provided in the Borrower Loan Agreement, any obligations of the Borrower under this Funding Loan Agreement are without recourse to the Borrower or to the Borrower's partners or members, as the case may be, and the provisions of Section 11.1 of the Borrower Loan Agreement are by this reference incorporated herein.

Section 12.9. Waiver of Trial by Jury. TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, EACH OF BORROWER AND THE BENEFICIARY PARTIES (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS FUNDING LOAN AGREEMENT OR THE RELATIONSHIP BETWEEN THE PARTIES THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.


Section 12.10. Electronic Transactions. The transactions described in this Funding Loan Agreement may be conducted and related documents and may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12.11. Dispute Resolution . If any conflict, disagreement or dispute arises between, among, or involving any of the parties hereto concerning the meaning or validity of any provision hereunder or concerning any other matter relating to this Funding Loan Agreement, or the Fiscal Agent is in doubt as to the action to be taken hereunder, the Fiscal Agent may, at its option, after sending written notice of the same to the parties hereto, refuse to act until such time as it (a) receives a final non-appealable order of a court of competent jurisdiction resolving such conflict, disagreement or dispute or (b) receives a written instruction, executed by each of the parties involved in such disagreement or dispute, in a form reasonably acceptable to the Fiscal

Agent, which instruction resolves such conflict, disagreement or dispute. The Fiscal Agent will be entitled to act on any such written instruction or final, non-appealable order of a court of competent jurisdiction without further question, inquiry or consent. The Fiscal Agent may file an interpleader action in a state or federal court, and upon the filing thereof, the Fiscal Agent will be relieved of all liability as to the assets deposited with the court and will be entitled to recover reasonable and documented out-of-pocket attorneys' fees, expenses and other costs incurred in commencing and maintaining any such interpleader action.

IN WITNESS WHEREOF, the Funding Lender, the Fiscal Agent and the Governmental Lender have caused this Funding Loan Agreement to be duly executed as of the date first written above.

CITIBANK, N.A., as Funding Lender

By: _____
Kathy Millhouse, Vice President

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

By: _____
Dayna Smith, Vice President

**AUSTIN HOUSING FINANCE
CORPORATION, as Governmental Lender**

By: _____
Rosie Truelove, Treasurer

IN WITNESS WHEREOF, the Funding Lender, the Fiscal Agent and the Governmental Lender have caused this Funding Loan Agreement to be duly executed as of the date first written above.

CITIBANK, N.A., as Funding Lender

By: _____
Mahesh Aiyer, Authorized Signatory

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

By: _____
Dayna Smith, Vice President

**AUSTIN HOUSING FINANCE
CORPORATION**, as Governmental Lender

By: _____
Rosie Truelove, Treasurer

IN WITNESS WHEREOF, the Funding Lender, the Fiscal Agent and the Governmental Lender have caused this Funding Loan Agreement to be duly executed as of the date first written above.

CITIBANK, N.A., as Funding Lender

By: _____
Mahesh Aiyer, Authorized Signatory

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

By: _____
Charles Hicks, Vice President

**AUSTIN HOUSING FINANCE
CORPORATION,** as Governmental Lender

By:  _____
Rosie Truelove, Treasurer

EXHIBIT A-1**FORM OF SERIES A-1 GOVERNMENTAL LENDER NOTE**

THIS GOVERNMENTAL LENDER 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 LENDER NOTE (A) REPRESENTS THAT IT IS AN APPROVED TRANSFEREE AND (B) ACKNOWLEDGES THAT IT CAN ONLY TRANSFER THIS GOVERNMENTAL LENDER NOTE OR ANY INTEREST HEREIN TO ANOTHER APPROVED TRANSFEREE IN ACCORDANCE WITH THE TERMS OF THE FUNDING LOAN AGREEMENT.

**AUSTIN HOUSING FINANCE CORPORATION
MULTIFAMILY MORTGAGE REVENUE NOTE
(VI COLLINA APARTMENTS) SERIES 2020A-1**

DATED June 18, 2020

\$20,450,000

Rate: 2.88%

No. _____

FOR VALUE RECEIVED, the undersigned AUSTIN HOUSING FINANCE CORPORATION, a Texas public nonprofit corporation ("Obligor" or "Governmental Lender"), promises to pay to the order of CITIBANK, N.A., as the registered owner hereof or its registered assigns ("Holder"), the principal sum of Twenty Million Four Hundred and Fifty Thousand Dollars (\$20,450,000), on July 1, 2053 (the "Maturity Date"), or earlier as provided herein, together with interest thereon at the rates, at the times and in the amounts provided below, but solely from the Security pledged therefor, including Pledged Revenues available for such purpose.

Obligor shall pay to the Holder on or before each date on which payment is due under that certain Funding Loan Agreement, dated as of June 1, 2020 (the "Funding Loan Agreement"), among Obligor, WILMINGTON TRUST, NATIONAL ASSOCIATION, as fiscal agent (the "Fiscal Agent"), and Holder, an amount in immediately available funds sufficient to pay the principal amount of and Prepayment Premium, if any, on this Governmental Lender Note then due and payable, whether by maturity, acceleration, prepayment or otherwise. In the event that amounts held derived from proceeds of the Borrower Loan, condemnation awards or insurance proceeds or investment earnings thereon are applied to the payment of principal due on this Governmental Lender Note in accordance with the Funding Loan Agreement, the principal amount due hereunder shall be reduced to the extent of the principal amount of this Governmental Lender Note so paid. Capitalized terms not otherwise defined herein shall have the meaning assigned in the Funding Loan Agreement.

Obligor shall pay to the Holder on or before each date on which interest on this Governmental Lender Note is payable, interest on the unpaid balance hereof in an amount in immediately available funds sufficient to pay the interest on this Governmental Lender Note then due and payable in the amounts and at the rate or rates set forth in the Funding Loan Agreement.

The principal of, premium, if any, and interest on this Governmental Lender Note is payable at the designated corporate trust office of the Fiscal Agent. Payment of all amounts hereunder shall be in any coin or currency of the United States of America as, at the respective times of payment, shall be legal tender for the payment of public and private debts.

This Governmental Lender Note is a pass-through obligation relating to a construction and permanent loan (the "Borrower Loan") made by Obligor from proceeds of this Governmental Lender Note to Vi Collina, LLC, a Texas limited liability company, as borrower (the "Borrower"), under that certain Borrower Loan Agreement, dated as of June 1, 2020 (as the same may be modified, amended or supplemented from time to time, the "Borrower Loan Agreement"), between the Obligor and the Borrower, evidenced by the Borrower Notes (as defined in the Borrower Loan Agreement). Reference is made to the Borrower Loan Agreement and to the Series A-1 Borrower Note for complete payment and prepayment terms of the Series A-1 Borrower Note, payments on which are passed-through under this Governmental Lender Note. An estimated amortization schedule for this Governmental Lender Note and the Series A-1 Borrower Note is attached hereto as Schedule 1.

THIS GOVERNMENTAL LENDER NOTE IS ISSUED UNDER THE PROVISIONS OF THE TEXAS HOUSING FINANCE CORPORATIONS ACT, CHAPTER 394, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED (THE "ACT"). THIS GOVERNMENTAL LENDER NOTE IS NOT A GENERAL OBLIGATION OF THE GOVERNMENTAL LENDER BUT IS A SPECIAL LIMITED OBLIGATION PAYABLE SOLELY FROM THE MONEYS AND PROPERTIES PLEDGED FOR PAYMENT THEREOF.

This Governmental Lender Note is a special limited obligation of the Obligor, payable solely from the Pledged Revenues and the other funds and moneys and security pledged and assigned under the Funding Loan Agreement. None of the Governmental Lender, the State, or any political subdivision thereof (except the Governmental Lender, to the limited extent set forth herein) nor any public agency shall in any event be liable for the payment of the principal of, premium (if any) or interest on this Governmental Lender Note or for the performance of any pledge, obligation or agreement of any kind whatsoever with respect thereto except as set forth herein and in the Funding Loan Agreement, and none of the Funding Loan or the Governmental Lender Note or any of the Governmental Lender's agreements or obligations with respect to the Funding Loan or this Governmental Lender Note shall be construed to constitute an indebtedness of or a pledge of the faith and credit of or a loan of the credit of or a moral obligation of any of the foregoing within the meaning of any constitutional or statutory provision whatsoever.

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, THIS GOVERNMENTAL LENDER NOTE SOLELY OUT OF THE SECURITY, INCLUDING PLEDGED REVENUES. THIS GOVERNMENTAL LENDER NOTE SHALL BE A SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL LENDER PAYABLE SOLELY FROM THE SECURITY, INCLUDING PLEDGED REVENUES. THIS GOVERNMENTAL LENDER 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 THIS GOVERNMENTAL LENDER NOTE AND WHICH SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THE FUNDING LOAN AGREEMENT. THIS GOVERNMENTAL LENDER 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"), TRAVIS COUNTY, TEXAS (THE "COUNTY") OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE. THIS GOVERNMENTAL LENDER NOTE DOES NOT CREATE A MORAL OBLIGATION ON THE PART OF THE STATE, THE COUNTY OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE AND EACH OF SUCH ENTITIES IS PROHIBITED BY THE ACT FROM MAKING ANY PAYMENTS WITH RESPECT TO THIS GOVERNMENTAL LENDER 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 LENDER NOTE.

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

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

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

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

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

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

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

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

Neither the directors, officers, agents or employees of the Governmental Lender nor any person executing the Governmental Lender Note shall be personally liable hereon or be subject to any personal liability or accountability by reason of the issuance of the Governmental Lender Note, whether by virtue of any Constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being expressly released and waived as a condition of and in consideration for the execution of the Funding Loan Agreement and the issuance of the Governmental Lender Note.

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

IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED that the issuance of this Governmental Lender Note is duly authorized by law; that all acts, conditions and things required to exist and to be done precedent to and in the issuance of this Governmental Lender Note to render the same lawful and valid have been properly done and performed and have happened in regular and due time, form and manner as required by law; and that all acts, conditions and things necessary to be done or performed by the Governmental Lender or to have happened precedent to or in the execution and delivery of the Funding Loan Agreement have been done and performed and have happened in regular and due form as required by law.

[Signature page follows.]

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

**AUSTIN HOUSING FINANCE
CORPORATION** , as Governmental Lender

By: _____
Treasurer

ATTEST:

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION

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

Date of Authentication: _____

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

By: _____
Authorized Signer

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto _____
the within Governmental Lender Note and irrevocably constitutes and appoints _____
attorney to transfer that Governmental Lender Note on the books kept for registration thereof, with
full power of substitution in the premises.

Dated: _____

Signature

Signature Guaranteed:

NOTICE: The assignor's signature to this assignment must correspond with the name as it
appears upon the face of the within Governmental Lender Note in every particular,
without alteration or any change whatever.

SCHEDULE 1

GOVERNMENTAL LENDER NOTE AMORTIZATION SCHEDULE

Prior to the third anniversary of the Conversion Date, Borrower shall make monthly payments of accrued and unpaid interest at the Fixed Rate identified on Schedule A of the Series A-1 Borrower Note and, commencing on the First Payment Date following the third anniversary of the Conversion Date, monthly principal and interest payments consisting of accrued and unpaid interest at the Fixed Rate identified on Schedule A of the Series A-1 Borrower Note and principal in an amount equal to the Borrower Loan principal payable that month. Any remaining principal and interest, if not sooner paid, shall be due and payable on the Maturity Date. The amortization schedule that follows is subject to adjustment at the time of Conversion based on the final Conversion Date, the Earn-Out (as defined in the Construction Funding Agreement) and the final Permanent Period Amount (as defined in the Construction Funding Agreement).

[See Attached Amortization Schedule]

Loan Payment Schedule

Vi Collina
Amortization Schedule

Assumptions					
Loan Amount	\$20,450,000.00	Daycount Convention	Actual/360	Conversion Date	6/18/2023
Loan Interest Rate	2.8800%	[Other Fee 1]	0.00%	First Interest Payment	7/1/2023
Amortization (Mos)	420	[Other Fee 2]		First Principal Payment	7/1/2026
Fixed P&I Payment	\$77,338.73			Mandatory Prepayment	6/1/2038
Mortgage Constant	4.53821%			Maturity Date	7/1/2053

delete rows after 6/01/2038

Payment Number	Payment Date	Interest Payment	Principal Payment	Ending Balance	[Other Fee 1]	[Other Fee 2]	Total Due From Borrower
1	7/1/2023	\$21,268.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$21,268.00
2	8/1/2023	\$50,716.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$50,716.00
3	9/1/2023	\$50,716.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$50,716.00
4	10/1/2023	\$49,080.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$49,080.00
5	11/1/2023	\$50,716.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$50,716.00
6	12/1/2023	\$49,080.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$49,080.00
7	1/1/2024	\$50,716.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$50,716.00
8	2/1/2024	\$50,716.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$50,716.00
9	3/1/2024	\$47,444.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$47,444.00
10	4/1/2024	\$50,716.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$50,716.00
11	5/1/2024	\$49,080.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$49,080.00
12	6/1/2024	\$50,716.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$50,716.00
13	7/1/2024	\$49,080.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$49,080.00
14	8/1/2024	\$50,716.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$50,716.00
15	9/1/2024	\$50,716.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$50,716.00
16	10/1/2024	\$49,080.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$49,080.00
17	11/1/2024	\$50,716.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$50,716.00
18	12/1/2024	\$49,080.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$49,080.00
19	1/1/2025	\$50,716.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$50,716.00
20	2/1/2025	\$50,716.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$50,716.00
21	3/1/2025	\$45,808.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$45,808.00
22	4/1/2025	\$50,716.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$50,716.00
23	5/1/2025	\$49,080.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$49,080.00
24	6/1/2025	\$50,716.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$50,716.00
25	7/1/2025	\$49,080.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$49,080.00
26	8/1/2025	\$50,716.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$50,716.00
27	9/1/2025	\$50,716.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$50,716.00
28	10/1/2025	\$49,080.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$49,080.00
29	11/1/2025	\$50,716.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$50,716.00
30	12/1/2025	\$49,080.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$49,080.00
31	1/1/2026	\$50,716.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$50,716.00
32	2/1/2026	\$50,716.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$50,716.00
33	3/1/2026	\$45,808.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$45,808.00
34	4/1/2026	\$50,716.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$50,716.00
35	5/1/2026	\$49,080.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$49,080.00
36	6/1/2026	\$50,716.00	\$0.00	\$20,450,000.00	\$0.00	\$0.00	\$50,716.00
37	7/1/2026	\$49,080.00	\$28,258.73	\$20,421,741.27	\$0.00	\$0.00	\$77,338.73
38	8/1/2026	\$50,645.92	\$26,692.81	\$20,395,048.46	\$0.00	\$0.00	\$77,338.73
39	9/1/2026	\$50,579.72	\$26,759.01	\$20,368,289.45	\$0.00	\$0.00	\$77,338.73
40	10/1/2026	\$48,883.89	\$28,454.84	\$20,339,834.61	\$0.00	\$0.00	\$77,338.73
41	11/1/2026	\$50,442.79	\$26,895.94	\$20,312,938.67	\$0.00	\$0.00	\$77,338.73
42	12/1/2026	\$48,751.05	\$28,587.68	\$20,284,350.99	\$0.00	\$0.00	\$77,338.73
43	1/1/2027	\$50,305.19	\$27,033.54	\$20,257,317.45	\$0.00	\$0.00	\$77,338.73
44	2/1/2027	\$50,238.15	\$27,100.58	\$20,230,216.87	\$0.00	\$0.00	\$77,338.73
45	3/1/2027	\$45,315.69	\$32,023.04	\$20,198,193.83	\$0.00	\$0.00	\$77,338.73
46	4/1/2027	\$50,091.52	\$27,247.21	\$20,170,946.62	\$0.00	\$0.00	\$77,338.73
47	5/1/2027	\$48,410.27	\$28,928.46	\$20,142,018.16	\$0.00	\$0.00	\$77,338.73
48	6/1/2027	\$49,952.21	\$27,386.52	\$20,114,631.64	\$0.00	\$0.00	\$77,338.73
49	7/1/2027	\$48,275.12	\$29,063.61	\$20,085,568.03	\$0.00	\$0.00	\$77,338.73
50	8/1/2027	\$49,812.21	\$27,526.52	\$20,058,041.51	\$0.00	\$0.00	\$77,338.73
51	9/1/2027	\$49,743.94	\$27,594.79	\$20,030,446.72	\$0.00	\$0.00	\$77,338.73
52	10/1/2027	\$48,073.07	\$29,265.66	\$20,001,181.06	\$0.00	\$0.00	\$77,338.73
53	11/1/2027	\$49,602.93	\$27,735.80	\$19,973,445.26	\$0.00	\$0.00	\$77,338.73
54	12/1/2027	\$47,936.27	\$29,402.46	\$19,944,042.80	\$0.00	\$0.00	\$77,338.73
55	1/1/2028	\$49,461.23	\$27,877.50	\$19,916,165.30	\$0.00	\$0.00	\$77,338.73
56	2/1/2028	\$49,392.09	\$27,946.64	\$19,888,218.66	\$0.00	\$0.00	\$77,338.73
57	3/1/2028	\$46,140.67	\$31,198.06	\$19,857,020.60	\$0.00	\$0.00	\$77,338.73
58	4/1/2028	\$49,245.41	\$28,093.32	\$19,828,927.28	\$0.00	\$0.00	\$77,338.73
59	5/1/2028	\$47,589.43	\$29,749.30	\$19,799,177.98	\$0.00	\$0.00	\$77,338.73
60	6/1/2028	\$49,101.96	\$28,236.77	\$19,770,941.21	\$0.00	\$0.00	\$77,338.73
61	7/1/2028	\$47,450.26	\$29,888.47	\$19,741,052.74	\$0.00	\$0.00	\$77,338.73
62	8/1/2028	\$48,957.81	\$28,380.92	\$19,712,671.82	\$0.00	\$0.00	\$77,338.73
63	9/1/2028	\$48,887.43	\$28,451.30	\$19,684,220.52	\$0.00	\$0.00	\$77,338.73
64	10/1/2028	\$47,242.13	\$30,096.60	\$19,654,123.92	\$0.00	\$0.00	\$77,338.73
65	11/1/2028	\$48,742.23	\$28,596.50	\$19,625,527.42	\$0.00	\$0.00	\$77,338.73
66	12/1/2028	\$47,101.27	\$30,237.46	\$19,595,289.96	\$0.00	\$0.00	\$77,338.73
67	1/1/2029	\$48,596.32	\$28,742.41	\$19,566,547.55	\$0.00	\$0.00	\$77,338.73
68	2/1/2029	\$48,525.04	\$28,813.69	\$19,537,733.86	\$0.00	\$0.00	\$77,338.73
69	3/1/2029	\$43,764.52	\$33,574.21	\$19,504,159.65	\$0.00	\$0.00	\$77,338.73
70	4/1/2029	\$48,370.32	\$28,968.41	\$19,475,191.24	\$0.00	\$0.00	\$77,338.73
71	5/1/2029	\$46,740.46	\$30,598.27	\$19,444,592.97	\$0.00	\$0.00	\$77,338.73
72	6/1/2029	\$48,222.59	\$29,116.14	\$19,415,476.83	\$0.00	\$0.00	\$77,338.73
73	7/1/2029	\$46,597.14	\$30,741.59	\$19,384,735.24	\$0.00	\$0.00	\$77,338.73
74	8/1/2029	\$48,074.14	\$29,264.59	\$19,355,470.65	\$0.00	\$0.00	\$77,338.73
75	9/1/2029	\$48,001.57	\$29,337.16	\$19,326,133.49	\$0.00	\$0.00	\$77,338.73
76	10/1/2029	\$46,382.72	\$30,956.01	\$19,295,177.48	\$0.00	\$0.00	\$77,338.73
77	11/1/2029	\$47,852.04	\$29,486.69	\$19,265,690.79	\$0.00	\$0.00	\$77,338.73
78	12/1/2029	\$46,237.66	\$31,101.07	\$19,234,589.72	\$0.00	\$0.00	\$77,338.73
79	1/1/2030	\$47,701.78	\$29,636.95	\$19,204,952.77	\$0.00	\$0.00	\$77,338.73
80	2/1/2030	\$47,628.28	\$29,710.45	\$19,175,242.32	\$0.00	\$0.00	\$77,338.73
81	3/1/2030	\$42,952.54	\$34,386.19	\$19,140,856.13	\$0.00	\$0.00	\$77,338.73
82	4/1/2030	\$47,469.32	\$29,869.41	\$19,110,986.72	\$0.00	\$0.00	\$77,338.73
83	5/1/2030	\$45,866.37	\$31,472.36	\$19,079,514.36	\$0.00	\$0.00	\$77,338.73
84	6/1/2030	\$47,317.20	\$30,021.53	\$19,049,492.83	\$0.00	\$0.00	\$77,338.73
85	7/1/2030	\$45,718.78	\$31,619.95	\$19,017,872.88	\$0.00	\$0.00	\$77,338.73
86	8/1/2030	\$47,164.32	\$30,174.41	\$18,987,698.47	\$0.00	\$0.00	\$77,338.73
87	9/1/2030	\$47,089.49	\$30,249.24	\$18,957,449.23	\$0.00	\$0.00	\$77,338.73
88	10/1/2030	\$45,497.88	\$31,840.85	\$18,925,608.38	\$0.00	\$0.00	\$77,338.73
89	11/1/2030	\$46,935.51	\$30,403.22	\$18,895,205.16	\$0.00	\$0.00	\$77,338.73
90	12/1/2030	\$45,348.49	\$31,990.24	\$18,863,214.92	\$0.00	\$0.00	\$77,338.73
91	1/1/2031	\$46,780.77	\$30,557.96	\$18,832,656.96	\$0.00	\$0.00	\$77,338.73
92	2/1/2031	\$46,704.99	\$30,633.74	\$18,802,023.22	\$0.00	\$0.00	\$77,338.73

Loan Payment Schedule

Vi Collina
Amortization Schedule

Assumptions					
Loan Amount	\$20,450,000.00	Daycount Convention	Actual/360	Conversion Date	6/18/2023
Loan Interest Rate	2.8800%	[Other Fee 1]	0.00%	First Interest Payment	7/1/2023
Amortization (Mos)	420	[Other Fee 2]		First Principal Payment	7/1/2026
Fixed P&I Payment	\$77,338.73			Mandatory Prepayment	6/1/2038
Mortgage Constant	4.53821%			Maturity Date	7/1/2053

delete rows after 6/01/2038

Payment Number	Payment Date	Interest Payment	Principal Payment	Ending Balance	[Other Fee 1]	[Other Fee 2]	Total Due From Borrower
93	3/1/2031	\$42,116.53	\$35,222.20	\$18,766,801.02	\$0.00	\$0.00	\$77,338.73
94	4/1/2031	\$46,541.67	\$30,797.06	\$18,736,003.96	\$0.00	\$0.00	\$77,338.73
95	5/1/2031	\$44,966.41	\$32,372.32	\$18,703,631.64	\$0.00	\$0.00	\$77,338.73
96	6/1/2031	\$46,385.01	\$30,953.72	\$18,672,677.92	\$0.00	\$0.00	\$77,338.73
97	7/1/2031	\$44,814.43	\$32,524.30	\$18,640,153.62	\$0.00	\$0.00	\$77,338.73
98	8/1/2031	\$46,227.58	\$31,111.15	\$18,609,042.47	\$0.00	\$0.00	\$77,338.73
99	9/1/2031	\$46,150.43	\$31,188.30	\$18,577,854.17	\$0.00	\$0.00	\$77,338.73
100	10/1/2031	\$44,586.85	\$32,751.88	\$18,545,102.29	\$0.00	\$0.00	\$77,338.73
101	11/1/2031	\$45,991.85	\$31,346.88	\$18,513,755.41	\$0.00	\$0.00	\$77,338.73
102	12/1/2031	\$44,433.01	\$32,905.72	\$18,480,849.69	\$0.00	\$0.00	\$77,338.73
103	1/1/2032	\$45,832.51	\$31,506.22	\$18,449,343.47	\$0.00	\$0.00	\$77,338.73
104	2/1/2032	\$45,754.37	\$31,584.36	\$18,417,759.11	\$0.00	\$0.00	\$77,338.73
105	3/1/2032	\$42,729.20	\$34,609.53	\$18,383,149.58	\$0.00	\$0.00	\$77,338.73
106	4/1/2032	\$45,590.21	\$31,748.52	\$18,351,401.06	\$0.00	\$0.00	\$77,338.73
107	5/1/2032	\$44,043.36	\$33,295.37	\$18,318,105.69	\$0.00	\$0.00	\$77,338.73
108	6/1/2032	\$45,428.90	\$31,909.83	\$18,286,195.86	\$0.00	\$0.00	\$77,338.73
109	7/1/2032	\$43,886.87	\$33,451.86	\$18,252,744.00	\$0.00	\$0.00	\$77,338.73
110	8/1/2032	\$45,266.81	\$32,071.92	\$18,220,672.08	\$0.00	\$0.00	\$77,338.73
111	9/1/2032	\$45,187.27	\$32,151.46	\$18,188,520.62	\$0.00	\$0.00	\$77,338.73
112	10/1/2032	\$43,652.45	\$33,686.28	\$18,154,834.34	\$0.00	\$0.00	\$77,338.73
113	11/1/2032	\$45,023.99	\$32,314.74	\$18,122,519.60	\$0.00	\$0.00	\$77,338.73
114	12/1/2032	\$43,494.05	\$33,844.68	\$18,088,674.92	\$0.00	\$0.00	\$77,338.73
115	1/1/2033	\$44,859.91	\$32,478.82	\$18,056,196.10	\$0.00	\$0.00	\$77,338.73
116	2/1/2033	\$44,779.37	\$32,559.36	\$18,023,636.74	\$0.00	\$0.00	\$77,338.73
117	3/1/2033	\$40,372.95	\$36,965.78	\$17,986,670.96	\$0.00	\$0.00	\$77,338.73
118	4/1/2033	\$44,606.94	\$32,731.79	\$17,953,939.17	\$0.00	\$0.00	\$77,338.73
119	5/1/2033	\$43,089.45	\$34,249.28	\$17,919,689.89	\$0.00	\$0.00	\$77,338.73
120	6/1/2033	\$44,440.83	\$32,897.90	\$17,886,791.99	\$0.00	\$0.00	\$77,338.73
121	7/1/2033	\$42,928.30	\$34,410.43	\$17,852,381.56	\$0.00	\$0.00	\$77,338.73
122	8/1/2033	\$44,273.91	\$33,064.82	\$17,819,316.74	\$0.00	\$0.00	\$77,338.73
123	9/1/2033	\$44,191.91	\$33,146.82	\$17,786,169.92	\$0.00	\$0.00	\$77,338.73
124	10/1/2033	\$42,686.81	\$34,651.92	\$17,751,518.00	\$0.00	\$0.00	\$77,338.73
125	11/1/2033	\$44,023.76	\$33,314.97	\$17,718,203.03	\$0.00	\$0.00	\$77,338.73
126	12/1/2033	\$42,523.69	\$34,815.04	\$17,683,387.99	\$0.00	\$0.00	\$77,338.73
127	1/1/2034	\$43,854.80	\$33,483.93	\$17,649,904.06	\$0.00	\$0.00	\$77,338.73
128	2/1/2034	\$43,771.76	\$33,566.97	\$17,616,337.09	\$0.00	\$0.00	\$77,338.73
129	3/1/2034	\$39,460.60	\$37,878.13	\$17,578,458.96	\$0.00	\$0.00	\$77,338.73
130	4/1/2034	\$43,594.58	\$33,744.15	\$17,544,714.81	\$0.00	\$0.00	\$77,338.73
131	5/1/2034	\$42,107.32	\$35,231.41	\$17,509,483.40	\$0.00	\$0.00	\$77,338.73
132	6/1/2034	\$43,423.52	\$33,915.21	\$17,475,568.19	\$0.00	\$0.00	\$77,338.73
133	7/1/2034	\$41,941.36	\$35,397.37	\$17,440,170.82	\$0.00	\$0.00	\$77,338.73
134	8/1/2034	\$43,251.62	\$34,087.11	\$17,406,083.71	\$0.00	\$0.00	\$77,338.73
135	9/1/2034	\$43,167.09	\$34,171.64	\$17,371,912.07	\$0.00	\$0.00	\$77,338.73
136	10/1/2034	\$41,692.59	\$35,646.14	\$17,336,265.93	\$0.00	\$0.00	\$77,338.73
137	11/1/2034	\$42,993.94	\$34,344.79	\$17,301,921.14	\$0.00	\$0.00	\$77,338.73
138	12/1/2034	\$41,524.61	\$35,814.12	\$17,266,107.02	\$0.00	\$0.00	\$77,338.73
139	1/1/2035	\$42,819.95	\$34,518.78	\$17,231,588.24	\$0.00	\$0.00	\$77,338.73
140	2/1/2035	\$42,734.34	\$34,604.39	\$17,196,983.85	\$0.00	\$0.00	\$77,338.73
141	3/1/2035	\$38,521.24	\$38,817.49	\$17,158,166.36	\$0.00	\$0.00	\$77,338.73
142	4/1/2035	\$42,552.25	\$34,786.48	\$17,123,379.88	\$0.00	\$0.00	\$77,338.73
143	5/1/2035	\$41,096.11	\$36,242.62	\$17,087,137.26	\$0.00	\$0.00	\$77,338.73
144	6/1/2035	\$42,376.10	\$34,962.63	\$17,052,174.63	\$0.00	\$0.00	\$77,338.73
145	7/1/2035	\$40,925.22	\$36,413.51	\$17,015,761.12	\$0.00	\$0.00	\$77,338.73
146	8/1/2035	\$42,199.09	\$35,139.64	\$16,980,621.48	\$0.00	\$0.00	\$77,338.73
147	9/1/2035	\$42,111.94	\$35,226.79	\$16,945,394.69	\$0.00	\$0.00	\$77,338.73
148	10/1/2035	\$40,668.95	\$36,669.78	\$16,908,724.91	\$0.00	\$0.00	\$77,338.73
149	11/1/2035	\$41,933.64	\$35,405.09	\$16,873,319.82	\$0.00	\$0.00	\$77,338.73
150	12/1/2035	\$40,495.97	\$36,842.76	\$16,836,477.06	\$0.00	\$0.00	\$77,338.73
151	1/1/2036	\$41,754.46	\$35,584.27	\$16,800,892.79	\$0.00	\$0.00	\$77,338.73
152	2/1/2036	\$41,666.21	\$35,672.52	\$16,765,220.27	\$0.00	\$0.00	\$77,338.73
153	3/1/2036	\$38,895.31	\$38,443.42	\$16,726,776.85	\$0.00	\$0.00	\$77,338.73
154	4/1/2036	\$41,482.41	\$35,856.32	\$16,690,920.53	\$0.00	\$0.00	\$77,338.73
155	5/1/2036	\$40,058.21	\$37,280.52	\$16,653,640.01	\$0.00	\$0.00	\$77,338.73
156	6/1/2036	\$41,301.03	\$36,037.70	\$16,617,602.31	\$0.00	\$0.00	\$77,338.73
157	7/1/2036	\$39,882.25	\$37,456.48	\$16,580,145.83	\$0.00	\$0.00	\$77,338.73
158	8/1/2036	\$41,118.76	\$36,219.97	\$16,543,925.86	\$0.00	\$0.00	\$77,338.73
159	9/1/2036	\$41,028.94	\$36,309.79	\$16,507,616.07	\$0.00	\$0.00	\$77,338.73
160	10/1/2036	\$39,618.28	\$37,720.45	\$16,469,895.62	\$0.00	\$0.00	\$77,338.73
161	11/1/2036	\$40,845.34	\$36,493.39	\$16,433,402.23	\$0.00	\$0.00	\$77,338.73
162	12/1/2036	\$39,440.17	\$37,898.56	\$16,395,503.67	\$0.00	\$0.00	\$77,338.73
163	1/1/2037	\$40,660.85	\$36,677.88	\$16,358,825.79	\$0.00	\$0.00	\$77,338.73
164	2/1/2037	\$40,569.89	\$36,768.84	\$16,322,056.95	\$0.00	\$0.00	\$77,338.73
165	3/1/2037	\$36,561.41	\$40,777.32	\$16,281,279.63	\$0.00	\$0.00	\$77,338.73
166	4/1/2037	\$40,377.57	\$36,961.16	\$16,244,318.47	\$0.00	\$0.00	\$77,338.73
167	5/1/2037	\$38,986.36	\$38,352.37	\$16,205,966.10	\$0.00	\$0.00	\$77,338.73
168	6/1/2037	\$40,190.80	\$37,147.93	\$16,168,818.17	\$0.00	\$0.00	\$77,338.73
169	7/1/2037	\$38,805.16	\$38,533.57	\$16,130,284.60	\$0.00	\$0.00	\$77,338.73
170	8/1/2037	\$40,003.11	\$37,335.62	\$16,092,948.98	\$0.00	\$0.00	\$77,338.73
171	9/1/2037	\$39,910.51	\$37,428.22	\$16,055,520.76	\$0.00	\$0.00	\$77,338.73
172	10/1/2037	\$38,533.25	\$38,805.48	\$16,016,715.28	\$0.00	\$0.00	\$77,338.73
173	11/1/2037	\$39,721.45	\$37,617.28	\$15,979,098.00	\$0.00	\$0.00	\$77,338.73
174	12/1/2037	\$38,349.84	\$38,988.89	\$15,940,109.11	\$0.00	\$0.00	\$77,338.73
175	1/1/2038	\$39,531.47	\$37,807.26	\$15,902,301.85	\$0.00	\$0.00	\$77,338.73
176	2/1/2038	\$39,437.71	\$37,901.02	\$15,864,400.83	\$0.00	\$0.00	\$77,338.73
177	3/1/2038	\$35,536.26	\$41,802.47	\$15,822,598.36	\$0.00	\$0.00	\$77,338.73
178	4/1/2038	\$39,240.04	\$38,098.69	\$15,784,499.67	\$0.00	\$0.00	\$77,338.73
179	5/1/2038	\$37,882.80	\$39,455.93	\$15,745,043.74	\$0.00	\$0.00	\$77,338.73
180	6/1/2038	\$39,047.71	\$15,745,043.74	\$0.00	\$0.00	\$0.00	\$15,784,091.45

EXHIBIT A-2**FORM OF SERIES A-2 GOVERNMENTAL LENDER NOTE**

THIS GOVERNMENTAL LENDER 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 LENDER NOTE (A) REPRESENTS THAT IT IS AN APPROVED TRANSFEREE AND (B) ACKNOWLEDGES THAT IT CAN ONLY TRANSFER THIS GOVERNMENTAL LENDER NOTE OR ANY INTEREST HEREIN TO ANOTHER APPROVED TRANSFEREE IN ACCORDANCE WITH THE TERMS OF THE FUNDING LOAN AGREEMENT.

**AUSTIN HOUSING FINANCE CORPORATION
MULTIFAMILY MORTGAGE REVENUE NOTE
(VI COLLINA APARTMENTS) SERIES 2020A-2**

DATED June 18, 2020

\$3,500,000

Rate: 2.41%

No. _____

FOR VALUE RECEIVED, the undersigned AUSTIN HOUSING FINANCE CORPORATION, a Texas public nonprofit corporation ("Obligor" or "Governmental Lender"), promises to pay to the order of CITIBANK, N.A., as the registered owner hereof or its registered assigns ("Holder"), the principal sum of Three Million Five Hundred Thousand Dollars (\$3,500,000), on July 1, 2053 (the "Maturity Date"), or as otherwise provided herein or in the Series A-2 Borrower Note, together with interest thereon at the rates, at the times and in the amounts provided below, but solely from the Security pledged therefor, including Pledged Revenues available for such purpose.

Obligor shall pay to the Holder on or before each date on which payment is due under that certain Funding Loan Agreement, dated as of June 1, 2020 (the "Funding Loan Agreement"), among Obligor, WILMINGTON TRUST, NATIONAL ASSOCIATION, as fiscal agent (the "Fiscal Agent"), and Holder, an amount in immediately available funds sufficient to pay the principal amount of and Prepayment Premium, if any, on this Governmental Lender Note then due and payable, whether by maturity, acceleration, prepayment or otherwise. In the event that amounts held derived from proceeds of the Borrower Loan, condemnation awards or insurance proceeds or investment earnings thereon are applied to the payment of principal due on this Governmental Lender Note in accordance with the Funding Loan Agreement, the principal amount due hereunder shall be reduced to the extent of the principal amount of this Governmental Lender Note so paid. Capitalized terms not otherwise defined herein shall have the meaning assigned in the Funding Loan Agreement.

Obligor shall pay to the Holder on or before each date on which interest on this Governmental Lender Note is payable, interest on the unpaid balance hereof in an amount in

immediately available funds sufficient to pay the interest on this Governmental Lender Note then due and payable in the amounts and at the rate or rates set forth in the Funding Loan Agreement.

The principal of, premium, if any, and interest on this Governmental Lender Note is payable at the designated corporate trust office of the Fiscal Agent. Payment of all amounts hereunder shall be in any coin or currency of the United States of America as, at the respective times of payment, shall be legal tender for the payment of public and private debts.

This Governmental Lender Note is a pass-through obligation relating to a construction and permanent loan (the "Borrower Loan") made by Obligor from proceeds of this Governmental Lender Note to Vi Collina, LLC, a Texas limited liability company, as borrower (the "Borrower"), under that certain Borrower Loan Agreement, dated as of June 1, 2020 (as the same may be modified, amended or supplemented from time to time, the "Borrower Loan Agreement"), between the Obligor and the Borrower, evidenced by the Borrower Notes (as defined in the Borrower Loan Agreement). Reference is made to the Borrower Loan Agreement and to the Series A-2 Borrower Note for complete payment and prepayment terms of the Series A-2 Borrower Note, payments on which are passed-through under this Governmental Lender Note.

THIS GOVERNMENTAL LENDER NOTE IS ISSUED UNDER THE PROVISIONS OF THE TEXAS HOUSING FINANCE CORPORATIONS ACT, CHAPTER 394, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED (THE "ACT"). THIS GOVERNMENTAL LENDER NOTE IS NOT A GENERAL OBLIGATION OF THE GOVERNMENTAL LENDER BUT IS A SPECIAL LIMITED OBLIGATION PAYABLE SOLELY FROM THE MONEYS AND PROPERTIES PLEDGED FOR PAYMENT THEREOF.

This Governmental Lender Note is a special limited obligation of the Obligor, payable solely from the Pledged Revenues and the other funds and moneys and security pledged and assigned under the Funding Loan Agreement. None of the Governmental Lender, the State, or any political subdivision thereof (except the Governmental Lender, to the limited extent set forth herein) nor any public agency shall in any event be liable for the payment of the principal of, premium (if any) or interest on this Governmental Lender Note or for the performance of any pledge, obligation or agreement of any kind whatsoever with respect thereto except as set forth herein and in the Funding Loan Agreement, and none of the Funding Loan or the Governmental Lender Note or any of the Governmental Lender's agreements or obligations with respect to the Funding Loan or this Governmental Lender Note shall be construed to constitute an indebtedness of or a pledge of the faith and credit of or a loan of the credit of or a moral obligation of any of the foregoing within the meaning of any constitutional or statutory provision whatsoever.

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 LENDER NOTE SOLELY OUT OF THE SECURITY, INCLUDING PLEDGED REVENUES. THE GOVERNMENTAL LENDER NOTE SHALL BE A SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL LENDER PAYABLE SOLELY FROM THE SECURITY, INCLUDING PLEDGED REVENUES. THE GOVERNMENTAL LENDER 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 LENDER NOTE AND WHICH SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THE FUNDING LOAN AGREEMENT. THE GOVERNMENTAL LENDER 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"), TRAVIS COUNTY, TEXAS (THE "COUNTY") OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE. THE GOVERNMENTAL LENDER NOTE DOES NOT CREATE A MORAL OBLIGATION ON THE PART OF THE STATE, THE COUNTY OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE AND EACH OF SUCH ENTITIES IS PROHIBITED BY THE ACT FROM MAKING ANY PAYMENTS WITH RESPECT TO THE GOVERNMENTAL LENDER 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 LENDER NOTE.

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

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

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

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

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

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

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

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

Neither the directors, officers, agents or employees of the Governmental Lender nor any person executing this Governmental Lender Note shall be personally liable hereon or be subject to any personal liability or accountability by reason of the issuance of this Governmental Lender Note, whether by virtue of any Constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being expressly released and waived as a condition of and in consideration for the execution of the Funding Loan Agreement and the issuance of this Governmental Lender Note.

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

IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED that the issuance of this Governmental Lender Note is duly authorized by law; that all acts, conditions and things required to exist and to be done precedent to and in the issuance of this Governmental Lender Note to render the same lawful and valid have been properly done and performed and have happened in regular and due time, form and manner as required by law; and that all acts, conditions and things necessary to be done or performed by the Governmental Lender or to have happened precedent to or in the execution and delivery of the Funding Loan Agreement have been done and performed and have happened in regular and due form as required by law.

[Signature page follows.]

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

**AUSTIN HOUSING FINANCE
CORPORATION** , as Governmental Lender

By: _____
Treasurer

ATTEST:

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION

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

Date of Authentication: _____

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

By: _____
Authorized Signer

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto _____
the within Governmental Lender Note and irrevocably constitutes and appoints _____
attorney to transfer that Governmental Lender Note on the books kept for registration thereof, with
full power of substitution in the premises.

Dated: _____

Signature

Signature Guaranteed:

NOTICE: The assignor's signature to this assignment must correspond with the name as it
appears upon the face of the within Governmental Lender Note in every particular,
without alteration or any change whatever.

EXHIBIT B

FORM OF REQUIRED TRANSFeree REPRESENTATIONS LETTER

Austin Housing Finance Corporation
1000 East 11th Street
Austin, Texas 78702

Wilmington Trust, National Association, as Fiscal Agent
Attn: Corporate Trust Department
15950 North Dallas Parkway
Suite 550
Dallas, Texas 75248

RE: Austin Housing Finance Corporation Multifamily Mortgage Revenue Notes (Vi
Collina Apartments) Series 2020A-1 and Series 2020A-2

Ladies and Gentlemen:

The undersigned representative of _____ (the "Purchaser"), the purchaser of the above-referenced notes (the "Governmental Lender Notes"), does hereby certify, represent and warrant for the benefit of the Austin Housing Finance Corporation (the "Governmental Lender") and Wilmington Trust, National Association, as fiscal agent (the "Fiscal Agent"), that the Purchaser is an Approved Transferee, as defined in the Funding Loan Agreement, dated as of June 1, 2020, among Citibank, N.A., as Funding Lender, the Governmental Lender and the Fiscal Agent (the "Funding Loan Agreement").

The Purchaser hereby acknowledges, represents, and warrants to, and agrees with, the Governmental Lender and the Fiscal Agent, as follows:

(1) The Purchaser is purchasing such Governmental Lender Notes with its own funds (or with funds from accounts over which it has sole investment authority) and not the funds of any other person, and for its own account (or for accounts over which it has sole investment authority) and not as nominee or agent for the account of any other person and not with a view to any distribution thereof; provided, however, that the Purchaser reserves the right to transfer the Governmental Lender Notes as provided in the Funding Loan Agreement.

(2) The Purchaser has such knowledge and experience in business and financial matters including (i) the evaluation of residential real estate developments such as the Project, (ii) the evaluation of the capabilities of persons such as the Borrower (as hereinafter defined) to develop, operate and maintain the Project, and (ii) the analysis, purchase and ownership of multifamily housing revenue bonds, tax-exempt securities and other investment vehicles similar in character to the Governmental Lender Notes, so as to enable it to understand and evaluate the risks of such investments and form an investment decision with respect thereto, the Purchaser has no need for liquidity in such investment and the Purchaser is (or any account for which it is purchasing is) able to bear the risk of such investment for an indefinite period and to afford a complete loss thereof.

(3) The Purchaser acknowledges that it has been provided with, and has had the opportunity to review, the documents relating to the issuance of the Governmental Lender Notes by the Governmental Lender. The Purchaser either has been supplied with or has had access to information, including financial statements, and other financial information, and has had the opportunity to ask questions and receive answers from individuals concerning the Governmental Lender, Vi Collina, LLC (the "Borrower"), and its credit standing, the Borrower Loan Agreement, dated as of June 1, 2020, between the Governmental Lender and the Borrower (the "Borrower Loan Agreement"), the Funding Loan Agreement, and the Governmental Lender Notes so that, as a sophisticated investor, the Purchaser has been able to make its decision to purchase the Governmental Lender Notes.

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

(5) THE PURCHASER UNDERSTANDS THAT:

(i) THE GOVERNMENTAL LENDER NOTES HAVE BEEN ISSUED UNDER CHAPTER 394, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED, AND THE GOVERNMENTAL LENDER NOTES DO 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"), TRAVIS COUNTY, TEXAS (THE "COUNTY"), OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE. THE GOVERNMENTAL LENDER NOTE DOES NOT CREATE A MORAL OBLIGATION ON THE PART OF THE STATE, THE COUNTY, OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE AND EACH OF SUCH ENTITIES IS PROHIBITED BY THE ACT FROM MAKING ANY PAYMENTS WITH RESPECT TO THE GOVERNMENTAL LENDER NOTES; AND

(ii) THE GOVERNMENTAL LENDER HAS NO TAXING POWER AND PRINCIPAL, PREMIUM, IF ANY, AND INTEREST ON THE GOVERNMENTAL LENDER NOTES ARE PAYABLE SOLELY OUT OF THE MONEYS TO BE RECEIVED BY THE FISCAL AGENT ON BEHALF OF THE GOVERNMENTAL LENDER UNDER THE BORROWER LOAN AGREEMENT AND AMOUNTS ON DEPOSIT IN THE FUNDS AND ACCOUNTS ESTABLISHED AND PLEDGED UNDER THE FUNDING LOAN AGREEMENT.

(6) The Purchaser understands that in connection with any proposed transfer or exchange of Governmental Lender Notes, there must be delivered to the Fiscal Agent representations of the transferee in substantially the form of Exhibit B to the Funding Loan Agreement.

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

(8) THE PURCHASER INDEMNIFIES THE GOVERNMENTAL LENDER AND THE FISCAL AGENT AGAINST ANY AND ALL LIABILITY, COST OR EXPENSE (INCLUDING ATTORNEYS' FEES) THAT RESULT IF THE REPRESENTATIONS CONTAINED IN THE PURCHASER'S REQUIRED TRANSFEREE REPRESENTATIONS LETTER ARE FALSE IN ANY MATERIAL RESPECT.

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

This letter and the representations and agreements contained herein are made for your benefit.

IN WITNESS WHEREOF, I have hereunto set my hand the _____ day of _____.

PURCHASER

By: _____
Name: _____
Title: _____

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

EXHIBIT C**FORM OF WRITTEN REQUISITION
(Project Fund)**

Draw # _____

Wilmington Trust, National Association
 Attn: Corporate Trust Department
 15950 North Dallas Parkway
 Suite 550
 Dallas, Texas 75248

Re: Austin Housing Finance Corporation Multifamily Mortgage Revenue Notes (Vi
 Collina Apartments) Series 2020A-1 and 2020A-2 dated June 18, 2020

This requisition is being delivered to you in accordance with the Funding Loan Agreement dated as of June 1, 2020 (the "Funding Loan Agreement") among Citibank, N.A. (the "Funding Lender"), the Austin Housing Finance Corporation (the "Governmental Lender") and Wilmington Trust, National Association, as fiscal agent (the "Fiscal Agent"), pursuant to which the above-referenced notes (collectively, the "Governmental Lender Notes") was issued. Capitalized terms not defined herein shall have the meanings assigned thereto in the Funding Loan Agreement or the Tax Certificate and Agreement.

1. You are requested to disburse funds in the amount of \$_____ from the [**Note Proceeds Account**] [**Borrower Equity Account**] of the Project Fund as Draw #_____ pursuant to Section 7.7 of the Funding Loan Agreement in the amount(s) and to the person(s) as follows:

[Insert grid (see below) summarizing all funds, including amount, source and payee, which are being requisitioned from the Fiscal Agent pursuant to this requisition.]

<u>Amount</u>	<u>Funding Source</u>	<u>Payable to</u>

2. The undersigned certifies that:

(i) the obligation stated on this Requisition has been incurred in or about the acquisition, construction, rehabilitation or equipping of the Project, each item is a proper charge against the Project Fund, and the obligation has not been the basis for a prior requisition that has been paid;

(ii) for any disbursements to be made from the Note Proceeds Account of the Project Fund, after taking into account the proposed disbursement:

- a. no more than 5% of the Net Proceeds of the Governmental Lender Note will have been used for costs that are not Qualified Project Costs;
- b. less than 25% of the Net Proceeds of the Governmental Lender Note will have been used for the cost of acquiring land; and
- c. not more than 2% of the Net Proceeds of the Governmental Lender Note will have been used for Costs of Issuance;

(iii) payment of the costs referenced herein will not violate any representation, warranty or covenant of the Borrower in the Borrower Loan Agreement, the Regulatory Agreement or the Tax Certificate and Agreement; and

(iv) as of the date hereof, no event or condition has happened or is happening or exists that constitutes, or that with notice or lapse of time or both, would constitute, an Event of Default under the Funding Loan Agreement or under the Borrower Loan Agreement.

Dated: _____, 20____.

VI COLLINA, LLC,
a Texas limited liability company

By: AHFC Vi Collina Non-Profit Corporation
Its: Managing Member

By: _____
Name: Rosie Truelove
Title: Vice President

Approved by Funding Lender:

CITIBANK, N.A., as Funding Lender

By: _____

Name:

Title:

Date:

EXHIBIT D
FORM OF CLOSING COSTS REQUISITION

Wilmington Trust, National Association
Attn: Corporate Trust Department
15950 North Dallas Parkway
Suite 550
Dallas, Texas 75248

Re: Austin Housing Finance Corporation Multifamily Mortgage Revenue Notes (Vi Collina Apartments), Series 2020A-1 and Series 2020A-2 dated June 18, 2020

The undersigned, an Authorized Representative of Vi Collina, LLC (the "Borrower"), hereby certifies to you that he/she is authorized and empowered to submit this requisition to you and that attached hereto as Schedule "A" is a schedule of closing costs incurred in connection with the closing the above described notes (the "Governmental Lender Notes"), including the names and addresses of the payees and the specific amounts payable to each such payee, and that to the best of the undersigned's information and belief, such amounts are true and correct.

This requisition is being delivered to you in accordance with the Funding Loan Agreement dated as of June 1, 2020 (the "Funding Loan Agreement") among Citibank, N.A. (the "Funding Lender"), the Austin Housing Finance Corporation (the "Governmental Lender") and Wilmington Trust, National Association, as Fiscal Agent, pursuant to which the Governmental Lender Notes were issued and delivered. You are hereby instructed to withdraw from the Closing Costs Fund created under the Funding Loan Agreement the amounts shown across from each payee listed on Schedule "A" hereto and pay such amounts to each such payee by wire transfer or by such other means as is acceptable to you and any such payee.

The Borrower hereby certifies that no more than 2% of the net proceeds of the Governmental Lender Note will have been used for Costs of Issuance.

Dated: _____, 20__.

VI COLLINA, LLC,
a Texas limited liability company

By: AHFC Vi Collina Non-Profit Corporation
Its: Managing Member

By: _____
Name: Rosie Truelove
Title: Vice President

Approved by Funding Lender:

CITIBANK, N.A.

By: _____

Title: _____

SCHEDULE "A"

Note: Austin Housing Finance Corporation Multifamily Mortgage Revenue Notes (Vi Collina Apartments) Series 2020A-1 and Series 2020A-2 dated June 18, 2020

Payee:

Amount:

Method of Payment:

Description of Expense:

Exhibit B

BLA

BORROWER LOAN AGREEMENT

Between

**AUSTIN HOUSING FINANCE CORPORATION,
as Governmental Lender,**

and

**VI COLLINA, LLC,
as Borrower**

Dated as of June 1, 2020

Relating to:

\$20,450,000

Series A-1 Governmental Lender Note purchased by CITIBANK, N.A., as Funding Lender

and

\$3,500,000

Series A-2 Governmental Lender Note purchased by CITIBANK, N.A., as Funding Lender

The interest of the Governmental Lender in this Borrower Loan Agreement (except for certain rights described herein) has been pledged and assigned to Wilmington Trust, National Association, as fiscal agent (the "Fiscal Agent") for the benefit of Citibank, N.A., as funding lender (the "Funding Lender") under that certain Funding Loan Agreement, of even date herewith, by and among Austin Housing Finance Corporation, the Fiscal Agent and the Funding Lender, under which the Funding Lender is purchasing the Governmental Lender Notes issued by the Governmental Lender, the proceeds of which are to be used to fund the Borrower Loan made under this Borrower Loan Agreement.

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BORROWER LOAN AGREEMENT

THIS BORROWER LOAN AGREEMENT (this "Borrower Loan Agreement") is entered into as of the first day of June, 2020, between Austin Housing Finance Corporation, a public nonprofit corporation, organized and existing under the laws of the State of Texas (together with its successors and assigns, the "Governmental Lender") and Vi Collina, LLC, a Texas limited liability company (together with its successors and assigns, the "Borrower").

WITNESSETH:**RECITALS**

WHEREAS, the Governmental Lender has been duly created and organized pursuant to and in accordance with the provisions of Chapter 394, Texas Local Government Code, as amended (the "Act"); and

WHEREAS, pursuant to the Act, the Governmental Lender is authorized to issue bonds and to use the proceeds thereof to provide monies to aid in financing the acquisition, construction and equipping of residential rental property for dwelling units; and

WHEREAS, the Borrower has applied to the Governmental Lender for a loan (the "Borrower Loan"), for the acquisition, construction and equipping of a 170-unit multifamily rental housing development to be located in Travis County, Texas, and to be known as Vi Collina Apartments (the "Project"); and

WHEREAS, the Borrower's repayment obligations under this Borrower Loan Agreement are evidenced by the Borrower Notes, as defined herein; and

WHEREAS, the Borrower has requested the Governmental Lender to enter into that certain Funding Loan Agreement, of even date herewith (the "Funding Loan Agreement"), among the Governmental Lender, Wilmington Trust, National Association, as fiscal agent (the "Fiscal Agent"), and Citibank, N.A. (the "Funding Lender"), under which the Funding Lender will purchase the Governmental Lender's Multifamily Mortgage Revenue Note (Vi Collina Apartments) Series 2020 A-1 (the "Series A-1 Governmental Lender Note") and the Governmental Lender's Multifamily Mortgage Revenue Note (Vi Collina Apartments) Series 2020 A-2 (the "Series A-2 Governmental Lender Note" and, together with the Series A-1 Governmental Lender Note, the "Governmental Lender Notes"), each issued by the Governmental Lender, the proceeds of which will be loaned under this Borrower Loan Agreement to the Borrower to finance the acquisition, construction and equipping of the Project; and

WHEREAS, the Borrower Loan is secured by, among other things, that certain Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (as amended, restated and/or supplemented from time to time, the "Security Instrument"), of even date herewith in favor of the Governmental Lender, as assigned to the Fiscal Agent, to secure the Governmental Lender Notes, encumbering the Project, and will be advanced to Borrower pursuant to this Borrower Loan Agreement and the Construction Funding Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS; PRINCIPLES OF CONSTRUCTION

Section 1.1. Specific Definitions. For all purposes of this Borrower Loan Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) Unless specifically defined herein, all capitalized terms shall have the meanings ascribed thereto in the Security Instrument or, if not defined in the Security Instrument, in the Funding Loan Agreement.

(b) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with GAAP.

(c) All references in this instrument to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and subdivisions of this instrument as originally executed.

(d) All references in this instrument to a separate instrument are to such separate instrument as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(e) Unless otherwise specified, (i) all references to sections and schedules are to those in this Borrower Loan Agreement, (ii) the words "hereof," "herein" and "hereunder" and words of similar import refer to this Borrower Loan Agreement as a whole and not to any particular provision, (iii) all definitions are equally applicable to the singular and plural forms of the terms defined and (iv) the word "including" means "including but not limited to."

Section 1.2. Definitions. The following terms, when used in this Borrower Loan Agreement (including when used in the above recitals), shall have the following meanings:

"Act" shall mean Chapter 394, Texas Local Government Code, as amended.

"Act of Bankruptcy" shall mean the filing of a petition in bankruptcy (or any other commencement of a bankruptcy or similar proceeding) under any applicable bankruptcy, insolvency, reorganization, or similar law, now or hereafter in effect; provided that, in the case of an involuntary proceeding, such proceeding is not dismissed within ninety (90) days after the commencement thereof.

"ADA" shall have the meaning set forth in Section 4.1.38 hereof.

"Additional Borrower Payments" shall mean the payments payable pursuant to Section 2.5 (Additional Borrower Payments), Section 2.6 (Overdue Payments; Payments in Default), Section 5.14 (Expenses), Section 3.3.3 of the Construction Funding Agreement (Borrower Loan in Balance) and Section 10 of the Borrower Notes (Prepayments).

"Agreement of Environmental Indemnification" shall mean the Agreement of Environmental Indemnification, of even date herewith, executed by the Borrower and Guarantor for the benefit of the Beneficiary Parties (as defined therein) and any lawful holder, owner or pledgee of the Borrower Note from time to time.

"Appraisal" shall mean an appraisal of the Project, which appraisal shall be (i) performed by a qualified appraiser licensed in the State selected by Funding Lender, and (ii) satisfactory to Funding Lender

(including, without limitation, as adjusted pursuant to any internal review thereof by Funding Lender) in all respects.

"Approved Developer Fee Schedule" shall have the meaning assigned thereto in the Construction Funding Agreement.

"Architect" shall mean any licensed architect, space planner or design professional that Borrower may engage from time to time, with the approval of Funding Lender, to design any portion of the Improvements, including the preparation of the Plans and Specifications.

"Architect's Agreement" means any agreement that Borrower and any Architect from time to time may execute pursuant to which Borrower engages such Architect to design any portion of the Improvements, including the preparation of the Plans and Specifications, as approved by Funding Lender.

"Authorized Amount" has the meaning assigned thereto in the Funding Loan Agreement.

"Authorized Borrower Representative" shall mean a person at the time designated and authorized to act on behalf of the Borrower by a written certificate furnished to the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer and containing the specimen signature of such person and signed on behalf of the Borrower by its Borrower Controlling Entity which certificate may designate one or more alternates.

"Bankruptcy Code" shall mean the United States Bankruptcy Reform Act of 1978, as amended from time to time, or any substitute or replacement legislation.

"Bankruptcy Event" shall have the meaning given to that term in the Security Instrument.

"Bankruptcy Proceeding" shall have the meaning set forth in Section 4.1.8 hereof.

"Beneficiary Parties" shall mean, collectively, the Funding Lender, the Governmental Lender, the Fiscal Agent and the Servicer, if any.

"Borrower" shall have the meaning set forth in the recitals to this Borrower Loan Agreement.

"Borrower Affiliate" means, as to the Borrower, its managing member or the Guarantor, (i) any entity that directly or indirectly owns, controls, or holds with power to vote, 20 percent or more of the outstanding voting securities of Borrower, its managing member or the Guarantor, (ii) any corporation 20 percent or more of whose outstanding voting securities are directly or indirectly owned, controlled or held with power to vote by the Borrower, its managing member or the Guarantor, (iii) any partner, shareholder or, if a limited liability company, member of Borrower, its general partner or the Guarantor, or (iv) any other person that is related (to the third degree of consanguinity) by blood or marriage to the Borrower, its general partner or the Guarantor (to the extent any of the Borrower, its managing member or the Guarantor is a natural person).

"Borrower Controlling Entity" shall mean, if the Borrower is a partnership, any general partner or managing partner of the Borrower, or if the Borrower is a limited liability company, the manager or managing member of the Borrower, or if the Borrower is a not for profit corporation, the shareholders thereof.

"Borrower Deferred Equity" shall have the meaning ascribed thereto in the Construction Funding Agreement.

"Borrower Initial Equity" shall have the meaning ascribed thereto in the Construction Funding Agreement.

"Borrower Loan" shall mean the mortgage loan made by the Governmental Lender to the Borrower pursuant to this Borrower Loan Agreement, in the aggregate principal amount of the Borrower Loan Amount, as evidenced by the Borrower Notes.

"Borrower Loan Agreement" shall mean this Borrower Loan Agreement.

"Borrower Loan Amount" shall mean \$23,950,000, the aggregate original principal amount of the Borrower Notes.

"Borrower Loan Documents" shall mean this Borrower Loan Agreement, the Construction Funding Agreement, the Borrower Notes, the Security Instrument, the Agreement of Environmental Indemnification, the Guaranty, the Replacement Reserve Agreement and all other documents or agreements evidencing or relating to the Borrower Loan.

"Borrower Loan Payment Date" shall mean (i) the date upon which regularly scheduled Borrower Loan Payments are due pursuant to the Borrower Notes, or (ii) any other date on which a Borrower Note is prepaid or paid, whether at the scheduled maturity or upon the acceleration of the maturity thereof.

"Borrower Loan Payments" shall mean the monthly loan payments payable pursuant to the Borrower Notes.

"Borrower Loan Proceeds" shall mean proceeds of the Borrower Loan, to be disbursed in accordance with Section 2.10 of this Borrower Loan Agreement, Section 7.7 of the Funding Loan Agreement and the Construction Funding Agreement.

"Borrower Notes" shall mean the Series A-1 Borrower Note and the Series A-2 Borrower Note.

"Borrower Payment Obligations" shall mean all payment obligations of the Borrower under the Borrower Loan Documents, including, but not limited to, the Borrower Loan Payments and the Additional Borrower Payments.

"Business Day" shall mean any day other than (i) a Saturday or Sunday, or (ii) a day on which federally insured depository institutions in New York, New York or in the location of the Corporate Trust Office or Operations Office are authorized or obligated by law, regulation, governmental decree or executive order to be closed.

"Calculation Period" shall mean three (3) consecutive full Calendar Months occurring prior to the Conversion Date, as the same may be extended in accordance with Section 3.1 hereof.

"Calendar Month" shall mean each of the twelve (12) calendar months of the year.

"CC&R's" shall mean any covenants, conditions, restrictions, maintenance agreements or reciprocal easement agreements affecting the Project or the Mortgaged Property.

"Closing Date" means June 18, 2020.

"Code" shall have the meaning set forth in the Tax Certificate and Agreement.

"Collateral" shall mean all collateral described in (i) this Borrower Loan Agreement (including, without limitation, all property in which the Governmental Lender and/or the Funding Lender is granted a security interest pursuant to any provision of this Borrower Loan Agreement), (ii) the Security Instrument, or (iii) any other Security Document, including, without limitation, the Project, all of which collateral (exclusive of the Reserved Rights) is pledged and assigned to the Fiscal Agent and the Funding Lender under the Funding Loan Agreement to secure the Governmental Lender Notes.

"Completion" shall have the meaning set forth in Section 5.25.

"Completion Date" shall have the meaning given to such term in the Construction Funding Agreement.

"Condemnation" shall mean any action or proceeding or notice relating to any proposed or actual condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Project, whether direct or indirect.

"Conditions to Conversion" shall have the meaning ascribed thereto in the Construction Funding Agreement.

"Construction Consultant" shall mean a third-party architect or engineer selected and retained by Funding Lender, at the cost and expense of Borrower, to monitor the progress of construction and/or rehabilitation of the Project and to inspect the Improvements to confirm compliance with this Borrower Loan Agreement.

"Construction Contract" shall mean any agreement that Borrower and any Contractor from time to time may execute pursuant to which Borrower engages the Contractor to construct any portion of the Improvements, as approved by Funding Lender.

"Construction Funding Agreement" means that certain Construction Funding Agreement of even date herewith, between the Funding Lender, as agent for the Governmental Lender, and Borrower, pursuant to which the Borrower Loan will be advanced by the Funding Lender (or the Servicer on its behalf), as agent of the Governmental Lender, to the Fiscal Agent for disbursement to the Borrower and setting forth certain provisions relating to disbursement of the Borrower Loan during construction, insurance and other matters, as such agreement may be amended, modified, supplemented and replaced from time to time.

"Construction Schedule" shall mean a schedule of construction or rehabilitation progress with the anticipated commencement and completion dates of each phase of construction or rehabilitation, as the case may be, and the anticipated date and amounts of each Disbursement for the same, as approved by Funding Lender, as assignee of the Governmental Lender.

"Continuing Disclosure Agreement" shall mean that certain Continuing Disclosure Agreement of even date herewith, between the Borrower and the Funding Lender, pursuant to which the Borrower agrees to provide certain information with respect to the Project, the Borrower and the Governmental Lender Notes subsequent to the Closing Date, as amended, supplemented or restated from time to time.

"Contractor" shall mean any general contractor or subcontractor that Borrower may directly engage from time to time, with the approval of Funding Lender, to construct and/or rehabilitate any portion of the Improvements.

"Contractual Obligation" shall mean, for any Person, any debt or equity security issued by that Person, and any indenture, mortgage, deed of trust, contract, undertaking, instrument or agreement (written or oral) to which such Person is a party or by which it is bound, or to which it or any of its assets is subject.

"Conversion" shall mean Funding Lender's determination that the Conditions to Conversion have been satisfied in accordance with the provisions of this Borrower Loan Agreement and the Construction Funding Agreement.

"Conversion Date" shall mean the date to be designated by Funding Lender once the Conditions to Conversion have been satisfied, the determination of the Permanent Period Amount has been made and any loan balancing payments in accordance with Section 3.3 hereof and the Construction Funding Agreement have been made. The Conversion Date must occur no later than the Outside Conversion Date.

"Cost Breakdown" shall mean the schedule of costs for the Improvements, as set forth in the Construction Funding Agreement and as the same may be amended from time to time with Funding Lender's consent.

"Costs of Issuance" shall have the meaning given thereto in the Tax Certificate and Agreement.

"Costs of Issuance Deposit" shall mean the amount required to be deposited by the Borrower with the Title Company or Fiscal Agent to pay Costs of Issuance in connection with the closing of the Borrower Loan and the Governmental Lender Notes on the Closing Date.

"Cost of Improvements" shall mean the costs for the Improvements, as set forth on the Cost Breakdown.

"County" shall mean Travis County, Texas.

"Date of Disbursement" shall mean the date of a Disbursement.

"Day" or "Days" shall mean calendar days unless expressly stated to be Business Days.

"Debt" shall mean, as to any Person, any of such Person's liabilities, including all indebtedness (whether recourse or nonrecourse, short term or long term, direct or contingent), all committed and unfunded liabilities, and all unfunded liabilities, that would appear upon a balance sheet of such Person prepared in accordance with GAAP.

"Default Rate" shall have the meaning given to that term in the Borrower Note.

"Determination of Taxability" shall mean (i) a determination by the Commissioner or any District Director of the Internal Revenue Service, (ii) a private ruling or Technical Advice Memorandum concerning a Governmental Lender Note issued by the National Office of the Internal Revenue Service in which Governmental Lender and Borrower were afforded the opportunity to participate, (iii) a determination by any court of competent jurisdiction, (iv) the enactment of legislation or (v) receipt by the Funding Lender, at the request of the Governmental Lender, the Borrower or the Funding Lender, of an opinion of Governmental Lender Counsel, in each case to the effect that all or a portion of the interest on a Governmental Lender Note is includable in gross income for federal income tax purposes of any holder or any former holder of all or a portion of a Governmental Lender Note, other than a holder who is a "substantial user" of the Project or a "related person" to such a "substantial user" (as such terms are defined in Section 147(a) of the Code); provided, however, that no such Determination of Taxability under clause (i), (ii) or (iii) shall be deemed to have occurred if the Governmental Lender (at the sole expense of the

Borrower), the Funding Lender (at the sole expense of the Borrower) or the 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 (a) a final determination from which no appeal may be taken with respect to such determination, (b) abandonment of such appeal by the Governmental Lender or the Borrower, as the case may be, or (c) one year from the date of initial determination.

"Developer Fee" shall have the meaning ascribed thereto in the Construction Funding Agreement.

"Disbursement" means a disbursement of Borrower Loan Proceeds and Other Borrower Moneys pursuant to this Borrower Loan Agreement.

"Eligible Tenant" has the meaning set forth in the Regulatory Agreement.

"Engineer" shall mean any licensed civil, structural, mechanical, electrical, soils, environmental or other engineer that Borrower may engage from time to time, with the approval of Funding Lender, to perform any engineering services with respect to any portion of the Improvements.

"Engineer's Contract" shall mean any agreement that Borrower and any Engineer from time to time may execute pursuant to which Borrower engages such Engineer to perform any engineering services with respect to any portion of the Improvements, as approved by Funding Lender.

"Equipment" shall have the meaning given to the term "Personalty" in the Security Instrument.

"Equity Contributions" shall mean the equity to be contributed by the Equity Investor to Borrower, in accordance with and subject to the terms and conditions of the Operating Agreement.

"Equity Investor" shall mean AHP Housing Fund 261, LLC, a Delaware limited liability company, its successors or assigns as investor limited partner in Borrower.

"ERISA" shall mean the Employment Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" shall mean all members of a controlled group of corporations and all trades and business (whether or not incorporated) under common control and all other entities which, together with the Borrower, are treated as a single employer under any or all of Section 414(b), (c), (m) or (o) of the Code.

"Event of Default" shall mean any Event of Default set forth in Section 8.1 of this Borrower Loan Agreement. An Event of Default shall "exist" if a Potential Default shall have occurred and be continuing beyond any applicable notice, grace or cure period.

"Excess Revenues" shall have the meaning ascribed thereto in Section 2.2(e) hereof.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Expenses of the Project" shall mean, for any period, the current expenses, paid or accrued, for the operation, maintenance and current repair of the Project, as calculated in accordance with GAAP, and shall include, without limiting the generality of the foregoing, salaries, wages, employee benefits, cost of materials and supplies, costs of routine repairs, renewals, replacements and alterations occurring in the usual course of business, costs and expenses properly designated as capital expenditures (e.g. repairs that would not be payable from amounts on deposit in a repair and replacement fund held pursuant to the

Borrower Loan Documents), a management fee (however characterized) not to exceed the Underwritten Management Fee, costs of billings and collections, costs of insurance, and costs of audits. Expenses of the Project shall not include any payments, however characterized, on account of any subordinate financing in respect of the Project or other indebtedness, allowance for depreciation, amortization or other non-cash items, gains and losses or prepaid expenses not customarily prepaid.

"Fiscal Agent" shall mean the fiscal agent from time to time under and pursuant to the Funding Loan Agreement. Initially, the Fiscal Agent is Wilmington Trust, National Association

"Fitch" shall mean Fitch, Inc.

"Force Majeure" shall mean acts and events not within the control of the party claiming suspension, and which that party has been unable by the exercise of due diligence to avoid or prevent. Events of Force Majeure include, without limitation: Acts of God; strikes, lockouts or other industrial disputes; inability to obtain material, equipment or labor; epidemics, civil disturbances, acts of domestic or foreign terrorism, wars, riots or insurrections; landslides, lightning, earthquakes, fires, storms, floods or washouts; arrests and restraint of rulers and people; interruptions by government or court orders; present or future orders of any regulatory body having proper jurisdiction and authority; explosions; and breakage or accident to machinery. Force Majeure does not include economic or market conditions which affect a party's cost, but not its ability, to perform.

"Funding Lender" shall have the meaning assigned thereto under the Funding Loan Agreement.

"Funding Loan" shall have the meaning given to that term in the Funding Loan Agreement.

"Funding Loan Agreement" means the Funding Loan Agreement, of even date herewith, among the Governmental Lender, the Fiscal Agent and the Funding Lender, as it may from time to time be supplemented, modified or amended by one or more amendments or other instruments supplemental thereto entered into pursuant to the applicable provisions thereof.

"Funding Loan Documents" shall have the meaning given to that term in the Funding Loan Agreement.

"GAAP" shall mean generally accepted accounting principles as in effect on the date of the application thereof and consistently applied throughout the periods covered by the applicable financial statements.

"Governmental Authority" shall mean (i) any governmental municipality or political subdivision thereof, (ii) any governmental or quasi-governmental agency, authority, board, bureau, commission, department, instrumentality or public body, or (iii) any court, administrative tribunal or public utility, agency, commission, office or authority of any nature whatsoever for any governmental unit (federal, state, county, district, municipal, city or otherwise), now or hereafter in existence.

"Governmental Lender" shall have the meaning set forth in the recitals to this Borrower Loan Agreement.

"Governmental Lender Counsel" shall have the meaning set forth in the Funding Loan Agreement.

"Governmental Lender Notes" shall mean, collectively, the Series A-1 Governmental Lender Note and the Series A-2 Governmental Lender Note.

"Governmental Lender's Closing Fee" shall mean \$102,250. The Governmental Lender's Closing Fee is payable to the Governmental Lender on the Closing Date pursuant to Section 2.3(c)(iii) hereof.

"Gross Income" shall mean all receipts, revenues, income and other moneys received or collected by or on behalf of Borrower and derived from the ownership or operation of the Project, if any, and all rights to receive the same, whether in the form of accounts, accounts receivable, contract rights or other rights, and the proceeds of such rights, and whether now owned or held or hereafter coming into existence and proceeds received upon the foreclosure sale of the Project. Gross Income shall not include loan proceeds, equity or capital contributions, or tenant security deposits being held by Borrower in accordance with applicable law.

"Ground Lease" means that Ground Lease dated as of June 1, 2020, executed by the Borrower, as ground lessee, and the Governmental Lender, as ground lessor.

"Guarantor" shall mean, collectively, Megan Lasch, an individual, and Lisa Stephens, an individual, or any other person or entity which may hereafter become a guarantor of any of the Borrower's obligations under the Borrower Loan.

"Guaranty" shall mean, collectively, (i) the Completion and Repayment Guaranty, of even date herewith, by Guarantor for the benefit of the Beneficiary Parties (as defined therein), and (ii) the Exceptions to Non-Recourse Guaranty, of even date herewith, by Guarantor for the benefit of the Beneficiary Parties (as defined therein).

"Improvements" shall mean the 170-unit multifamily rental housing development to be constructed upon the Land and to be known as Vi Collina Apartments, and all other buildings, structures, fixtures, wiring, systems, equipment and other improvements and personal property owned by Borrower to be constructed, rehabilitated and/or installed at or on the Land in accordance with the Cost Breakdown and the Plans and Specifications.

"Indemnified Party" shall have the meaning set forth in Section 5.15 hereof.

"Interest Rate" shall mean the rate of interest accruing on the Borrower Loan pursuant to the Borrower Notes.

"Interim Phase Amount" shall mean \$23,950,000.

"Land" means the real property described on Exhibit A to the Security Instrument.

"Late Charge" shall mean the amount due and payable as a late charge on overdue payments under the Borrower Notes, as provided in Section 7 of each of the Borrower Notes and Section 2.5 hereof.

"Legal Action" shall mean an action, suit, investigation, inquiry, proceeding or arbitration at law or in equity (except actions to collect rent on leases at the Project or actions for eviction) or before or by any foreign or domestic court, arbitrator or other Governmental Authority.

"Legal Requirements" shall mean statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions of Governmental Authorities affecting all or part of the Project or any of Borrower's property (including the Project) or the construction, rehabilitation, use, alteration or operation thereof, whether now or hereafter enacted and in force, and all permits, licenses and authorizations and regulations relating thereto, and all covenants, agreements, restrictions and encumbrances contained in any instrument, either of record or known to the Borrower, at any time in force affecting all or part of the Project, including

any that may (i) require repairs, modifications or alterations in or to all or part of the Project, or (ii) in any way limit the use and enjoyment thereof.

"Licenses" shall have the meaning set forth in Section 4.1.22 hereof.

"Lien" shall mean any interest, or claim thereof, in the Project securing an obligation owed to, or a claim by, any Person other than the owner of the Project, whether such interest is based on common law, statute or contract, including the lien or security interest arising from a deed of trust, mortgage, deed to secure debt, assignment, encumbrance, pledge, security agreement, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term "Lien" shall include reservations, exceptions, encroachments, easements, rights of way, covenants, restrictions, leases and other title exceptions and encumbrances affecting the Project.

"Management Agreement" shall mean the Management Agreement between the Borrower and the Manager, pursuant to which the Manager is to manage the Project, as same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"Manager" shall mean the management company to be employed by the Borrower and approved by the Funding Lender in accordance with the terms of the Security Instrument, this Borrower Loan Agreement or any of the other Borrower Loan Documents.

"Managing Member" shall mean, collectively, (i) AHFC Vi Collina Non-Profit Corporation, a Texas non-profit corporation, and/or (ii) any other Person that the partners of the Borrower, with the prior written approval of the Funding Lender (or as otherwise permitted pursuant to the Borrower Loan Documents), selected to be a managing member of the Borrower.

"Material Adverse Change" means any set of circumstances or events which (a) has or could reasonably be expected to have any material adverse effect whatsoever upon the validity or enforceability of this Borrower Loan Agreement or any other Borrower Loan Document; (b) is or could reasonably be expected to be material and adverse to the business, properties, assets, financial condition, results of operations of the Borrower, Managing Member, Guarantor or the Mortgaged Property; (c) could reasonably be expected to impair materially the ability of the Borrower, Managing Member or Guarantor to duly and punctually pay or perform any of their respective obligations under any of the Borrower Loan Documents to which they are a party; or (d) impairs materially or could reasonably be expected to impair materially any rights of or benefits available to the Governmental Lender under this Borrower Loan Agreement or any other Borrower Loan Document, including, without limitation, the ability of Governmental Lender or, upon the assignment of the Borrower Loan to it, of the Funding Lender, to the extent permitted, to enforce its legal remedies pursuant to this Borrower Loan Agreement or any other Borrower Loan Document.

"Moody's" shall mean Moody's Investors Service, Inc., or its successor.

"Mortgaged Property" shall have the meaning given to that term in the Security Instrument.

"Net Operating Income" shall mean: (i) the Gross Income, less (ii) the Expenses of the Project.

"Operating Agreement" shall mean that certain Operating Agreement of the Borrower dated as of June 1, 2020, as the same may be amended, restated or modified in accordance with its terms.

"Other Borrower Moneys" shall mean monies of Borrower other than Borrower Loan Proceeds and includes, but is not limited to, the Subordinate Debt, Net Operating Income, the Borrower's Equity

Contributions and any other funds contributed by or loaned to the Borrower for application to the Costs of the Improvements or other costs associated with the Project.

"Other Charges" shall mean all maintenance charges, impositions other than Taxes, and any other charges, including vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Project, now or hereafter levied or assessed or imposed against the Project or any part thereof.

"Outside Conversion Date" shall have the meaning set forth in the Construction Funding Agreement.

"Patriot Act" shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT ACT) of 2001, as the same may be amended from time to time, and corresponding provisions of future laws.

"Patriot Act Offense" shall have the meaning set forth in Section 4.1.48 hereof.

"Permanent Period" shall mean the period of time from the Conversion Date to the Maturity Date (as defined in the Funding Loan Agreement).

"Permanent Period Amount" shall mean the principal amount of the Borrower Loan following the calculation provided for in the Construction Funding Agreement.

"Permitted Encumbrances" shall have the meaning given to that term in the Security Instrument.

"Permitted Lease" shall mean a lease and occupancy agreement pursuant to the form approved by Funding Lender, to a residential tenant in compliance with the Legal Requirements, providing for an initial term of not less than six (6) months or more than two (2) years.

"Person" shall mean a natural person, a partnership, a joint venture, an unincorporated association, a limited liability company, a corporation, a trust, any other legal entity, or any Governmental Authority.

"Plan" shall mean (i) an employee benefit or other plan established or maintained by the Borrower or any ERISA Affiliate or to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions and (ii) which is covered by Title IV of ERISA or Section 302 of ERISA or Section 412 of the Code.

"Plans and Specifications" shall mean the plans and specifications for the construction and/or rehabilitation, as the case may be, of the Project approved by Funding Lender.

"Potential Default" shall mean the occurrence of an event which, under this Borrower Loan Agreement or any other Borrower Loan Document, would, but for the giving of notice or passage of time, or both, be an Event of Default.

"Prepayment Premium" shall mean any premium payable by the Borrower pursuant to the Borrower Loan Documents in connection with a prepayment of a Borrower Note (including any prepayment premium as set forth in the Borrower Notes).

"Project" shall mean the Mortgaged Property (as defined in the Security Instrument) and the Improvements thereon owned by the Borrower and encumbered by the Security Instrument, together with all rights pertaining to such real property and Improvements, as more particularly described in the Granting Clauses of the Security Instrument and referred to therein as the "Mortgaged Property."

"Project Agreements and Licenses" shall mean any and all Construction Contracts, Engineer's Contracts and Management Agreements, and all other rights, licenses, permits, franchises, authorizations, approvals and agreements relating to use, occupancy, operation or leasing of the Project or the Mortgaged Property.

"Provided Information" shall have the meaning set forth in Section 9.1.1(a) hereof.

"Qualified Project Costs" shall have the meaning set forth in the Tax Certificate and Agreement.

"Rebate Amount" shall mean, for any given period, the amount determined by the Rebate Analyst as required to be rebated or paid as a yield reduction payment to the United States of America with respect to the Funding Loan.

"Rebate Analyst" shall mean the rebate analyst selected by the Borrower prior to the Closing Date and acceptable to the Governmental Lender and the Funding Lender.

"Rebate Analyst's Fee" shall mean the fee of the Rebate Analyst payable by the Borrower to the Rebate Analyst.

"Rebate Fund" shall mean the Rebate Fund held by the Fiscal Agent created pursuant to Section 7.8 of the Funding Loan Agreement.

"Regulations" has the meaning given to that term in the Tax Certificate and Agreement.

"Regulatory Agreement" shall mean that certain Regulatory Agreement and Declaration of Restrictive Covenants, of even date herewith, by and among the Governmental Lender, the Fiscal Agent and the Borrower, as in effect on the Closing Date and as it may thereafter be amended or modified in accordance with its terms.

"Related Documents" shall mean, collectively, any agreement or other document (other than the Borrower Loan Documents) granting a security interest in all or a portion of the Project (including each agreement that is the subject of any Borrower Loan Document), the Operating Agreement, and any other agreement, instrument or other document (not constituting a Borrower Loan Document) relating to or executed in connection with the transactions contemplated by this Borrower Loan Agreement.

"Replacement Reserve Agreement" shall mean any Replacement Reserve Agreement between the Borrower and the Funding Lender, as the same may be amended, restated or supplemented from time to time.

"Replacement Reserve Fund Requirement" means Borrower's funding obligations from time to time under the Replacement Reserve Agreement.

"Reserved Rights" shall have the meaning set forth in the Funding Loan Agreement.

"Retainage" shall have the meaning set forth in the Construction Funding Agreement.

"Review Fee" shall mean the three thousand dollar (\$3,000) fee payable to Funding Lender in connection with the review of requests from the Borrower in connection with events requiring the consent and/or approval of the Funding Lender, including, but not limited to, subordinate financings and easements.

"Secondary Market Disclosure Document" shall have the meaning set forth in Section 9.1.2 hereof.

"Secondary Market Transaction" shall have the meaning set forth in Section 9.1.1 hereof.

"Securities" shall have the meaning set forth in Section 9.1.1 hereof.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Security Documents" shall mean the Security Instrument, the Replacement Reserve Agreement, the Collateral Agreements, the Collateral Assignments, this Borrower Loan Agreement, the Agreement of Environmental Indemnification, and such other security instruments that Funding Lender may reasonably request.

"Security Instrument" shall have the meaning set forth in the recitals to this Borrower Loan Agreement.

"Series A-1 Borrower Note" shall mean that certain Multifamily Note, dated the Closing Date, in the original principal amount of \$20,450,000, made by the Borrower and payable to the Governmental Lender, evidencing the loan of the proceeds of the Series A-1 Governmental Lender Note, as executed by the Borrower on the Closing Date and endorsed and assigned by the Governmental Lender without recourse to the Fiscal Agent, and as it may thereafter be amended or supplemented from time to time.

"Series A-2 Borrower Note" shall mean that certain Multifamily Note, dated the Closing Date, in the original principal amount of \$3,500,000, made by the Borrower and payable to the Governmental Lender, evidencing the loan of the proceeds of the Series A-2 Governmental Lender Note, as executed by the Borrower on the Closing Date and endorsed and assigned by the Governmental Lender without recourse to the Fiscal Agent, and as it may thereafter be amended or supplemented from time to time.

"Series A-1 Governmental Lender Note" shall mean that certain Austin Housing Finance Corporation Multifamily Mortgage Revenue Note (Vi Collina Apartments) Series 2020 A-1, dated the Closing Date, in the original principal amount of \$20,450,000, made by the Governmental Lender and payable to the Funding Lender, as executed by the Governmental Lender on the Closing Date and as it may thereafter be amended or supplemented from time to time.

"Series A-2 Governmental Lender Note" shall mean that certain Austin Housing Finance Corporation Multifamily Mortgage Revenue Note (Vi Collina Apartments) Series 2020 A-2, dated the Closing Date, in the original principal amount of \$3,500,000, made by the Governmental Lender and payable to the Funding Lender, as executed by the Governmental Lender on the Closing Date and as it may thereafter be amended or supplemented from time to time.

"Servicer" shall mean the Servicer contracting with or appointed by the Funding Lender to service the Borrower Loan. The initial Servicer shall be Citibank, N.A.

"Servicing Agreement" shall mean any servicing agreement or master servicing agreement, between the Servicer and the Funding Lender relating to the servicing of the Borrower Loan and any amendments thereto or any replacement thereof.

"Standard & Poor's" or "S&P" shall mean S&P Global Ratings, a business of Standard & Poor's Financial Services LLC, or its successors.

"State" shall mean the State of Texas.

"Subordinate Debt" shall mean the subordinate loan to the Borrower from the Governmental Lender in the original principal amount of \$3,500,000 pursuant to a First Amended and Restated Rental Housing Development Assistance Program Loan Agreement dated as of June 1, 2020.

"Subordinate Lender" shall mean the Governmental Lender, in its capacity as lender of the Subordinate Debt.

"Subordinate Loan Documents" shall mean, collectively, all instruments, agreements and other documents evidencing, securing or otherwise relating to the Subordinate Debt or executed and delivered by Borrower and/or Subordinate Lender in connection with the Subordinate Debt.

"Substantial Completion Date" shall have the meaning set forth in the Construction Funding Agreement.

"Substantially Complete" or "Substantially Completed" shall have the meaning set forth in the Construction Funding Agreement.

"Tax Certificate and Agreement" shall mean the Tax Certificate and Agreement, dated as of the date hereof, by and among the Governmental Lender, the Fiscal Agent and the Borrower, as in effect on the Closing Date and as it may thereafter be amended or supplemented or restated in accordance with its terms.

"Taxes" shall mean all real estate and personal property taxes, assessments, water rates or sewer rents, now or hereafter levied or assessed or imposed against all or part of the Project.

"Term" shall mean the term of this Borrower Loan Agreement pursuant to Section 10.14.

"Title Company" means Capstone Title.

"Title Insurance Policy" shall mean the mortgagee title insurance policy, in form acceptable to the Funding Lender, issued with respect to the Mortgaged Property and insuring the lien of the Security Instrument.

"Transfer" shall have the meaning given to that term in the Security Instrument.

"UCC" shall mean the Uniform Commercial Code as in effect in the State.

"Underwritten Management Fee" shall have the meaning given to that term in the Construction Funding Agreement.

"Unit" shall mean a residential apartment unit within the Improvements.

"Written Consent" and "Written Notice" shall mean a written consent or notice signed by an Authorized Borrower Representative or an Authorized Representative (as defined in the Funding Loan Agreement) of the Governmental Lender, the Funding Lender or the Fiscal Agent, as appropriate.

ARTICLE II

GENERAL

Section 2.1. Origination of Borrower Loan. In order to provide funds for the purposes provided herein and to satisfy the closing requirements under Section 1372 of the Texas Government Code,

the Governmental Lender agrees that it will, in accordance with the Act, enter into the Funding Loan Agreement and accept the Funding Loan proceeds from, and deliver the Governmental Lender Notes to the Funding Lender. The proceeds of the Governmental Lender Notes shall be advanced by the Funding Lender and the Fiscal Agent to the Borrower in accordance with the terms of the Construction Funding Agreement, the Funding Loan Agreement and this Borrower Loan Agreement.

The Governmental Lender hereby assigns to the Funding Lender all of its rights, power and authority to take certain actions and exercise certain remedies with respect to the Borrower Loan, and for the other purposes set forth in this Borrower Loan Agreement and to do all other acts necessary or incidental to the performance and execution thereof to the extent those actions and remedies are not delegated to the Fiscal Agent. This assignment is coupled with an interest and is irrevocable except as expressly set forth herein. Accordingly, references to the rights of the Funding Lender to take actions under this Borrower Loan Agreement shall refer to Funding Lender in its role as assignee. The Funding Lender may designate Servicer to fulfill any such rights and responsibilities granted by Governmental Lender to Funding Lender pursuant to this Section 2.1. Disbursements of the Borrower Loan shall be made from the Project Fund held under the Funding Loan Agreement by the Fiscal Agent.

Section 2.2. Security for the Governmental Lender Note.

(a) As security for the Governmental Lender Notes, the Governmental Lender has pledged and assigned to the Fiscal Agent for the benefit of the Funding Lender under and pursuant to the Funding Loan Agreement (a) the Borrower Notes and all of its right, title and interest in and to this Borrower Loan Agreement and the Borrower Loan Documents (except for the Reserved Rights) and all revenues and receipts therefrom and the security therefor (including the Security Instrument) and (b) the amounts on deposit from time to time in any and all funds, other than the Rebate Fund, established under the Funding Loan Agreement. All revenues and assets pledged and assigned thereby shall immediately be subject to the lien of such pledge without any physical delivery thereof or any further act, except in the case of the Borrower Note, which shall be delivered to the Funding Lender. The Borrower hereby acknowledges and consents to such assignment to the Fiscal Agent for the benefit of the Funding Lender.

(b) With respect to the Reserved Rights, subject to the limitations set forth in this Section 2.2, the Governmental Lender may:

(i) Tax Covenants. Seek specific performance of, and enforce, the tax covenants of the Funding Loan Agreement, the Regulatory Agreement, the Tax Certificate and Agreement and this Borrower Loan Agreement, injunctive relief against acts which may be in violation of any of the tax covenants, and enforce the Borrower's obligation to pay the Rebate Amount for credit to the Rebate Fund;

(ii) Regulatory Agreement. Seek specific performance of the obligations of the Borrower or any other owner of the Project under the Regulatory Agreement and injunctive relief against acts which may be in violation of the Regulatory Agreement or otherwise in accordance with the provisions of the Regulatory Agreement; provided, however, that the Governmental Lender may enforce any right it may have under the Regulatory Agreement for monetary damages only against Excess Revenues (defined below), if any, of the Borrower, unless Funding Lender otherwise specifically consents in writing to the use of other funds; and

(iii) Reserved Rights. Take whatever action at law or in equity which is necessary or desirable to enforce the other Reserved Rights, provided, however, that the Governmental Lender or any person under its control may only enforce any right it may have for monetary damages

against Excess Revenues, if any, of the Borrower, unless Funding Lender otherwise specifically consents in writing to the enforcement against other funds of the Borrower.

(c) In no event shall the Governmental Lender, except at the express written direction of the Funding Lender:

- (i) prosecute its action to a lien on the Project or any portion thereof; or
- (ii) take any action which may have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal of, interest on, or other amounts due under, the Borrower Loan or of causing the Borrower to file a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Borrower under any applicable liquidation, insolvency, bankruptcy, rehabilitation, composition, reorganization, conservation or other similar law in effect now or in the future; or
- (iii) interfere with the exercise by Funding Lender or Servicer of any of their rights under the Borrower Loan Documents upon the occurrence of an event of default by the Borrower under the Borrower Loan Documents or the Funding Loan Documents; or
- (iv) take any action to accelerate or otherwise enforce payment or seek other remedies with respect to the Borrower Loan or the Governmental Lender Notes.

(d) The Governmental Lender shall provide Written Notice to the Funding Lender and the Servicer immediately upon taking any action at law or in equity to exercise any remedy or direct any proceeding under the Borrower Loan Documents or the Funding Loan Documents.

(e) As used in this Section 2.2, the term "Excess Revenues" means, for any period, the net cash flow of the Borrower available for distribution to shareholders, members or partners (as the case may be) for such period, after the payment of all interest expense, the amortization of all principal of all indebtedness coming due during such period (whether by maturity, mandatory sinking fund payment, acceleration or otherwise), the payment of all fees, costs and expenses on an occasional or recurring basis in connection with the Borrower Loan or the Governmental Lender Notes, the payment of all operating, overhead, ownership and other expenditures of the Borrower directly or indirectly in connection with the Project (whether any such expenditures are current, capital or extraordinary expenditures), and the setting aside of all reserves for taxes, insurance, water and sewer charges or other similar impositions, capital expenditures, repairs and replacements and all other amounts which the Borrower is required to set aside pursuant to agreement, but excluding depreciation and amortization of intangibles.

Section 2.3. Loan; Borrower Note; Conditions to Closing.

(a) The Governmental Lender Notes shall each be purchased in the full respective Authorized Amounts by the Funding Lender under the Funding Loan Agreement, and the Fiscal Agent shall deposit the proceeds thereof as required under the Funding Loan Agreement. Upon purchase of the Governmental Lender Notes on the Closing Date, the Governmental Lender shall be deemed to have made the Borrower Loan to the Borrower in a like principal amount. The Borrower Loan shall mature and be payable at the times and in the amounts required under the terms hereof and of the Borrower Notes. The proceeds of the Borrower Loan shall be used by the Borrower to pay costs of the acquisition, construction and equipping of the Project. The Borrower hereby accepts the Borrower Loan and acknowledges that the Governmental Lender shall cause the Funding Lender to fund the Borrower Loan in the manner set forth herein and in the Funding Loan Agreement. The Governmental Lender acknowledges that the Borrower Loan shall be funded by the Funding Lender for the account of the Governmental Lender.

(b) The Borrower hereby accepts the Borrower Loan. As evidence of its obligation to repay the Borrower Loan, simultaneously with the delivery of this Borrower Loan Agreement to the Governmental Lender, the Borrower hereby agrees to execute and deliver the Borrower Notes. The Borrower Loan shall mature and be payable at the times and in the amounts required under the terms hereof and of the Borrower Notes.

(c) Closing of the Borrower Loan on the Closing Date shall be conditioned upon satisfaction or waiver by the Governmental Lender and the Funding Lender, in their sole discretion of each of the conditions precedent to closing set forth in the Funding Loan Agreement and this Borrower Loan Agreement, including but not limited to the following:

(i) evidence of proper recordation of the Security Instrument, an assignment of the Security Instrument from the Governmental Lender to the Fiscal Agent, the Regulatory Agreement, and each of the other documents specified for recording in instructions delivered to the Title Company by counsel to the Funding Lender (or that such documents have been delivered to an authorized agent of the Title Company for recordation under binding recording instructions from Funding Lender's counsel or such other counsel as may be acceptable to the Funding Lender); and

(ii) delivery to the Fiscal Agent or into escrow with the Title Company (or separate escrow company, if applicable) of all amounts required to be paid in connection with the origination of the Borrower Loan and the Governmental Lender Notes and any underlying real estate transfers or transactions, including the Costs of Issuance Deposit and the Borrower Initial Equity, all as specified in written instructions delivered to the Title Company by counsel to the Funding Lender (or such other counsel as may be acceptable to the Funding Lender) and/or as specified in a closing memorandum of the Funding Lender; and

(iii) payment of all fees payable in connection with the closing of the Borrower Loan including the Governmental Lender's Closing Fee and the initial fees and expenses of the Fiscal Agent.

In addition, closing of the Borrower Loan shall be subject to the delivery of an opinion of counsel to the Borrower addressed to the Governmental Lender and the Funding Lender, dated the Closing Date, in form and substance acceptable to Governmental Lender Counsel, regarding the due execution by the Borrower of, and the enforceability against the Borrower of, the Borrower Loan Documents.

Section 2.4. Borrower Loan Payments.

(a) The Borrower shall make Borrower Loan Payments in accordance with the Borrower Notes. Through and including the Conversion Date, each Borrower Loan Payment made by the Borrower shall be made in funds immediately available to the Servicer by 11:00 a.m., New York City time, one Business Day prior to the Borrower Loan Payment Date or, if to the Fiscal Agent, by 2:00 p.m., New York City time, one Business Day prior to the Borrower Loan Payment Date. Following the Conversion Date, each Borrower Loan Payment made by the Borrower shall be made in funds immediately available to the Servicer by 2:00 p.m., New York City time, on the date that is two (2) Business Days prior to the Borrower Loan Payment Date. Each such payment shall be made to the Fiscal Agent or Servicer, as applicable, by deposit to such account as the Fiscal Agent or Servicer, as applicable, may designate by Written Notice to the Borrower. If payments are to be made to the Fiscal Agent, such payments shall be deposited into the Governmental Lender Note Payment Fund established under the Funding Loan Agreement. Whenever any Borrower Loan Payment shall be stated to be due on a day that is not a Business Day, such payment shall be due on the first Business Day immediately thereafter. In addition, the Borrower shall make Borrower Loan Payments in accordance with the Borrower Notes in the amounts and at the times necessary to make

all payments due and payable on the Governmental Lender Notes. All payments made by the Borrower hereunder or by the Borrower under the other Borrower Loan Documents, shall be made irrespective of, and without any deduction for, any set-offs or counterclaims, but such payment shall not constitute a waiver of any such set offs or counterclaims.

(b) If there is a Servicer, payments of principal and interest on the Borrower Notes shall be paid to the Servicer and the Servicer shall then remit such funds to the Fiscal Agent to be deposited in the Governmental Lender Note Payment Fund established under the Funding Loan Agreement. If there is no Servicer, payments of principal and interest on the Borrower Notes shall be paid directly to the Fiscal Agent and deposited into the Governmental Lender Note Payment Fund.

Section 2.5. Additional Borrower Payments.

(a) The Borrower shall pay the following amounts:

(i) to the Fiscal Agent, the Rebate Amount then due, if any, to be deposited in the Rebate Fund as specified in Section 7.8 of the Funding Loan Agreement and the Rebate Analyst's Fee, and any other costs incurred to calculate such Rebate Amount (to the reasonable extent such costs are not included in the Borrower Loan Payment);

(ii) to the Fiscal Agent for remittance to the Governmental Lender, the Governmental Lender Fee and, on demand, all fees, charges, costs, advances, indemnities and expenses, including agent and counsel fees, of the Governmental Lender incurred under the Borrower Loan Documents or the Funding Loan Documents, as and when the same become due;

(iii) all Costs of Issuance and fees, charges and expenses, including agent and counsel fees incurred in connection with the origination of the Borrower Loan and the Governmental Lender Note, as and when the same become due;

(iv) to the Funding Lender, on demand, all charges, costs, advances, indemnities and expenses, including agent and counsel fees, of the Funding Lender incurred by the Funding Lender at any time in connection with the Borrower Loan, the Governmental Lender Notes or the Project, including, without limitation, any Review Fee, reasonable counsel fees and expenses incurred in connection with the interpretation, performance, or amendment and all counsel fees and expenses relating to the enforcement of the Borrower Loan Documents or the Funding Loan Documents or any other documents relating to the Project or the Borrower Loan or in connection with questions or other matters arising under such documents or in connection with any federal tax audit;

(v) all Late Charges due and payable under the terms of the Borrower Notes and Section 2.6 hereof; provided, however, that all payments made pursuant to this subsection (v) shall be made to the Servicer, and if there is no Servicer, such payments shall be made to the Fiscal Agent on behalf of the Funding Lender; and

(vi) to the Fiscal Agent, all reasonable fees, charges, costs, advances, indemnities and expenses, including agent and counsel fees, of Fiscal Agent incurred under the Borrower Loan Documents or the Funding Loan Documents as and when the same become due.

(b) The Borrower shall pay to the party entitled thereto as expressly set forth in this Borrower Loan Agreement or the other Borrower Loan Documents or Funding Loan Documents:

(i) all expenses incurred in connection with the enforcement of any rights under this Borrower Loan Agreement or any other Borrower Loan Document, the Regulatory Agreement, or any Funding Loan Document by the Governmental Lender, Funding Lender, Fiscal Agent or the Servicer;

(ii) all other payments of whatever nature that the Borrower has agreed to pay or assume under the provisions of this Borrower Loan Agreement or any other Borrower Loan Document or Funding Loan Document; and

(iii) all expenses, costs and fees relating to inspections of the Project required by the Governmental Lender, the Funding Lender, the Fiscal Agent, the Servicer or the Construction Consultant, in accordance with the Borrower Loan Documents or the Funding Loan Documents or to reimburse such parties for such expenses, costs and fees.

Section 2.6. Overdue Payments; Payments in Default. If any Borrower Payment Obligation is not paid by or on behalf of the Borrower when due, the Borrower shall pay to the Servicer, a Late Charge in the amount and to the extent set forth in the applicable Borrower Note or Borrower Notes, if any.

Section 2.7. Calculation of Interest Payments and Deposits to Real Estate Related Reserve Funds. The Borrower acknowledges as follows: (a) calculation of all interest payments shall be made by the Funding Lender; (b) deposits with respect to the Taxes and Other Charges shall be calculated by the Servicer or if there is no Servicer, the Funding Lender in accordance with the Security Instrument; and (c) deposits with respect to any replacement reserve funds required by the Funding Lender shall be calculated by the Servicer in accordance with the Replacement Reserve Agreement. In the event and to the extent that the Servicer or the Funding Lender, pursuant to the terms hereof, shall determine at any time that there exists a deficiency in amounts previously owed but not paid with respect to deposits to such replacement reserve fund, such deficiency shall be immediately due and payable hereunder following Written Notice to the Borrower.

Section 2.8. Grant of Security Interest; Application of Funds. To the extent not inconsistent with the Security Instrument and as security for payment of the Borrower Payment Obligations and the performance by the Borrower of all other terms, conditions and provisions of the Borrower Loan Documents, the Borrower hereby pledges and assigns to the Fiscal Agent (solely for the benefit of the Funding Lender) and the Funding Lender, and grants to the Fiscal Agent (solely for the benefit of the Funding Lender) and the Funding Lender, a security interest in all the Borrower's right, title and interest in and to all payments to or moneys held in the funds and accounts created and held by the Funding Lender or the Servicer for the Project. This Borrower Loan Agreement is, among other things, intended by the parties to be a security agreement for purposes of the UCC. Upon the occurrence and during the continuance of an Event of Default hereunder, the Fiscal Agent, the Funding Lender and the Servicer may apply or cause to be applied any sums held by the Fiscal Agent, the Funding Lender and the Servicer with respect to the Project in any manner and in any order determined by Funding Lender, in Funding Lender's sole and absolute discretion.

Section 2.9. Marshalling; Payments Set Aside. The Governmental Lender and Funding Lender shall be under no obligation to marshal any assets in favor of Borrower or any other Person or against or in payment of any or all of the proceeds. To the extent that Borrower makes a payment or payments or transfers any assets to the Governmental Lender or Funding Lender, or the Governmental Lender or Funding Lender enforces its liens, and such payment or payments or transfers, or the proceeds of such enforcement or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party in connection with any insolvency proceeding, or otherwise, then: (i) any and all obligations owed to the Governmental Lender or Funding

Lender and any and all remedies available to the Governmental Lender or Funding Lender under the terms of the Borrower Loan Documents and the Funding Loan Documents or in law or equity against Borrower, Guarantor or Managing Member and/or any of their properties shall be automatically revived and reinstated to the extent (and only to the extent) of any recovery permitted under clause (ii) below; and (ii) the Governmental Lender and Funding Lender shall be entitled to recover (and shall be entitled to file a proof of claim to obtain such recovery in any applicable bankruptcy, insolvency, receivership or fraudulent conveyance or fraudulent transfer proceeding) either: (x) the amount of payments or the value of the transfer or (y) if the transfer has been undone and the assets returned in whole or in part, the value of the consideration paid to or received by Borrower for the initial asset transfer, plus in each case any deferred interest from the date of the disgorgement to the date of distribution to the Governmental Lender or Funding Lender in any bankruptcy, insolvency, receivership or fraudulent conveyance or fraudulent transfer proceeding, and any costs and expenses due and owing, including, without limitation, any reasonable attorneys' fees incurred by the Governmental Lender or Funding Lender in connection with the exercise by the Governmental Lender or Funding Lender of its rights under this Section 2.9.

Section 2.10. Borrower Loan Disbursements. The Borrower Loan shall be funded by the Funding Lender, on behalf of the Governmental Lender, pursuant to the Construction Funding Agreement by depositing the proceeds from the Governmental Lender Notes with the Fiscal Agent under the Funding Loan Agreement. Amounts held by the Fiscal Agent shall be disbursed to or for the benefit of the Borrower as provided in the Funding Loan Agreement and Construction Funding Agreement.

ARTICLE III

CONVERSION

Section 3.1. Conversion Date and Extension of Outside Conversion Date. Borrower shall satisfy each of the Conditions to Conversion and cause the Conversion Date to occur on or before the Outside Conversion Date, as further provided in the Construction Funding Agreement. The failure to satisfy each of the Conditions to Conversion on or before the Outside Conversion Date shall constitute an Event of Default under the Borrower Loan Documents.

Section 3.2. Notice From Funding Lender; Funding Lender's Calculation Final.

(a) Following satisfaction of all of the Conditions to Conversion, Funding Lender shall deliver Written Notice to Borrower of: (i) the Conversion Date, (ii) the amount of the Permanent Period Amount, (iii) any required prepayment of the Borrower Notes (as described below in Section 3.3) and (iv) any amendments to the amortization schedule, as applicable.

(b) Subject to the terms and conditions of the Borrower Loan Documents, Funding Lender's calculation of the Permanent Period Amount and any amendments to the amortization of the Borrower Loan shall be, in the absence of manifest error, conclusive and binding on all parties.

Section 3.3. Mandatory Prepayment of the Borrower Loan.

(a) As further provided in the Construction Funding Agreement, if and to the extent the Permanent Period Amount is less than the Interim Phase Amount, Funding Lender may in its sole discretion require Borrower to make a partial prepayment of the Borrower Loan in an amount equal to the difference between the Interim Phase Amount and the Permanent Period Amount, provided, however, that if the Permanent Period Amount is less than the Minimum Permanent Period Amount (as defined in the Construction Funding Agreement), then Funding Lender may in its sole discretion require Borrower to prepay the Borrower Loan in full.

(b) Any prepayment in full or in part of the Borrower Loan required pursuant to Section 3.3(a) above shall be subject to a prepayment premium under certain circumstances as more particularly set forth in the Borrower Notes.

Section 3.4. Release of Remaining Loan Proceeds. If and to the extent that the Permanent Period Amount is greater than the principal amount of the Borrower Loan which has previously been disbursed to Borrower, Funding Lender shall deliver Written Notice thereof to Borrower on or before the Conversion Date. Within ten (10) Business Days after delivery of such notice, but in no event later than the Outside Conversion Date, Funding Lender shall approve and the Fiscal Agent, upon the Written Direction of the Funding Lender, shall disburse Borrower Loan proceeds to Borrower so that the aggregate principal amount of the Borrower Loan disbursed equals the Permanent Period Amount. Any Borrower Loan proceeds previously disbursed to the Borrower in excess of the Permanent Period Amount shall be paid by Borrower to the Fiscal Agent for the account of the Funding Lender.

Section 3.5. No Amendment. Nothing contained in this Article III shall be construed to amend, modify, alter, change or supersede the terms and provisions of the Borrower Notes, the Security Instrument, the Construction Funding Agreement or any other Borrower Loan Document and, if there shall exist a conflict between the terms and provisions of this Article III and those of the Borrower Notes, the Security Instrument, the Construction Funding Agreement or other Borrower Loan Documents, then the terms and provisions of the Borrower Notes, the Security Instrument, the Construction Funding Agreement and other Borrower Loan Documents shall control, provided, however, that in the event of a conflict between the terms and provisions of this Article III and those of the Borrower's loan application with the Funding Lender, the terms and provisions of this Article III shall control.

Section 3.6. Determinations by Funding Lender. In any instance where the consent or approval of Funding Lender may be given or is required, or where any determination, judgment or decision is to be rendered by Funding Lender under this Article III, including in connection with the Construction Funding Agreement, the granting, withholding or denial of such consent or approval and the rendering of such determination, judgment or decision shall be made or exercised by the Funding Lender (or its designated representative), at its sole and exclusive option and in its sole and absolute discretion.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.1. Borrower Representations. To induce the Governmental Lender to execute this Borrower Loan Agreement and to induce Funding Lender to make Disbursements, Borrower represents and warrants for the benefit of the Governmental Lender, Funding Lender and the Servicer, that the representations and warranties set forth in this Section 4.1 are complete and accurate as of the Closing Date and, subject to Section 4.2, shall survive the making of the Borrower Loan and will be complete and accurate, and deemed remade, except as otherwise noted through notice to Funding Lender and approved by Funding Lender, as of the date of each Disbursement, as of the original Outside Conversion Date, as of the date of any extension thereof and as of the Conversion Date in accordance with the terms and conditions of the Borrower Notes.

Section 4.1.1 Organization; Special Purpose. The Borrower is a limited liability company duly organized and validly existing and in good standing under the laws of the State, has full legal right, power and authority to enter into the Borrower Loan Documents to which it is a party, and to carry out and consummate all transactions contemplated by the Borrower Loan Documents to which it is a party, and by proper corporate, limited partnership or limited liability company action, as appropriate has duly authorized the execution, delivery and performance of the Borrower Loan Documents to which it is a party.

The Person(s) of the Borrower executing the Borrower Loan Documents and the Funding Loan Documents to which the Borrower is a party are fully authorized to execute the same. The Borrower Loan Documents and the Funding Loan Documents to which the Borrower is a party have been duly authorized, executed and delivered by the Borrower. The sole business of the Borrower is the ownership, management and operation of the Project.

Section 4.1.2 Proceedings; Enforceability. Assuming due execution and delivery by the other parties thereto, the Borrower Loan Documents and the Funding Loan Documents to which the Borrower is a party will constitute the legal, valid and binding agreements of the Borrower enforceable against the Borrower in accordance with their terms; except in each case as enforcement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles regardless of whether enforcement is sought in a proceeding at law or in equity and by public policy.

Section 4.1.3 No Conflicts. The execution and delivery of the Borrower Loan Documents and the Funding Loan Documents to which the Borrower is a party, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under the Operating Agreement of the Borrower, or to the best knowledge of the Borrower and with respect to the Borrower, any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Borrower Loan Documents and the Funding Loan Documents, or the financial condition, assets, properties or operations of the Borrower.

Section 4.1.4 Litigation; Adverse Facts. There is no Legal Action, nor is there a basis known to Borrower for any Legal Action, before or by any court or federal, state, municipal or other governmental authority, pending, or to the knowledge of the Borrower, after reasonable investigation, threatened, against or affecting the Borrower, the Managing Member or the Guarantor, or their respective assets, properties or operations which, if determined adversely to the Borrower or its interests, would have a material adverse effect upon the consummation of the transactions contemplated by, or the validity of, the Borrower Loan Documents or the Funding Loan Documents, upon the ability of each of Borrower, Managing Member and Guarantor to perform their respective obligations under the Borrower Loan Documents, the Funding Loan Documents and the Related Documents to which it is a party, or upon the financial condition, assets (including the Project), properties or operations of the Borrower, the Managing Member or the Guarantor. None of the Borrower, Managing Member or Guarantor is in default (and no event has occurred and is continuing which with the giving of notice or the passage of time or both could constitute a default) with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Borrower Loan Documents and the Funding Loan Documents, the ability of each of Borrower, Managing Member and Guarantor to perform their respective obligations under the Borrower Loan Documents, the Funding Loan Documents and the Related Documents to which it is a party, or the financial condition, assets, properties or operations of the Borrower, Managing Member or Guarantor. None of Borrower, Managing Member or Guarantor are (a) in violation of any applicable law, which violation materially and adversely affects or may materially and adversely affect the business, operations, assets (including the Project), or condition (financial or otherwise) of Borrower, Managing Member or Guarantor, as applicable; (b) subject

to, or in default with respect to, any other Legal Requirement that would have a material adverse effect on the business, operations, assets (including the Project), or condition (financial or otherwise) of Borrower, Managing Member or Guarantor, as applicable; or (c) in default with respect to any agreement to which Borrower, Managing Member or Guarantor, as applicable, are a party or by which they are bound, which default would have a material adverse effect on the business, operations, assets (including the Project), or condition (financial or otherwise) of Borrower, Managing Member or Guarantor, as applicable; and (d) there is no Legal Action pending or, to the knowledge of Borrower, threatened against or affecting Borrower, Managing Member or Guarantor questioning the validity or the enforceability of this Borrower Loan Agreement or any of the other Borrower Loan Documents or the Funding Loan Documents or of any of the Related Documents. All tax returns (federal, state and local) required to be filed by or on behalf of the Borrower have been filed, and all taxes shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Borrower in good faith, have been paid or adequate reserves have been made for the payment thereof which reserves, if any, are reflected in the audited financial statements described therein. The Borrower enjoys the peaceful and undisturbed possession of all of the premises upon which it is operating its facilities.

Section 4.1.5 Agreements; Consents; Approvals. Except as contemplated by the Borrower Loan Documents and the Funding Loan Documents, the Borrower is not a party to any agreement or instrument or subject to any restriction that would materially adversely affect the Borrower, the Project, or the Borrower's business, properties, operations or financial condition, except the Permitted Encumbrances. The Borrower is not in default in any material respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any Permitted Encumbrance or any other agreement or instrument to which it is a party or by which it or the Project is bound.

No consent or approval of any trustee or holder of any indebtedness of the Borrower, and to the best knowledge of the Borrower and only with respect to the Borrower, no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except no representation is made with respect to any state securities or "blue sky" laws) is necessary in connection with the execution and delivery of the Borrower Loan Documents or the Funding Loan Documents, or the consummation of any transaction herein or therein contemplated, or the fulfillment of or compliance with the terms and conditions hereof or thereof, except as have been obtained or made and as are in full force and effect.

Section 4.1.6 Title. The Borrower shall have marketable title to the Project, free and clear of all Liens except the Permitted Encumbrances. The Security Instrument, when properly recorded in the appropriate records, together with any UCC financing statements required to be filed in connection therewith, will create (i) a valid, perfected first priority lien on the fee (or leasehold, if applicable) interest in the Project and (ii) perfected security interests in and to, and perfected collateral assignments of, all of Borrower's right, title and interest in the personalty included in the Project (including the Leases), to the extent such personalty is the type in which a security interest may be perfected under the UCC by filing of a financing statement with the Secretary of State of the State, all in accordance with the terms thereof, in each case subject only to any applicable Permitted Encumbrances. To the Borrower's knowledge, there are no delinquent real property taxes or assessments, including water and sewer charges, with respect to the Project, nor are there any claims for payment for work, labor or materials affecting the Project which are or may become a Lien prior to, or of equal priority with, the Liens created by the Borrower Loan Documents and the Funding Loan Documents.

Section 4.1.7 Survey. To the best knowledge of the Borrower, the survey for the Project delivered to the Governmental Lender and the Funding Lender does not fail to reflect any material matter affecting the Project or the title thereto.

Section 4.1.8 No Bankruptcy Filing. The Borrower is not contemplating either the filing of a petition by it under any state or federal bankruptcy or insolvency law or the liquidation of all or a major portion of its property (a "Bankruptcy Proceeding"), and the Borrower has no knowledge of any Person contemplating the filing of any such petition against it. As of the Closing Date, the Borrower has the ability to pay its debts as they become due.

Section 4.1.9 Full and Accurate Disclosure. No statement of fact made by the Borrower in any Borrower Loan Document or any Funding Loan Document contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained therein in light of the circumstances in which they were made, not misleading. There is no material fact or circumstance presently known to the Borrower that has not been disclosed to the Governmental Lender and the Funding Lender which materially and adversely affects the Project or the business, operations or financial condition of the Borrower or the Borrower's ability to meet its obligations under this Borrower Loan Agreement and the other Borrower Loan Documents and Funding Loan Documents to which it is a party in a timely manner.

Section 4.1.10 No Plan Assets. The Borrower is not an "employee benefit plan," as defined in Section 3(3) of ERISA, subject to Title I of ERISA, and none of the assets of the Borrower constitutes or will constitute "plan assets" of one or more such plans within the meaning of 29 C.F.R. Section 2510.3-101.

Section 4.1.11 Compliance. The Borrower, the Project and the use thereof will comply, to the extent required, in all material respects with all applicable Legal Requirements. The Borrower is not in default or violation of any order, writ, injunction, decree or demand of any Governmental Authority, the violation of which would materially adversely affect the financial condition or the business of the Borrower. There has not been committed by the Borrower or any Borrower Affiliate involved with the operation or use of the Project any act or omission affording any Governmental Authority the right of forfeiture as against the Project or any part thereof or any moneys paid in performance of the Borrower's obligations under any Borrower Loan Document or any Funding Loan Document.

Section 4.1.12 Contracts. All service, maintenance or repair contracts affecting the Project have been entered into at arm's length (except for such contracts between the Borrower and its affiliates or the affiliates of the Borrower Controlling Entity of the Borrower) in the ordinary course of the Borrower's business and provide for the payment of fees in amounts and upon terms comparable to existing market rates.

Section 4.1.13 Financial Information. All financial data, including any statements of cash flow and income and operating expense, that have been delivered to the Governmental Lender or the Funding Lender in respect of the Project by or on behalf of the Borrower, to the best knowledge of the Borrower, (i) are accurate and complete in all material respects, (ii) accurately represent the financial condition of the Project as of the date of such reports, and (iii) to the extent prepared by an independent certified public accounting firm, have been prepared in accordance with GAAP consistently applied throughout the periods covered, except as disclosed therein. Other than pursuant to or permitted by the Borrower Loan Documents or the Funding Loan Documents or the Borrower organizational documents, the Borrower has no contingent liabilities, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments. Since the date of such financial statements, there has been no materially adverse change in the financial condition, operations or business of the Borrower from that set forth in said financial statements.

Section 4.1.14 Condemnation. No Condemnation or other proceeding has been commenced or, to the Borrower's knowledge, is contemplated, threatened or pending with respect to all or part of the Project or for the relocation of roadways providing access to the Project.

Section 4.1.15 Federal Reserve Regulations. No part of the proceeds of the Borrower Loan will be used for the purpose of purchasing or acquiring any "margin stock" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or for any other purpose that would be inconsistent with such Regulation U or any other regulation of such Board of Governors, or for any purpose prohibited by Legal Requirements or any Borrower Loan Document or Funding Loan Document.

Section 4.1.16 Utilities and Public Access. To the best of the Borrower's knowledge, the Project is or will be served by water, sewer, sanitary sewer and storm drain facilities adequate to service it for its intended uses. All public utilities necessary or convenient to the full use and enjoyment of the Project are or will be located in the public right-of-way abutting the Project, and all such utilities are or will be connected so as to serve the Project without passing over other property absent a valid easement. All roads necessary for the use of the Project for its current purpose have been or will be completed and dedicated to public use and accepted by all Governmental Authorities. Except for Permitted Encumbrances, the Project does not share ingress and egress through an easement or private road or share on-site or off-site recreational facilities and amenities that are not located on the Project and under the exclusive control of the Borrower, or where there is shared ingress and egress or amenities, there exists an easement or joint use and maintenance agreement under which (i) access to and use and enjoyment of the easement or private road and/or recreational facilities and amenities is perpetual, (ii) the number of parties sharing such easement and/or recreational facilities and amenities must be specified, (iii) the Borrower's responsibilities and share of expenses are specified, and (iv) the failure to pay any maintenance fee with respect to an easement will not result in a loss of usage of the easement.

Section 4.1.17 Not a Foreign Person. The Borrower is not a "foreign person" within the meaning of §1445(f)(3) of the Code.

Section 4.1.18 Separate Lots. Each parcel comprising the Land is a separate tax lot and is not a portion of any other tax lot that is not a part of the Land.

Section 4.1.19 Assessments. There are no pending or, to the Borrower's best knowledge, proposed special or other assessments for public improvements or otherwise affecting the Project, or any contemplated improvements to the Project that may result in such special or other assessments.

Section 4.1.20 Enforceability. The Borrower Loan Documents and the Funding Loan Documents are not subject to, and the Borrower has not asserted, any right of rescission, set-off, counterclaim or defense, including the defense of usury.

Section 4.1.21 Insurance. The Borrower has obtained the insurance required by this Borrower Loan Agreement, if applicable, and the Security Instrument and has delivered to the Servicer copies of insurance policies or certificates of insurance reflecting the insurance coverages, amounts and other requirements set forth in this Borrower Loan Agreement, if applicable, and the Security Instrument.

Section 4.1.22 Use of Property; Licenses. The Project will be used exclusively as a multifamily residential rental project and other appurtenant and related uses, which use is consistent with the applicable zoning classification for the Project, if any. All certifications, permits, licenses and approvals, including certificates of completion and occupancy permits required for the legal use or legal, nonconforming use, as applicable, occupancy and operation of the Project (collectively, the "Licenses") required at this time for the construction or rehabilitation, as appropriate, and equipping of the Project have been obtained. To the Borrower's knowledge, all Licenses obtained by the Borrower have been validly issued and are in full force and effect. The Borrower has no reason to believe that any of the Licenses required for the future use and occupancy of the Project and not heretofore obtained by the Borrower will not be obtained by the Borrower in the ordinary course following the Completion Date. No Licenses will

terminate, or become void or voidable or terminable, upon any sale, transfer or other disposition of the Project, including any transfer pursuant to foreclosure sale under the Security Instrument or deed in lieu of foreclosure thereunder. The Project does not violate any density or building setback requirements of the applicable zoning law except to the extent, if any, shown on the survey. No proceedings are, to the best of the Borrower's knowledge, pending or threatened that would result in a change of the zoning of the Project.

Section 4.1.23 Flood Zone. On the Closing Date, no structure on the Land lies or is located in an identifiable or designated Special Flood Hazard Area. Subsequent to the Closing Date, if the Land is determined to be in a Special Flood Hazard Area, Borrower will obtain appropriate flood insurance as required under the National Flood Insurance Act of 1968, Flood Disaster Protection Act of 1973, or the National Flood Insurance Reform Act of 1994 as amended or as required by the Servicer pursuant to its underwriting guidelines.

Section 4.1.24 Physical Condition. The Project, including all Improvements, parking facilities, systems, fixtures, Equipment and landscaping, are or, after completion of the construction, rehabilitation and/or repairs, as appropriate, will be in good and habitable condition in all material respects and in good order and repair in all material respects (reasonable wear and tear excepted). The Borrower has not received notice from any insurance company or bonding company of any defect or inadequacy in the Project, or any part thereof, which would adversely affect its insurability or cause the imposition of extraordinary premiums or charges thereon or any termination of any policy of insurance or bond. The physical configuration of the Project is not in material violation of the ADA, if required under applicable law.

Section 4.1.25 Encroachments. All of the Improvements included in determining the appraised value of the Project will lie wholly within the boundaries and building restriction lines of the Project, and no improvement on an adjoining property encroaches upon the Project, and no easement or other encumbrance upon the Project encroaches upon any of the Improvements, so as to affect the value or marketability of the Project, except those insured against by the Title Insurance Policy or disclosed in the survey of the Project as approved by the Servicer.

Section 4.1.26 State Law Requirements. The Borrower hereby represents, covenants and agrees to comply with the provisions of all applicable state laws relating to the Borrower Loan, the Governmental Lender Notes and the Project.

Section 4.1.27 Filing and Recording Taxes. All transfer taxes, deed stamps, intangible taxes or other amounts in the nature of transfer taxes required to be paid by any Person under applicable Legal Requirements in connection with the transfer of the Project to the Borrower have been paid. All mortgage, mortgage recording, stamp, intangible or other similar taxes required to be paid by any Person under applicable Legal Requirements in connection with the execution, delivery, recordation, filing, registration, perfection or enforcement of any of the Borrower Loan Documents and the Funding Loan Documents have been or will be paid.

Section 4.1.28 Investment Company Act. The Borrower is not (i) an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended; or (ii) a "holding company" or a "subsidiary company" of a "holding company" or an "affiliate" of either a "holding company" or a "subsidiary company" within the meaning of the Public Utility Holding Company Act of 1935, as amended.

Section 4.1.29 Fraudulent Transfer. The Borrower has not accepted the Borrower Loan or entered into any Borrower Loan Document or Funding Loan Document with the actual intent to hinder, delay or defraud any creditor, and the Borrower has received reasonably equivalent value in exchange for

its obligations under the Borrower Loan Documents and the Funding Loan Documents. Giving effect to the transactions contemplated by the Borrower Loan Documents and the Funding Loan Documents, the fair saleable value of the Borrower's assets exceeds and will, immediately following the execution and delivery of the Borrower Loan Documents and the Funding Loan Documents, exceed the Borrower's total liabilities, including subordinated, unliquidated, disputed or contingent liabilities. The fair saleable value of the Borrower's assets is and will, immediately following the execution and delivery of the Borrower Loan Documents and the Funding Loan Documents, be greater than the Borrower's probable liabilities, including the maximum amount of its contingent liabilities or its debts as such debts become absolute and matured. The Borrower's assets do not and, immediately following the execution and delivery of the Borrower Loan Documents and the Funding Loan Documents will not, constitute unreasonably small capital to carry out its business as conducted or as proposed to be conducted. The Borrower does not intend to, and does not believe that it will, incur debts and liabilities (including contingent liabilities and other commitments) beyond its ability to pay such debts as they mature (taking into account the timing and amounts to be payable on or in respect of obligations of the Borrower).

Section 4.1.30 Ownership of the Borrower. Except as set forth in the Operating Agreement of the Borrower, the Borrower has no obligation to any Person to purchase, repurchase or issue any ownership interest in it.

Section 4.1.31 Environmental Matters. To the best of Borrower's knowledge, the Project is not in violation of any Legal Requirement pertaining to or imposing liability or standards of conduct concerning environmental regulation, contamination or clean-up, and will comply with covenants and requirements relating to environmental hazards as set forth in the Security Instrument. The Borrower will execute and deliver the Agreement of Environmental Indemnification.

Section 4.1.32 Name; Principal Place of Business. Unless prior Written Notice is given to the Funding Lender, the Borrower does not use and will not use any trade name, and has not done and will not do business under any name other than its actual name set forth herein. The principal place of business of the Borrower is its primary address for notices as set forth in Section 10.1 hereof, and the Borrower has no other place of business, other than the Project and such principal place of business.

Section 4.1.33 Subordinated Debt. There is no secured or unsecured indebtedness with respect to the Project or any residual interest therein, other than Permitted Encumbrances and the permitted indebtedness described in Section 6.7 hereof, except an unsecured deferred developer fee not to exceed the amount permitted by Funding Lender as determined on the Closing Date and unsecured, subordinate partner loans to the Borrower permitted or required under the terms of the Operating Agreement.

Section 4.1.34 Filing of Taxes. The Borrower has filed (or has obtained effective extensions for filing) all federal, state and local tax returns required to be filed and has paid or made adequate provision for the payment of all federal, state and local taxes, charges and assessments, if any, payable by the Borrower.

Section 4.1.35 General Tax. All representations, warranties and certifications of the Borrower set forth in the Regulatory Agreement and the Tax Certificate and Agreement are incorporated by reference herein and the Borrower will comply with such as if set forth herein. As of the Closing Date, the Borrower is in compliance with all requirements of the Tax Certificate and Agreement, and the representations set forth in the Tax Certificate and Agreement are true and accurate.

Section 4.1.36 Approval of the Borrower Loan Documents and Funding Loan Documents. By its execution and delivery of this Borrower Loan Agreement, the Borrower approves the form and substance of the Borrower Loan Documents and the Funding Loan Documents, and agrees to

carry out the responsibilities and duties specified in the Borrower Loan Documents and the Funding Loan Documents to be carried out by the Borrower. The Borrower acknowledges that (a) it understands the nature and structure of the transactions relating to the financing of the Project, (b) it is familiar with the provisions of all of the Borrower Loan Documents and the Funding Loan Documents and other documents and instruments relating to the financing, (c) it understands the risks inherent in such transactions, including without limitation the risk of loss of the Project, and (d) it has not relied on the Governmental Lender, the Funding Lender, the Fiscal Agent or the Servicer for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by the Borrower Loan Documents and the Funding Loan Documents or otherwise relied on the Governmental Lender, the Funding Lender, the Fiscal Agent or the Servicer in any manner.

Section 4.1.37 Funding Loan Agreement. The Borrower has read and accepts and agrees that it is bound by the Funding Loan Agreement and the Funding Loan Documents.

Section 4.1.38 Americans with Disabilities Act. The Project, as designed, will conform in all material respects with all applicable zoning, planning, building and environmental laws, ordinances and regulations of governmental authorities having jurisdiction over the Project, including, but not limited to, the Americans with Disabilities Act of 1990 ("ADA"), to the extent required (as evidenced by an architect's certificate to such effect).

Section 4.1.39 Requirements of Act, Code and Regulations. The Project satisfies all requirements of the Act, the Code and the Regulations applicable to the Project.

Section 4.1.40 Regulatory Agreement. In order to maintain the exclusion from gross income for federal income tax purposes of interest on the Governmental Lender Notes and to ensure compliance with the Act and other laws of the State, and certain additional requirements of the Governmental Lender, the Borrower has, concurrently with or before the issuance of the Governmental Lender Notes, executed and delivered and will cause to be recorded in the official records of Travis County, Texas, the Regulatory Agreement. The Borrower is in compliance with all requirements of the Regulatory Agreement, and the representations set forth in the Regulatory Agreement pertaining to the Borrower and the Project are true and accurate. The Borrower intends to cause the Units in the Project to be rented or available for rental on a basis which satisfies the requirements of the Regulatory Agreement, including all applicable requirements of the Act and the Code, and pursuant to leases which comply with all applicable laws and the Regulatory Agreement.

Section 4.1.41 Intention to Hold Project. The Borrower intends to hold the Project for its own account and, other than as may be set forth in the Ground Lease and the Operating Agreement, has no current plans, and has not entered into any agreement, to sell the Project or any part of it; and the Borrower intends to occupy the Project or cause the Project to be occupied and to operate it or cause it to be operated at all times during the term of this Borrower Loan Agreement in compliance with the terms of this Borrower Loan Agreement and the Regulatory Agreement and does not know of any reason why the Project will not be so used by it in the absence of circumstances not now anticipated by it or totally beyond its control.

Section 4.1.42 Concerning Managing Member.

(a) The Managing Member is a limited liability company, duly organized and validly existing and in good standing under the laws of the State. The Managing Member has all requisite power and authority, rights and franchises to enter into and perform its obligations under the Borrower Loan Documents and the Funding Loan Documents to be executed by such Managing Member for its own

account and on behalf of Borrower, as Managing Member of Borrower, under this Borrower Loan Agreement and the other Borrower Loan Documents and the Funding Loan Documents.

(b) Managing Member has made all filings (including, without limitation, all required filings related to the use of fictitious business names) and is in good standing in the State and in each other jurisdiction in which the character of the property it owns or the nature of the business it transacts makes such filings necessary or where the failure to make such filings could have a material adverse effect on the business, operations, assets, condition (financial or otherwise) or prospects of Managing Member.

(c) Managing Member is duly authorized to do business in the State.

(d) The execution, delivery and performance by Borrower of the Borrower Loan Documents and the Funding Loan Documents have been duly authorized by all necessary action of Managing Member on behalf of Borrower, and by all necessary action on behalf of Managing Member.

(e) The execution, delivery and performance by Managing Member, on behalf of Borrower, of the Borrower Loan Documents and the Funding Loan Documents will not violate (i) Managing Member's organizational documents; (ii) any other Legal Requirement affecting Managing Member or any of its properties; or (iii) any agreement to which Managing Member is bound or to which it is a party; and will not result in or require the creation (except as provided in or contemplated by this Borrower Loan Agreement) of any Lien upon any of such properties, any of the Collateral or any of the property or funds pledged or delivered to Funding Lender pursuant to the Security Documents.

Section 4.1.43 Government and Private Approvals. All governmental or regulatory orders, consents, permits, authorizations and approvals required for the construction, rehabilitation, use, occupancy and operation of the Improvements, that may be granted or denied in the discretion of any Governmental Authority, have been obtained and are in full force and effect (or, in the case of any of the foregoing that Borrower is not required to have as of the Closing Date, will be obtained), and will be maintained in full force and effect at all times during the construction or rehabilitation of the Improvements. All such orders, consents, permits, authorizations and approvals that may not be denied in the discretion of any Governmental Authority shall be obtained prior to the commencement of any work for which such orders, consents, permits, authorizations or approvals are required, and, once obtained, such orders, consents, permits, authorizations and approvals will be maintained in full force and effect at all times during the construction or rehabilitation of the Improvements. Except as set forth in the preceding two sentences, no additional governmental or regulatory actions, filings or registrations with respect to the Improvements, and no approvals, authorizations or consents of any trustee or holder of any indebtedness or obligation of Borrower, are required for the due execution, delivery and performance by Borrower or Managing Member of any of the Borrower Loan Documents or the Funding Loan Documents or the Related Documents executed by Borrower or Managing Member, as applicable. All required zoning approvals have been obtained, and the zoning of the Land for the Project is not conditional upon the happening of any further event.

Section 4.1.44 Concerning Guarantor. The Borrower Loan Documents and the Funding Loan Documents to which the Guarantor is a party or a signatory executed simultaneously with this Borrower Loan Agreement have been duly executed and delivered by Guarantor and are legally valid and binding obligations of Guarantor, enforceable against Guarantor in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

Section 4.1.45 No Material Defaults. Except as previously disclosed to Funding Lender in writing, there exists no material violation of or material default by Borrower under, and, to the best

knowledge of Borrower, no event has occurred which, upon the giving of notice or the passage of time, or both, would constitute a material default with respect to: (i) the terms of any instrument evidencing, securing or guaranteeing any indebtedness secured by the Project or any portion or interest thereof or therein; (ii) any lease or other agreement affecting the Project or to which Borrower is a party; (iii) any license, permit, statute, ordinance, law, judgment, order, writ, injunction, decree, rule or regulation of any Governmental Authority, or any determination or award of any arbitrator to which Borrower or the Project may be bound; or (iv) any mortgage, instrument, agreement or document by which Borrower or any of its respective properties is bound; in the case of any of the foregoing: (1) which involves any Borrower Loan Document or Funding Loan Document; (2) which involves the Project and is not adequately covered by insurance; (3) that might materially and adversely affect the ability of Borrower, Managing Member or Guarantor or to perform any of its respective obligations under any of the Borrower Loan Documents or the Funding Loan Documents or any other material instrument, agreement or document to which it is a party; or (4) which might adversely affect the priority of the Liens created by this Borrower Loan Agreement or any of the Borrower Loan Documents or the Funding Loan Documents.

Section 4.1.46 Payment of Taxes. Except as previously disclosed to Funding Lender in writing: (i) all tax returns and reports of Borrower, Managing Member and Guarantor required to be filed have been timely filed, and all taxes, assessments, fees and other governmental charges upon Borrower, Managing Member and Guarantor, and upon their respective properties, assets, income and franchises, which are due and payable have been paid when due and payable; and (ii) Borrower knows of no proposed tax assessment against it or against Managing Member or Guarantor that would be material to the condition (financial or otherwise) of Borrower, Managing Member or Guarantor, and neither Borrower nor Managing Member has contracted with any Governmental Authority in connection with such taxes.

Section 4.1.47 Rights to Project Agreements and Licenses. Borrower is the legal and beneficial owner of all rights in and to the Plans and Specifications and all existing Project Agreements and Licenses, and will be the legal and beneficial owner of all rights in and to all future Project Agreements and Licenses except as pledged in the Borrower Loan Documents. Borrower's interest in the Plans and Specifications and all Project Agreements and Licenses is not subject to any present claim (other than under the Borrower Loan Documents and the Funding Loan Documents or as otherwise approved by Funding Lender in its sole discretion), set-off or deduction other than in the ordinary course of business.

Section 4.1.48 Patriot Act Compliance. Borrower is not now, nor has ever been (i) listed on any Government Lists (as defined below), (ii) a person who has been determined by a Governmental Authority to be subject to the prohibitions contained in Presidential Executive Order No. 13224 (Sept. 23, 2001) or any other similar prohibitions contained in the rules and regulations of OFAC or in any enabling legislation or other Presidential Executive Orders in respect thereof, (iii) indicted for or convicted of any felony involving a crime or crimes of moral turpitude or for any Patriot Act Offense, or (iv) under investigation by any Governmental Authority for alleged criminal activity. For purposes hereof, the term "Patriot Act Offense" shall mean any violation of the criminal laws of the United States of America or of any of the several states, or that would be a criminal violation if committed within the jurisdiction of the United States of America or any of the several states, relating to terrorism or the laundering of monetary instruments, including any offense under (A) the criminal laws against terrorism; (B) the criminal laws against money laundering, (C) Bank Representative Secrecy Act, as amended, (D) the Money Laundering Control Act of 1986, as amended, or (E) the Patriot Act. "Patriot Act Offense" also includes the crimes of conspiracy to commit, or aiding and abetting another to commit, a Patriot Act Offense. For purposes hereof, the term "Government Lists" shall mean (1) the Specially Designated Nationals and Blocked Persons Lists maintained by the Office of Foreign Assets Control ("OFAC"), (2) any other list of terrorists, terrorist organizations or narcotics traffickers maintained pursuant to any of the Rules and Regulations of OFAC that Funding Lender notified Borrower in writing is now included in "Government Lists", or (3) any similar lists maintained by the United States Department of State, the United States Department of Commerce or

any other Governmental Authority or pursuant to any Executive Order of the President of the United States of America that Funding Lender notified Borrower in writing is now included in "Government Lists".

Section 4.1.49 Rent Schedule. Borrower has prepared a prospective Unit absorption and rent collection schedule with respect to the Project substantially in the form attached as an exhibit to the Construction Funding Agreement, which schedule takes into account, among other relevant factors (i) a schedule of minimum monthly rentals for the Units, and (ii) any and all concessions including free rent periods, and on the basis of such schedule, Borrower believes it will collect rents with respect to the Project in amounts greater than or equal to debt service on the Borrower Loan.

Section 4.1.50 Other Documents. Each of the representations and warranties of Borrower or Managing Member contained in any of the other Borrower Loan Documents or the Funding Loan Documents or Related Documents is true and correct in all material respects (or, in the case of representations or warranties contained in any of the other Borrower Loan Documents or Funding Loan Documents or Related Documents that speak as of a particular date, were true and correct in all material respects as of such date). All of such representations and warranties are incorporated herein for the benefit of Funding Lender.

Section 4.1.51 Subordinate Loan Documents. The Subordinate Loan Documents are in full force and effect and the Borrower has paid all commitment fees and other amounts due and payable to the Subordinate Lender(s) thereunder. There exists no material violation of or material default by the Borrower under, and no event has occurred which, upon the giving of notice or the passage of time, or both, would constitute a material default under the Subordinate Loan Documents.

Section 4.1.52. Ground Lease. The Ground Lease is in full force and effect and the Borrower has paid all rent and other amounts due and payable to the ground lessor thereunder. There exists no material violation of or material default by the Borrower under the Ground Lease, and no event has occurred which, upon the giving of notice or the passage of time, or both, would constitute a material default by any other party under the Ground Lease. Without the Funding Lender's prior written consent, the Borrower will not surrender, terminate, cancel, modify, change, supplement, alter, amend, waive, release, assign, transfer, pledge or hypothecate any of its rights or remedies under the Ground Lease.

Section 4.1.52 *Section 4.1.53. Reserved.*

Section 4.1.53 Revenue Sufficient. The Borrower certifies, based upon the pro forma budget, that the revenues from the Project are projected to be sufficient to pay the principal of, premium, if any, and interest on the Governmental Lender Notes and all other obligations under the documents to which the Borrower is a party and that the Borrower has not incurred any indebtedness for borrowed money (other than in the ordinary course of business) other than under this Borrower Loan Agreement and the Security Instrument.

Section 4.1.54 Location of Project. The Project is located entirely inside the County.

Section 4.2. Survival of Representations and Covenants. All of the representations and warranties in Section 4.1 hereof and elsewhere in the Borrower Loan Documents (i) shall survive for so long as any portion of the Borrower Payment Obligations remains due and owing and (ii) shall be deemed to have been relied upon by the Governmental Lender and the Servicer notwithstanding any investigation heretofore or hereafter made by the Governmental Lender or the Servicer or on its or their behalf, provided, however, that the representations, warranties and covenants set forth in Section 4.1.31 hereof shall survive in perpetuity and shall not be subject to the exculpation provisions of Section 11.1 hereof.

ARTICLE V

AFFIRMATIVE COVENANTS

During the term of this Borrower Loan Agreement, the Borrower hereby covenants and agrees with the Governmental Lender, the Funding Lender and the Servicer that:

Section 5.1. Existence. The Borrower shall (i) do or cause to be done all things necessary to preserve, renew and keep in full force and effect its existence and its material rights, and franchises, (ii) continue to engage in the business presently conducted by it, (iii) obtain and maintain all material Licenses, and (iv) qualify to do business and remain in good standing under the laws of the State.

Section 5.2. Taxes and Other Charges. The Borrower shall pay all Taxes and Other Charges as the same become due and payable and prior to their becoming delinquent in accordance with the Security Instrument, except to the extent that the amount, validity or application thereof is being contested in good faith as permitted by the Security Instrument.

The Borrower covenants to pay all Taxes and Other Charges of any type or character charged to the Funding Lender affecting the amount available to the Funding Lender from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including Taxes and Other Charges assessed or levied by any public agency or governmental authority of whatsoever character having power to levy Taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Funding Lender and taxes based upon or measured by the net income of the Funding Lender; provided, however, that the Borrower shall have the right to protest any such Taxes or Other Charges and to require the Funding Lender, at the Borrower's expense, to protest and contest any such Taxes or Other Charges levied upon them and that the Borrower shall have the right to withhold payment of any such Taxes or Other Charges pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Funding Lender. This obligation shall remain valid and in effect notwithstanding repayment of the Borrower Loan hereunder or termination of this Borrower Loan Agreement.

Section 5.3. Repairs; Maintenance and Compliance; Physical Condition. The Borrower shall cause the Project to be maintained in a good, habitable and safe (so as to not threaten the health or safety of the Project's tenants or their invited guests) condition and repair (reasonable wear and tear excepted) as set forth in the Security Instrument and shall not remove, demolish or materially alter the Improvements or Equipment (except for removal of aging or obsolete equipment or furnishings in the normal course of business), except as provided in the Security Instrument.

Section 5.4. Litigation. The Borrower shall give prompt Written Notice to the Governmental Lender, the Funding Lender and the Servicer of any litigation, governmental proceedings or claims or investigations regarding an alleged actual violation of a Legal Requirement pending or, to the Borrower's knowledge, threatened against the Borrower which might materially adversely affect the Borrower's condition (financial or otherwise) or business or the Project.

Section 5.5. Performance of Other Agreements. The Borrower shall observe and perform in all material respects each and every term to be observed or performed by it pursuant to the terms of any agreement or instrument affecting or pertaining to the Project.

Section 5.6. Notices. The Borrower shall promptly advise the Governmental Lender, the Funding Lender and the Servicer of (i) any Material Adverse Change in the Borrower's financial condition, assets, properties or operations other than general changes in the real estate market, (ii) any fact or

circumstance affecting the Borrower or the Project that materially and adversely affects the Borrower's ability to meet its obligations hereunder or under any of the other Borrower Loan Document to which it is a party in a timely manner, or (iii) the occurrence of any Potential Default or Event of Default of which the Borrower has knowledge. If the Borrower becomes subject to federal or state securities law filing requirements, the Borrower shall cause to be delivered to the Governmental Lender, the Funding Lender and the Servicer any Securities and Exchange Commission or other public filings, if any, of the Borrower within two (2) Business Days of such filing.

Section 5.7. Cooperate in Legal Proceedings. The Borrower shall cooperate fully with the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer with respect to, and permit the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer at their option, to participate in, any proceedings before any Governmental Authority that may in any way affect the rights of the Governmental Lender, the Funding Lender, the Fiscal Agent and/or the Servicer under any Borrower Loan Document or Funding Loan Document.

Section 5.8. Further Assurances. The Borrower shall, at the Borrower's sole cost and expense (except as provided in Section 9.1 hereof), (i) furnish to the Servicer, the Fiscal Agent and the Funding Lender all instruments, documents, boundary surveys, footing or foundation surveys (to the extent that Borrower's construction or renovation of the Project alters any existing building foundations or footprints), certificates, plans and specifications, appraisals, title and other insurance reports and agreements, reasonably requested in writing by the Servicer, the Fiscal Agent or the Funding Lender for the better and more efficient carrying out of the intents and purposes of the Borrower Loan Documents and the Funding Loan Documents; (ii) execute and deliver to the Servicer and the Funding Lender such documents, instruments, certificates, assignments and other writings, and do such other acts necessary or desirable, to evidence, preserve and/or protect the collateral at any time securing or intended to secure the Borrower Loan, as the Servicer, the Fiscal Agent and the Funding Lender may reasonably require in writing from time to time; (iii) do and execute all and such further lawful and reasonable acts, conveyances and assurances for the better and more effective carrying out of the intents and purposes of the Borrower Loan Documents and the Funding Loan Documents, as the Servicer, the Fiscal Agent or the Funding Lender shall reasonably require in writing from time to time; provided, however, with respect to clauses (i)-(iii) above, the Borrower shall not be required to do anything that has the effect of (A) changing the essential economic terms of the Borrower Loan or (B) imposing upon the Borrower greater personal liability under the Borrower Loan Documents and the Funding Loan Documents; and (iv) upon the Servicer's, the Fiscal Agent's or the Funding Lender's request therefor given from time to time after the occurrence of any Potential Default or Event of Default for so long as such Potential Default or Event of Default, as applicable, is continuing pay for (a) reports of UCC, federal tax lien, state tax lien, judgment and pending litigation searches with respect to the Borrower and (b) searches of title to the Project, each such search to be conducted by search firms reasonably designated by the Servicer, the Fiscal Agent or the Funding Lender in each of the locations reasonably designated by the Servicer, the Fiscal Agent or the Funding Lender.

Section 5.9. Delivery of Financial Information. After written notice to the Borrower of a Secondary Market Disclosure Document, the Borrower shall, concurrently with any delivery to the Funding Lender or the Servicer, deliver copies of all financial information required under Article IX.

Section 5.10. Environmental Matters. So long as the Borrower owns or is in possession of the Project, the Borrower shall (a) keep the Project in substantial compliance with all Hazardous Materials Laws (as defined in the Security Instrument), (b) promptly notify the Funding Lender, the Fiscal Agent, the Governmental Lender and the Servicer if the Borrower shall become aware that any Hazardous Materials (as defined in the Security Instrument) are on or near the Project in violation of Hazardous Materials Laws, and (c) commence and thereafter diligently prosecute to completion all remedial work necessary with

respect to the Project required under any Hazardous Material Laws, in each case as set forth in the Security Instrument or the Agreement of Environmental Indemnification.

Section 5.11. Governmental Lender's, Fiscal Agent's and Funding Lender's Fees. The Borrower covenants to pay the reasonable fees and expenses of the Governmental Lender (including the Governmental Lender Fee), the Fiscal Agent, the Funding Lender or any agents, attorneys, accountants, consultants selected by the Governmental Lender, the Fiscal Agent, the Funding Lender or the Funding Lender to act on its behalf in connection with this Borrower Loan Agreement and the other Borrower Loan Documents, the Regulatory Agreement and the Funding Loan Documents, including, without limitation, any and all reasonable expenses incurred in connection with the making of the Borrower Loan or in connection with any litigation which may at any time be instituted involving the Borrower Loan, this Borrower Loan Agreement, the other Borrower Loan Documents, the Regulatory Agreement and the Funding Loan Documents or any of the other documents contemplated thereby, or in connection with the reasonable supervision or inspection of the Borrower, its properties, assets or operations or otherwise in connection with the administration of the foregoing. This obligation shall remain valid and in effect notwithstanding repayment of the Borrower Loan hereunder or termination of this Borrower Loan Agreement.

Section 5.12. Estoppel Statement. The Borrower shall furnish to the Funding Lender, the Fiscal Agent or the Servicer for the benefit of the Funding Lender or the Servicer within ten (10) days after written request by the Funding Lender and the Servicer, with a statement, duly acknowledged and certified, setting forth (i) the unpaid principal of the Borrower Notes (subject to Section 2.7), (ii) the applicable Interest Rate, (iii) the date installments of interest and/or principal were last paid, (iv) any offsets or defenses to the payment of the Borrower Payment Obligations, and (v) that the Borrower Loan Documents and the Funding Loan Documents to which the Borrower is a party are valid, legal and binding obligations of the Borrower and have not been modified or, if modified, giving particulars of such modification, and no Event of Default exists thereunder or specify any Event of Default that does exist thereunder. The Borrower shall use commercially reasonable efforts to furnish to the Funding Lender or the Servicer, within 30 days of a written request by the Funding Lender or Servicer, tenant estoppel certificates from each commercial tenant at the Project in form and substance reasonably satisfactory to the Funding Lender and the Servicer; provided that the Funding Lender and the Servicer shall not make such requests more frequently than twice in any year.

Section 5.13. Defense of Actions. The Borrower shall appear in and defend any action or proceeding purporting to affect the security for this Borrower Loan Agreement hereunder or under the Borrower Loan Documents and the Funding Loan Documents, and shall pay, in the manner required by Section 2.4 hereof, all costs and expenses, including the cost of evidence of title and attorneys' fees, in any such action or proceeding in which Funding Lender may appear. If the Borrower fails to perform any of the covenants or agreements contained in this Borrower Loan Agreement or any other Borrower Loan Document, or if any action or proceeding is commenced that is not diligently defended by the Borrower which affects the Funding Lender's interest in the Project or any part thereof, including eminent domain, code enforcement or proceedings of any nature whatsoever under any federal or state law, whether now existing or hereafter enacted or amended, then the Funding Lender may make such appearances, disburse such sums and take such action as the Funding Lender deems necessary or appropriate to protect its interests. Such actions include disbursement of attorneys' fees, entry upon the Project to make repairs or take other action to protect the security of the Project, and payment, purchase, contest or compromise of any encumbrance, charge or lien which in the judgment of Funding Lender appears to be prior or superior to the Borrower Loan Documents or the Funding Loan Documents. The Funding Lender shall have no obligation to do any of the above. The Funding Lender may take any such action without notice to or demand upon the Borrower. No such action shall release the Borrower from any obligation under this Borrower Loan Agreement or any of the other Borrower Loan Documents or Funding Loan Documents. In the event (i) that the Security Instrument is foreclosed in whole or in part or that any Borrower Loan

Document is put into the hands of an attorney for collection, suit, action or foreclosure, or (ii) of the foreclosure of any mortgage, deed of trust or deed to secure debt prior to or subsequent to the Security Instrument or any Borrower Loan Document in which proceeding the Funding Lender is made a party or (iii) of the bankruptcy of the Borrower or an assignment by the Borrower for the benefit of its creditors, the Borrower shall be chargeable with and agrees to pay all costs of collection and defense, including actual attorneys' fees in connection therewith and in connection with any appellate proceeding or post-judgment action involved therein, which shall be due and payable together with all required service or use taxes.

Section 5.14. Expenses. The Borrower shall pay all reasonable expenses incurred by the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer (except as provided in Section 9.1 hereof) in connection with the Borrower Loan and the Governmental Lender Notes, including reasonable fees and expenses of the Governmental Lender's, the Fiscal Agent's, the Funding Lender's and the Servicer's attorneys, environmental, engineering and other consultants, and fees, charges or taxes for the recording or filing of the Borrower Loan Documents and the Funding Loan Documents. The Borrower shall pay or cause to be paid all reasonable expenses of the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer (except as provided in Section 9.1 hereof) in connection with the issuance or administration of the Borrower Loan and the Governmental Lender Notes, including audit costs, inspection fees, settlement of condemnation and casualty awards, and premiums for title insurance and endorsements thereto. The Borrower shall, upon request, promptly reimburse the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer for all reasonable amounts expended, advanced or incurred by the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer to collect the Borrower Notes, or to enforce the rights of the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer under this Borrower Loan Agreement or any other Borrower Loan Document, or to defend or assert the rights and claims of the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer under the Borrower Loan Documents and the Funding Loan Documents arising out of an Event of Default or with respect to the Project (by litigation or other proceedings) arising out of an Event of Default, which amounts will include all court costs, attorneys' fees and expenses, fees of auditors and accountants, and investigation expenses as may be reasonably incurred by the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer in connection with any such matters (whether or not litigation is instituted), together with interest at the Default Rate on each such amount from the Date of Disbursement until the date of reimbursement to the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer, all of which shall constitute part of the Borrower Loan and the Governmental Lender Notes and shall be secured by the Borrower Loan Documents and the Funding Loan Documents. The obligations and liabilities of the Borrower under this Section 5.14 shall survive the Term of this Borrower Loan Agreement and the exercise by the Governmental Lender, the Governmental Lender Notes, the Fiscal Agent or the Servicer, as the case may be, of any of its rights or remedies under the Borrower Loan Documents and the Funding Loan Documents, including the acquisition of the Project by foreclosure or a conveyance in lieu of foreclosure. Notwithstanding the foregoing, the Borrower shall not be obligated to pay amounts incurred as a result of the gross negligence or willful misconduct of any other party, and any obligations of the Borrower to pay for environmental inspections or audits will be governed by Section 18(i) of the Security Instrument.

Section 5.15. Indemnity.

(a) Indemnification of the Governmental Lender and the County.

(i) TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE BORROWER COVENANTS AND AGREES TO PROTECT, INDEMNIFY AND SAVE THE GOVERNMENTAL LENDER, THE COUNTY AND THEIR RESPECTIVE DIRECTORS, OFFICERS, OFFICIALS, AGENTS OR EMPLOYEES (EACH, A "GOVERNMENTAL LENDER INDEMNIFIED PARTY") HARMLESS FROM AND AGAINST ALL LIABILITY,

LOSSES, DAMAGES, COSTS, EXPENSES (INCLUDING ATTORNEYS' FEES), TAXES, CAUSES OF ACTION, SUITS, CLAIMS, DEMANDS AND JUDGMENTS OF ANY NATURE OR FORM (THE "GOVERNMENTAL LENDER INDEMNITY LIABILITIES"), BY OR ON BEHALF OF ANY PERSON ARISING IN ANY MANNER FROM THE TRANSACTION OF WHICH THIS BORROWER LOAN AGREEMENT IS A PART OR ARISING IN ANY MANNER IN CONNECTION WITH THE MORTGAGED PROPERTY OR THE FINANCING OF THE MORTGAGED PROPERTY INCLUDING WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ARISING FROM (I) THE WORK DONE ON THE MORTGAGED PROPERTY OR THE OPERATION OF THE MORTGAGED PROPERTY DURING THE TERM OF THIS BORROWER LOAN AGREEMENT; (II) ANY BREACH OR DEFAULT ON THE PART OF THE BORROWER IN THE PERFORMANCE OF ANY OF ITS OBLIGATIONS UNDER THIS BORROWER LOAN AGREEMENT (OTHER THAN A FAILURE TO PAY THE PRINCIPAL OF, AND ANY INTEREST AND PREMIUM ON, THE BORROWER LOAN, THE FUNDING LOAN OR THE GOVERNMENTAL LENDER NOTES); (III) ANY CLAIM OR CAUSE OF ACTION AGAINST THE GOVERNMENTAL LENDER THAT SEEKS TO IMPOSE LIABILITY ON THE GOVERNMENTAL LENDER WITH RESPECT TO THE GOVERNMENTAL LENDER NOTES, THIS BORROWER LOAN AGREEMENT, THE REGULATORY AGREEMENT OR THE FUNDING LOAN AGREEMENT WHICH EXCEEDS THE LIABILITY OF THE GOVERNMENTAL LENDER AS SET FORTH IN SECTION 11.2 HEREOF; (IV) THE MORTGAGED PROPERTY OR ANY PART THEREOF; (V) ANY VIOLATION OF ANY CONTRACT, AGREEMENT OR RESTRICTION RELATING TO THE MORTGAGED PROPERTY EXCLUDING THE PAYMENT OF THE PRINCIPAL, PREMIUM, IF ANY, AND INTEREST ON THE GOVERNMENTAL LENDER NOTES, THE FUNDING LOAN OR THE BORROWER LOAN; OR (VI) ANY LIABILITY, VIOLATION OF LAW, ORDINANCE OR REGULATION AFFECTING THE MORTGAGED PROPERTY OR ANY PART THEREOF OR THE OWNERSHIP OR OCCUPANCY OR USE THEREOF. UPON NOTICE FROM ANY GOVERNMENTAL LENDER INDEMNIFIED PARTY, THE BORROWER SHALL DEFEND THE GOVERNMENTAL LENDER INDEMNIFIED PARTIES IN ANY ACTION OR PROCEEDING BROUGHT IN CONNECTION WITH ANY OF THE ABOVE, AND PROVIDE COMPETENT COUNSEL REASONABLY SATISFACTORY TO THE GOVERNMENTAL LENDER; PROVIDED, HOWEVER, THAT THE GOVERNMENTAL LENDER SHALL HAVE THE ABSOLUTE RIGHT TO EMPLOY SEPARATE COUNSEL IN ANY ACTION DESCRIBED IN THE PRECEDING SENTENCE AT THE EXPENSE OF THE BORROWER;

(ii) IT IS THE INTENTION OF THE PARTIES HERETO THAT THE GOVERNMENTAL LENDER INDEMNIFIED PARTIES SHALL NOT INCUR PECUNIARY LIABILITY BY REASON OF THE TERMS OF THIS BORROWER LOAN AGREEMENT OR BY REASON OF THE UNDERTAKINGS REQUIRED OF THE GOVERNMENTAL LENDER AND ITS DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES HEREUNDER IN CONNECTION WITH THE ISSUANCE OF THE GOVERNMENTAL LENDER NOTES, INCLUDING BUT NOT LIMITED TO THE EXECUTION AND DELIVERY OF THE FUNDING LOAN AGREEMENT, THIS BORROWER LOAN AGREEMENT, THE REGULATORY AGREEMENT, AND ALL OTHER INSTRUMENTS AND DOCUMENTS REQUIRED TO CLOSE THE TRANSACTION; THE PERFORMANCE OF ANY ACT REQUIRED OF THE GOVERNMENTAL LENDER INDEMNIFIED PARTIES, BY THIS BORROWER LOAN AGREEMENT; OR THE PERFORMANCE OF ANY ACT REQUESTED OF THE GOVERNMENTAL LENDER INDEMNIFIED PARTIES BY THE BORROWER OR IN ANY WAY ARISING FROM THE TRANSACTION OF WHICH THIS BORROWER LOAN AGREEMENT IS A PART OR ARISING IN ANY MANNER IN CONNECTION WITH THE MORTGAGED PROPERTY OR THE FINANCING OF THE MORTGAGED PROPERTY,

INCLUDING BUT NOT LIMITED TO THE EXECUTION AND DELIVERY OF THE FUNDING LOAN AGREEMENT, THIS BORROWER LOAN AGREEMENT, THE REGULATORY AGREEMENT AND ALL OTHER INSTRUMENTS AND DOCUMENTS REQUIRED TO CLOSE THE TRANSACTION. NEVERTHELESS, IF THE GOVERNMENTAL LENDER INDEMNIFIED PARTIES SHOULD INCUR ANY SUCH PECUNIARY LIABILITY WITH RESPECT TO EVENTS OCCURRING AFTER THE DATE HEREOF, THEN IN SUCH EVENT THE BORROWER SHALL INDEMNIFY AND HOLD THE GOVERNMENTAL LENDER INDEMNIFIED PARTIES HARMLESS AGAINST ALL CLAIMS BY OR ON BEHALF OF ANY PERSON, ARISING OUT OF THE SAME, AND ALL COSTS AND EXPENSES (INCLUDING WITHOUT LIMITATION REASONABLE FEES AND EXPENSES OF COUNSEL) INCURRED IN CONNECTION WITH ANY SUCH CLAIM OR IN CONNECTION WITH ANY ACTION OR PROCEEDING BROUGHT THEREON, AND UPON TIMELY NOTICE FROM THE GOVERNMENTAL LENDER THE BORROWER SHALL DEFEND THE GOVERNMENTAL LENDER INDEMNIFIED PARTIES IN ANY SUCH ACTION OR PROCEEDING, AND PROVIDE COUNSEL REASONABLY SATISFACTORY TO THE GOVERNMENTAL LENDER OR THE COUNTY AND THE BORROWER SHALL PAY THE GOVERNMENTAL LENDER'S OR THE COUNTY'S EXPENSES INCLUDING PAYMENT OF THE REASONABLE FEES AND EXPENSES OF THE COUNSEL USED BY THE GOVERNMENTAL LENDER OR THE COUNTY; PROVIDED, HOWEVER, THAT THE GOVERNMENTAL LENDER OR THE COUNTY SHALL HAVE THE RIGHT TO EMPLOY SEPARATE COUNSEL IN ANY ACTION DESCRIBED IN THE PRECEDING SENTENCE AT THE REASONABLE EXPENSE OF THE BORROWER; AND

(iii) NOTWITHSTANDING ANY PROVISION OF THIS SECTION 5.15(a) TO THE CONTRARY, THE GOVERNMENTAL LENDER INDEMNIFIED PARTIES SHALL BE INDEMNIFIED BY THE BORROWER WITH RESPECT TO LIABILITIES ARISING FROM THE GOVERNMENTAL LENDER'S OR THE COUNTY'S OWN, NEGLIGENCE OR BREACH OF CONTRACTUAL DUTY, BUT NOT FOR ANY LIABILITIES ARISING FROM THE GOVERNMENTAL LENDER'S OR THE COUNTY'S OWN BAD FAITH, FRAUD OR WILLFUL MISCONDUCT OR GROSS NEGLIGENCE.

The Borrower agrees to indemnify the Fiscal Agent for and to hold it harmless against all liabilities, claims, costs and expenses incurred, except in the case of gross negligence or willful misconduct on the part of the Fiscal Agent (such gross negligence or willful misconduct determined as finally adjudicated by a court of competent jurisdiction), on account of any action taken or omitted to be taken by the Fiscal Agent in accordance with the terms of the Governmental Lender Notes or the Funding Loan Documents arising out of or in connection with the administration of the trusts hereunder or any action taken at the request of or with the consent of the Borrower or Funding Lender, including the reasonable costs and expenses of the Fiscal Agent in defending itself against any such claim, action or proceeding brought in connection with the exercise or performance of any of its powers or duties under the Governmental Lender Notes or the Funding Loan Documents.

Notwithstanding anything else in this Borrower Loan Agreement to the contrary, except for the provisions of Section 5.15(a)(iii), the Borrower shall be responsible for the reasonable fees, costs and expenses of counsel to the Governmental Lender and Fiscal Agent at all times; provided that the Governmental Lender and Fiscal Agent maintain control of the selection of its counsel at all times.

This indemnification covenant shall survive repayment of the Borrower Loan, the Funding Loan and the Governmental Lender Notes.

(b) In addition to its other obligations hereunder, and in addition to any and all rights of reimbursement, indemnification, subrogation and other rights of Governmental Lender, the Fiscal Agent or Funding Lender pursuant hereto and under law or equity, to the fullest extent permitted by law, the Borrower agrees to indemnify, hold harmless and defend the Funding Lender, the Fiscal Agent, the Servicer, the Beneficiary Parties, Citigroup, Inc. and each of their respective officers, directors, employees, attorneys and agents (each an "Indemnified Party"), against any and all losses, damages, claims, actions, liabilities, reasonable costs and expenses of any nature, kind or character (including, without limitation, reasonable attorneys' fees, litigation and court costs, amounts paid in settlement (to the extent that the Borrower has consented to such settlement) and amounts paid to discharge judgments) (together with the Governmental Lender Indemnity Liabilities, the "Liabilities") 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, to the extent arising out of or based upon or in any way relating to:

(i) THE BORROWER LOAN DOCUMENTS AND THE FUNDING LOAN DOCUMENTS OR THE EXECUTION OR AMENDMENT THEREOF OR IN CONNECTION WITH TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING THE SALE, TRANSFER OR RESALE OF THE BORROWER LOAN OR THE GOVERNMENTAL LENDER NOTES, EXCEPT WITH RESPECT TO ANY SECONDARY MARKET DISCLOSURE DOCUMENT (OTHER THAN ANY BORROWER'S OBLIGATIONS UNDER ARTICLE IX);

(ii) ANY ACT OR OMISSION OF THE BORROWER OR ANY OF ITS AGENTS, CONTRACTORS, SERVANTS, EMPLOYEES OR LICENSEES IN CONNECTION WITH THE BORROWER LOAN, THE FUNDING LOAN, THE GOVERNMENTAL LENDER NOTES 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, CONSTRUCTION OR EQUIPPING OF, THE PROJECT OR ANY PART THEREOF;

(iii) Any lien (other than a Permitted Encumbrance) or charge upon payments by the Borrower to the Fiscal Agent or the Funding Lender hereunder, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and Other Charges imposed on the Governmental Lender, the Fiscal Agent or the Funding Lender in respect of any portion of the Project;

(iv) Any violation of any environmental law, rule or regulation with respect to, or the release of any toxic substance from, the Project or any part thereof during the period in which the Borrower is in possession or control of the Project;

(v) The enforcement of, or any action taken by the Fiscal Agent or the Funding Lender related to remedies under, this Borrower Loan Agreement and the other Borrower Loan Documents and the Funding Loan Documents;

(vi) Any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact by the Borrower made in the course of Borrower applying for the Borrower Loan, the Funding Loan or the Governmental Lender Notes or contained in any of the Borrower Loan Documents or Funding Loan Documents to which the Borrower is a party;

(vii) Any Determination of Taxability;

(viii) Any breach (or alleged breach) by Borrower of any representation, warranty or covenant made in or pursuant to this Borrower Loan Agreement or in connection with any written or oral representation, presentation, report, appraisal or other information given or delivered by Borrower, Managing Member, Guarantor or their Affiliates to the Funding Lender, the Fiscal Agent, the Servicer or any other Person in connection with Borrower's application for the Borrower Loan, the Funding Loan and the Governmental Lender Notes (including, without limitation, any breach or alleged breach by Borrower of any agreement with respect to the provision of any substitute credit enhancement);

(ix) any failure (or alleged failure) by Borrower or the Funding Lender to comply with applicable federal and state laws and regulations pertaining to the making of the Borrower Loan, the Funding Loan and the Governmental Lender Notes;

(x) the Project, or the condition, occupancy, use, possession, conduct or management of, or work done in or about, or from the planning, design, acquisition, installation, construction or rehabilitation of, the Project or any part thereof; or

(xi) the use of the proceeds of the Borrower Loan and the Governmental Lender Notes,

EXCEPT IN THE CASE OF THE FOREGOING INDEMNIFICATION OF THE FUNDING LENDER, THE FISCAL AGENT OR THE SERVICER OR ANY RELATED INDEMNIFIED PARTY, TO THE EXTENT SUCH DAMAGES ARE CAUSED BY THE GROSS NEGLIGENCE, FRAUD OR WILLFUL MISCONDUCT OF THE FUNDING LENDER, CITIGROUP, INC., THE FISCAL AGENT, THE SERVICER, OR SUCH INDEMNIFIED PARTY. Notwithstanding anything herein to the contrary, the Borrower's indemnification obligations to the parties specified in Section 9.1.4 hereof with respect to any securitization or Secondary Market Transaction described in Article IX hereof shall be limited to the indemnity set forth in Section 9.1.4 hereof. In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the Borrower, upon written notice from the Indemnified Party (which notice shall be timely given so as not to materially impair the Borrower's right to defend), shall assume the investigation and defense thereof, including the employment of counsel reasonably 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 the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement, which approval shall not be unreasonably withheld. 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. The Borrower shall pay the reasonable fees and expenses of such separate counsel; provided, however, that such Indemnified Party may only employ separate counsel at the expense of the Borrower if and only if in such Indemnified Party's good faith judgment (based on the advice of counsel) a conflict of interest exists or could arise by reason of common representation. IT IS THE INTENTION OF THE BORROWER THAT THE INDEMNITY CONTAINED HEREIN SHALL EXTEND TO LOSSES THAT ARE THE RESULT OF THE NEGLIGENCE OF AN INDEMNIFIED PARTY, excluding, however, any loss caused by an Indemnified Party's gross negligence or willful misconduct as provided herein.

Notwithstanding any transfer of the Project to another owner in accordance with the provisions of this Borrower Loan Agreement or the Regulatory Agreement, the Borrower shall remain obligated to indemnify the Governmental Lender, the County and each Indemnified Party pursuant to this Section 5.15 if such subsequent owner fails to indemnify any party entitled to be indemnified hereunder, unless the Governmental Lender, the Fiscal Agent, the Funding Lender and, if required, the County, have consented to such transfer and to the assignment of the rights and obligations of the Borrower hereunder.

The rights of any persons to indemnity hereunder shall survive the final payment or defeasance of the Borrower Loan and the Governmental Lender Notes and in the case of the Servicer and the Fiscal Agent, any resignation or removal. The provisions of this Section 5.15 shall survive the termination of this Borrower Loan Agreement.

Section 5.16. No Warranty of Condition or Suitability by the Governmental Lender. THE GOVERNMENTAL LENDER MAKES NO WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE MORTGAGED PROPERTY OR ANY PORTION THEREOF, INCLUDING WITHOUT LIMITATION, THE HABITABILITY THEREOF; THE MERCHANTABILITY OR FITNESS THEREOF FOR ANY PARTICULAR PURPOSES; THE DESIGN OR CONDITION THEREOF; THE WORKMANSHIP, QUALITY, OR CAPACITY THEREOF; LATENT DEFECTS THEREIN; THE VALUE THEREOF; FUTURE PERFORMANCE OR THE COMPLIANCE THEREOF WITH ANY LEGAL REQUIREMENTS.

Section 5.17. Right of Access to the Project. The Borrower agrees that the Governmental Lender, the Funding Lender, the Fiscal Agent, the Servicer and the Construction Consultant, and their duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right, but no obligation at all reasonable times during business hours and upon reasonable written notice, to enter onto the Land (a) to examine, test and inspect the Project without material interference or prejudice to the Borrower's operations and (b) to perform such work in and about the Project made necessary by reason of the Borrower's default under any of the provisions of this Borrower Loan Agreement. The Governmental Lender, the Funding Lender, the Fiscal Agent, the Servicer, and their duly authorized agents, attorneys, accountants and representatives shall also be permitted, without any obligation to do so, at all reasonable times and upon reasonable written notice during business hours, to examine the books and records of the Borrower with respect to the Project.

Section 5.18. Notice of Default. The Borrower will advise the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer promptly in writing of the occurrence of any Potential Default or Event of Default hereunder, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect thereto.

Section 5.19. Covenant with Governmental Lender, the Fiscal Agent and Funding Lender. The Borrower agrees that this Borrower Loan Agreement is executed and delivered in part to induce the purchase by others of the Governmental Lender Notes and, accordingly, all covenants and agreements of the Borrower contained in this Borrower Loan Agreement are hereby declared to be for the benefit of the Governmental Lender, the Funding Lender, the Fiscal Agent and any lawful owner, holder or pledgee of the Borrower Notes or the Governmental Lender Notes from time to time.

Section 5.20. Obligation of the Borrower to Construct or Rehabilitate the Project. The Borrower shall proceed with reasonable dispatch to construct or rehabilitate, as appropriate, and equip the Project. If the proceeds of the Borrower Loan, together with the Other Borrower Moneys, available to be disbursed to the Borrower are not sufficient to pay the costs of such construction or rehabilitation, as appropriate, and equipping, the Borrower shall pay such additional costs from its own funds. The Borrower shall not be entitled to any reimbursement from the Governmental Lender, the Funding Lender, the Fiscal Agent or the Servicer in respect of any such costs or to any diminution or abatement in the repayment of the Borrower Loan. The Governmental Lender, the Fiscal Agent and the Funding Lender shall not be liable to the Borrower or any other person if for any reason the Project is not completed or if the proceeds of the Borrower Loan are insufficient to pay all costs of the Project. The Governmental Lender, the Fiscal Agent and the Funding Lender do not make any representation or warranty, either express or implied, that moneys, if any, which will be made available to the Borrower will be sufficient to complete the Project, and the

Governmental Lender, the Fiscal Agent and the Funding Lender shall not be liable to the Borrower or any other person if for any reason the Project is not completed.

Section 5.21. Maintenance of Insurance. Borrower will maintain the insurance required by the Security Instrument.

Section 5.22. Information; Statements and Reports. Borrower shall furnish or cause to be furnished to Governmental Lender and Funding Lender:

(a) Notice of Default. As soon as possible, and in any event not later than five (5) Business Days after the occurrence of any Event of Default or Potential Default, a statement of an Authorized Representative of Borrower describing the details of such Event of Default or Potential Default and any curative action Borrower proposes to take;

(b) Financial Statements; Rent Rolls. In the manner and to the extent required under the Security Instrument, such financial statements, expenses statements, rent rolls, reports and other financial documents and information as required by the Security Instrument and the other Borrower Loan Documents and Funding Loan Documents, in the form and within the time periods required therein;

(c) Managing Member. As soon as available and in any event within one hundred twenty (120) days after the end of each fiscal year of Managing Member, copies of the financial statements of Managing Member as of such date, prepared in substantially the form previously delivered to the Governmental Lender and Funding Lender and in a manner consistent therewith, or in such form (which may include a form prepared in accordance with GAAP) as Funding Lender may reasonably request in writing;

(d) Leasing Reports. Prior to the Conversion Date, on a monthly basis (and in any event within fifteen (15) days after the end of each Calendar Month), a report of all efforts made by Borrower, if any, to lease all or any portion of the Project during such Calendar Month and on a cumulative basis since Project inception, which report shall be prepared and delivered by Borrower, shall be in form and substance satisfactory to Funding Lender, and shall, if requested in writing by Funding Lender, be supported by copies of letters of intent, leases or occupancy agreements, as applicable;

(e) Audit Reports. Promptly upon receipt thereof, copies of all reports, if any, submitted to Borrower by independent public accountants in connection with each annual, interim or special audit of the financial statements of Borrower made by such accountants, including the comment letter submitted by such accountants to management in connection with their annual audit;

(f) Notices; Certificates or Communications. Immediately upon giving or receipt thereof, copies of any notices, certificates or other communications delivered at the Project or to Borrower or Managing Member naming Governmental Lender or Funding Lender as addressee or which could reasonably be deemed to affect the structural integrity of the Project or the ability of Borrower to perform its obligations under the Borrower Loan Documents and the Funding Loan Documents;

(g) Certification of Non-Foreign Status. Promptly upon request of Funding Lender from time to time, a Certification of Non-Foreign Status, executed on or after the date of such request by Funding Lender;

(h) Compliance Certificates. Together with each of the documents required pursuant to Section 5.22(b) hereof submitted by or on behalf of Borrower, a statement, in form and substance satisfactory to Funding Lender and certified by an Authorized Borrower Representative, to the effect that

Borrower is in compliance in all material respects with all covenants, terms and conditions applicable to Borrower, under or pursuant to the Borrower Loan Documents and the Funding Loan Documents and under or pursuant to any other Debt owing by Borrower to any Person, and disclosing any noncompliance therewith, and any Event of Default or Potential Default, and describing the status of Borrower's actions to correct such noncompliance, Event of Default or Potential Default, as applicable; and

(i) Other Items and Information. Such other information concerning the assets, business, financial condition, operations, property, and results of operations of Borrower, Managing Member, Guarantor or the Project, as Funding Lender or Governmental Lender reasonably requests from time to time.

Section 5.23. Additional Notices. Borrower will, promptly after becoming aware thereof, give notice to Funding Lender and the Governmental Lender of:

(a) any Lien affecting the Project, or any part thereof, other than Liens expressly permitted under this Borrower Loan Agreement;

(b) any Legal Action which is instituted by or against Borrower, Managing Member or Guarantor, or any Legal Action which is threatened against Borrower, Managing Member or Guarantor which, in any case, if adversely determined, could have a material adverse effect upon the business, operations, properties, assets, management, ownership or condition (financial or otherwise) of Borrower, Managing Member, Guarantor or the Project;

(c) any Legal Action which constitutes an Event of Default or a Potential Default or a default under any other Contractual Obligation to which Borrower, Managing Member or Guarantor is a party or by or to which Borrower, Managing Member or Guarantor, or any of their respective properties or assets, may be bound or subject, which default would have a material adverse effect on the business, operations, assets (including the Project), or condition (financial or otherwise) of Borrower, Managing Member or Guarantor, as applicable;

(d) any default, alleged default or potential default on the part of Borrower under any of the CC&R's (together with a copy of each notice of default, alleged default or potential default received from any other party thereto);

(e) any notice of default, alleged default or potential default on the part of Borrower received from any tenant or occupant of the Project under or relating to its lease or occupancy agreement (together with a copy of any such notice), if, in the aggregate, notices from at least fifteen percent (15%) of the tenants at the Project have been received by Borrower with respect to, or alleging, the same default, alleged default or potential default;

(f) any change or contemplated change in (i) the location of Borrower's or Managing Member's executive headquarters or principal place of business; (ii) the legal, trade, or fictitious business names used by Borrower or Managing Member; or (iii) the nature of the trade or business of Borrower; and

(g) any default, alleged default or potential default on the part of any general or limited partner (including, without limitation, Managing Member and the Equity Investor) under the Operating Agreement.

Section 5.24. Compliance with Other Agreements; Legal Requirements.

(a) Borrower shall timely perform and comply with, and shall cause Managing Member to timely perform and comply with the covenants, agreements, obligations and restrictions imposed on them

under the Operating Agreement, and Borrower shall not do or permit to be done anything to impair any such party's rights or interests under any of the foregoing.

(b) Borrower will comply and, to the extent it is able, will require others to comply with, all Legal Requirements of all Governmental Authorities having jurisdiction over the Project or construction and/or rehabilitation of the Improvements, and will furnish Funding Lender with reports of any official searches for or notices of violation of any requirements established by such Governmental Authorities. Borrower will comply and, to the extent it is able, will require others to comply, with applicable CC&R's and all restrictive covenants and all obligations created by private contracts and leases which affect ownership, construction, rehabilitation, equipping, fixturing, use or operation of the Project, and all other agreements requiring a certain percentage of the Units to be rented to persons of low or moderate income. The Improvements, when completed, shall comply with all applicable building, zoning and other Legal Requirements, and will not violate any restrictions of record against the Project or the terms of any other lease of all or any portion of the Project. Funding Lender shall at all times have the right to audit, at Borrower's expense, Borrower's compliance with any agreement requiring a certain percentage of the Units to be rented to persons of low or moderate income, and Borrower shall supply all such information with respect thereto as Funding Lender may request and otherwise cooperate with Funding Lender in any such audit. Without limiting the generality of the foregoing, Borrower shall properly obtain, comply with and keep in effect (and promptly deliver copies to Funding Lender of) all permits, licenses and approvals which are required to be obtained from Governmental Authorities in order to construct, occupy, operate, market and lease the Project.

Section 5.25. Completion and Maintenance of Project. Borrower shall cause the construction or rehabilitation, as the case may be, of the Improvements, to be prosecuted with diligence and continuity and completed substantially in accordance with the Plans and Specifications, and in accordance with the Construction Funding Agreement, free and clear of any liens or claims for liens (but without prejudice to Borrower's rights of contest under Section 10.16 hereof) ("Completion") on or before the Completion Date. Borrower shall thereafter maintain the Project as a residential apartment complex in good order and condition, ordinary wear and tear excepted. A maintenance program shall be in place at all times to ensure the continuation of first class maintenance.

Section 5.26. Fixtures. Borrower shall deliver to Funding Lender, on demand, any contracts, bills of sale, statements, receipted vouchers or agreements under which Borrower or any other Person claims title to any materials, fixtures or articles incorporated into the Improvements.

Section 5.27. Income from Project. Borrower shall first apply all Gross Income to Expenses of the Project, including all amounts then required to be paid under the Borrower Loan Documents and the Funding Loan Documents and the funding of all sums necessary to meet the Replacement Reserve Fund Requirement, before using or applying such Gross Income for any other purpose. Prior to the Conversion Date, Borrower shall not make or permit any distributions or other payments of Net Operating Income to its partners, shareholders or members, as applicable, in each case, without the prior Written Consent of Funding Lender.

Section 5.28. Leases and Occupancy Agreements.**(a) Lease Approval.**

(i) Borrower may enter into leases of space within the Improvements (and amendments to such leases) in the ordinary course of business with bona fide third party tenants without Funding Lender's prior Written Consent if:

(A) The lease is a Permitted Lease;

(B) Borrower, acting in good faith following the exercise of due diligence, has determined that the tenant meets requirements imposed under any applicable CC&R and is financially capable of performing all of its obligations under the lease; and

(C) The lease conforms to the Rent Schedule attached as an exhibit to the Construction Funding Agreement and reflects an arm's-length transaction, subject to the requirement that the Borrower comply with any applicable CC&R.

(ii) If any Event of Default has occurred and is continuing, Funding Lender may make written demand on Borrower to submit all future leases for Funding Lender's approval prior to execution. Borrower shall comply with any such demand by Funding Lender.

(iii) No approval of any lease by Funding Lender shall be for any purpose other than to protect Funding Lender's security for the Borrower Loan and to preserve Funding Lender's rights under the Borrower Loan Documents and the Funding Loan Documents. No approval by Funding Lender shall result in a waiver of any default of Borrower. In no event shall any approval by Funding Lender of a lease be a representation of any kind with regard to the lease or its enforceability, or the financial capacity of any tenant or guarantor.

(b) **Landlord's Obligations.** Borrower shall perform all obligations required to be performed by it as landlord under any lease affecting any part of the Project or any space within the Improvements.

(c) **Leasing and Marketing Agreements.** Except as may be contemplated in the Management Agreement with Borrower's Manager, Borrower shall not without the approval of Funding Lender enter into any leasing, management or marketing agreement and Funding Lender reserves the right to approve the qualifications of any marketing, management or leasing agent.

Section 5.29. Project Agreements and Licenses. To the extent not heretofore delivered to Funding Lender, Borrower will furnish to Funding Lender, as soon as available, true and correct copies of all Project Agreements and Licenses and the Plans and Specifications, and, upon Funding Lender's request, assignments thereof, to the extent it may legally do so, to Funding Lender and consents to such assignments where required by Funding Lender, all in form and substance reasonably acceptable to Funding Lender. Neither Borrower nor Managing Member has assigned or granted, or will assign or grant, a security interest in any of the Project Agreements and Licenses, other than to Funding Lender.

Section 5.30. Payment of Debt Payments. In addition to its obligations under the Borrower Notes, Borrower will (i) duly and punctually pay or cause to be paid all principal of and interest on any Debt of Borrower as and when the same become due on or before the due date; (ii) comply with and perform all conditions, terms and obligations of other instruments or agreements evidencing or securing such Debt; (iii) promptly inform Funding Lender of any default, or anticipated default, under any such note, agreement, instrument; and (iv) forward to Funding Lender a copy of any notice of default or notice of any event that

might result in default under any such note, agreement, instrument, including Liens encumbering the Project, or any portion thereof, which have been subordinated to the Security Instrument (regardless of whether or not permitted under this Borrower Loan Agreement).

Section 5.31. ERISA. Borrower will comply, and will cause each of its ERISA Affiliates to comply, in all respects with the provisions of ERISA.

Section 5.32. Patriot Act Compliance. Borrower shall use its good faith and commercially reasonable efforts to comply with the Patriot Act and all applicable requirements of Governmental Authorities having jurisdiction over Borrower and/or the Project, including those relating to money laundering and terrorism. Funding Lender shall have the right to audit Borrower's compliance with the Patriot Act and all applicable requirements of Governmental Authorities having jurisdiction over Borrower and/or the Project, including those relating to money laundering and terrorism. In the event that Borrower fails to comply with the Patriot Act or any such requirements of Governmental Authorities, then Funding Lender may, at its option, cause Borrower to comply therewith and any and all costs and expenses incurred by Funding Lender in connection therewith shall be secured by the Security Instrument and shall be immediately due and payable.

Borrower covenants that it shall comply with all Legal Requirements and internal requirements of Funding Lender relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect. Without limiting the foregoing, Borrower shall not take any action, or permit any action to be taken, that would cause Borrower's representations and warranties in Section 4.1.48 and this Section 5.32 to become untrue or inaccurate in any material respect at any time during the term of the Funding Loan. Upon any Beneficiary Party's written request from time to time during the term of the Funding Loan, Borrower shall certify in writing to such Beneficiary Party that Borrower's representations, warranties and obligations under Section 4.1.48 and this Section 5.32 remain true and correct in any material respect and have not been breached, and in addition, upon written request of any Beneficiary Party, Borrower covenants to provide all information required to satisfy obligations under all Legal Requirements and internal requirements of Funding Lender relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect, during the term of the Funding Loan. Borrower shall immediately notify the Funding Lender in writing of (a) Borrower's actual knowledge that any of such representations, warranties or covenants are no longer true and have been breached, (b) Borrower has a reasonable basis to believe that they may no longer be true and have been breached or (c) Borrower becomes the subject of an investigation by Governmental Authorities related to money laundering, anti-terrorism, trade embargos and economic sanctions. Borrower shall also reimburse Funding Lender for any expense incurred by Funding Lender in evaluating the effect of an investigation by Governmental Authorities on the Funding Loan and Funding Lender's interest in the collateral for the Funding Loan, in obtaining necessary license from Governmental Authorities as may be necessary for Funding Lender to enforce its rights under the Funding Loan Documents, and in complying with all Legal Requirements and internal requirements of Funding Lender relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect applicable to Funding Lender as a result of the existence of such an event and for any penalties or fines imposed upon Funding Lender as a result thereof.

Section 5.33. Funds from Equity Investor. Borrower shall cause the Equity Investor to fund all installments of the Equity Contributions in the amounts and at the times subject and according to the terms and conditions of the Operating Agreement.

Section 5.34. Tax Covenants. The Borrower covenants to take such action as is required of it so that the Governmental Lender Notes are, and to refrain from any action which would cause the Governmental Lender Notes to not be, 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 Tax Code) for purposes of federal income taxation. In particular, but not by way of limitation thereof, the Borrower covenants as follows:

(a) to take such action to ensure that the Governmental Lender Notes are "exempt facility bonds", as defined in Section 142(a) of the Code, at least 95 percent 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;

(b) to comply with the terms and conditions of the Regulatory Agreement including, without limiting the generality of any other covenant contained herein;

(c) assuring that at all times within the Qualified Project Period that 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;

(d) obtaining annually from each tenant of a residential unit described in subsection (1) above, a certification of income to currently determine income compliance with the foregoing; and

(e) 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.

(f) to refrain from taking any action that would result in the Governmental Lender Notes being "federally guaranteed" within the meaning of Section 149(b) of the Code;

(g) to refrain from using any portion of the proceeds of the Governmental Lender Notes, 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 than the yield on the Governmental Lender Notes over the term of the Governmental Lender Notes, other than investment property acquired with:

(1) proceeds of the Governmental Lender Notes invested for a reasonable temporary period equal to 3 years or less until such proceeds are needed for the purpose for which the Governmental Lender Notes are issued;

(2) amounts invested in a bona fide debt service fund, within the meaning of Section 1.148-1(b) of the Regulations; and

(3) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the stated principal amount (or, in the case of Governmental Lender Notes issued at a discount), the issue price of the Governmental Lender Notes.

(h) to otherwise restrict the use of the proceeds of the Governmental Lender Notes or amounts treated as proceeds of the Governmental Lender Notes, as may be necessary, to satisfy the requirements of Section 148 of the Code (relating to arbitrage);

(i) to use no more than two percent of the gross proceeds of the Governmental Lender Notes for the payment of costs of issuance;

(j) to use no portion of the proceeds of the Governmental Lender Notes 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;

(k) 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 Lender Note proceeds to acquire existing buildings, structures or other property);

(l) to immediately remit to the Fiscal Agent for deposit in the Rebate Fund any deficiency with respect to the Rebate Amount as required by the Funding Loan Agreement;

(m) 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

(n) to take such action to assure, the Project to be as described in the "Applications 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.

(o) The Governmental Lender agrees to submit such closing documents for the Governmental Lender Notes, 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 Lender Notes under Section 146 of the Code.

(p) The Governmental Lender and Borrower understand that the term "proceeds" includes "disposition proceeds" as defined in the 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 Lender Notes. It is the understanding of the Governmental Lender and the Borrower that the covenants contained in this Borrower Loan Agreement are intended to assure compliance with the Code and Regulations. In the event that the Code is changed or regulations or rulings are hereafter promulgated, which modify or expand provisions of the Code, as applicable to the Governmental Lender Notes, 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 Governmental Lender Notes under Section 103 of the Code. In the event that the Code is changed or regulations or rulings are hereafter promulgated, which impose additional requirements which are applicable to the Governmental Lender Notes, the Governmental Lender and the Borrower each 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 Governmental Lender Notes under Section 103 of the Code. In furtherance of such intention, the Governmental Lender hereby authorizes and directs the 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 Lender Notes.

(q) The Governmental Lender and the Borrower covenant that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Governmental Lender and the Borrower of cash or other compensation, unless (i) the Governmental Lender Note are retired or (ii) the Governmental Lender and the Borrower obtain an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Governmental Lender Note.

(r) 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 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed. The foregoing notwithstanding, the Governmental Lender and the Borrower shall not expend sale proceeds or investment earnings thereon more than 60 days after the later of (1) the fifth anniversary of the delivery of the Governmental Lender Note, or (2) the date the Governmental Lender Note are 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 Lender 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.

(s) Disposition of Project. The Governmental Lender and the Borrower covenant that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Governmental Lender and the Borrower of cash or other compensation, unless the Governmental Lender and the Borrower obtain an opinion of nationally recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Governmental Lender Notes.

(t) 90% Test. Substantially all (at least 90%) of the Units will be rented to Eligible Tenants and the Borrower will 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.

(u) Annual Report. The Borrower shall, to the extent permitted by applicable law, provide to the Governmental Lender (no later than March 1), the information required for the Governmental Lender to complete its annual report to the Texas Department of Housing and Community Affairs as required by Section 394.027 of the Act.

Section 5.35. Covenants under Funding Loan Agreement. The Borrower will fully and faithfully perform all the duties and obligations which the Governmental Lender has covenanted and agreed in the Funding Loan Agreement to cause the Borrower to perform and any duties and obligations which the Borrower is required in the Funding Loan Agreement to perform. The foregoing will not apply to any duty or undertaking of the Governmental Lender which by its nature cannot be delegated or assigned.

Section 5.36. Notice of Default. The Borrower will advise the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer promptly in writing of the occurrence of any Potential Default or Event of Default hereunder, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect thereto.

Section 5.37. Continuing Disclosure Agreement. The Borrower and the Funding Lender shall enter into the Continuing Disclosure Agreement to provide for the continuing disclosure of information about the Governmental Lender Notes, the Borrower and other matters as specifically provided for in such agreement.

ARTICLE VI

NEGATIVE COVENANTS

Borrower hereby covenants and agrees as follows, which covenants shall remain in effect so long as any Borrower Payment Obligation or other obligation of Borrower under any of the other Borrower Loan

Documents or the Funding Loan Documents remains outstanding or unperformed. Borrower covenants and agrees that it will not, directly or indirectly:

Section 6.1. Management Agreement. Without first obtaining the Funding Lender's prior Written Consent, which shall not be unreasonably delayed or withheld, enter into the Management Agreement, and thereafter the Borrower shall not, without the Funding Lender's prior Written Consent (which consent shall not be unreasonably delayed or withheld) and subject to the Regulatory Agreement: (i) surrender, terminate or cancel the Management Agreement or otherwise replace the Manager or enter into any other management agreement; (ii) reduce or consent to the reduction of the term of the Management Agreement; (iii) increase or consent to the increase of the amount of any charges under the Management Agreement; (iv) otherwise modify, change, supplement, alter or amend in any material respect, or waive or release in any material respect any of its rights and remedies under, the Management Agreement; or (v) suffer or permit the occurrence and continuance of a default beyond any applicable cure period under the Management Agreement (or any successor management agreement) if such default permits the Manager to terminate the Management Agreement (or such successor management agreement).

Section 6.2. Dissolution. Dissolve or liquidate, in whole or in part, merge with or consolidate into another Person.

Section 6.3. Change in Business or Operation of Property. Enter into any line of business other than the ownership and operation of the Project, or make any material change in the scope or nature of its business objectives, purposes or operations, or undertake or participate in activities other than the continuance of its present business and activities incidental or related thereto or otherwise cease to operate the Project as a multi-family property or terminate such business for any reason whatsoever (other than temporary cessation in connection with construction or rehabilitation, as appropriate, of the Project).

Section 6.4. Debt Cancellation. Cancel or otherwise forgive or release any claim or debt owed to the Borrower by a Person, except for adequate consideration or in the ordinary course of the Borrower's business in its reasonable judgment.

Section 6.5. Assets. Purchase or own any real property or personal property incidental thereto other than the Project.

Section 6.6. Transfers. Make, suffer or permit the occurrence of any Transfer other than a transfer permitted under the Security Instrument, nor transfer any material License required for the operation of the Project.

Section 6.7. Debt. Other than as expressly approved in writing by the Funding Lender, create, incur or assume any indebtedness for borrowed money (including subordinate debt) whether unsecured or secured by all or any portion of the Project or interest therein or in the Borrower or any partner thereof (including subordinate debt) other than (i) the Borrower Payment Obligations, (ii) the Subordinate Debt, (iii) secured indebtedness incurred pursuant to or permitted by the Borrower Loan Documents and the Funding Loan Documents, and (iv) trade payables incurred in the ordinary course of business.

Section 6.8. Assignment of Rights. Without the Funding Lender's prior Written Consent, attempt to assign the Borrower's rights or interest under any Borrower Loan Document or Funding Loan Document in contravention of any Borrower Loan Document or Funding Loan Document.

Section 6.9. Principal Place of Business. Change its principal place of business without providing 30 days' prior Written Notice of the change to the Funding Lender, the Governmental Lender, the Fiscal Agent and the Servicer.

Section 6.10. Operating Agreement. Without the Funding Lender's prior Written Consent (which consent shall not be unreasonably delayed or withheld) surrender, terminate, cancel, modify, change, supplement, alter or amend in any material respect, or waive or release in any material respect, any of its rights or remedies under the Operating Agreement; provided, however, the consent of Funding Lender is not required for an amendment of the Operating Agreement resulting solely from the "Permitted Transfer" of partnership interests of Borrower as defined in and permitted by the Security Instrument.

Section 6.11. ERISA. Maintain, sponsor, contribute to or become obligated to contribute to, or suffer or permit any ERISA Affiliate of the Borrower to, maintain, sponsor, contribute to or become obligated to contribute to, any Plan, or permit the assets of the Borrower to become "plan assets," whether by operation of law or under regulations promulgated under ERISA.

Section 6.12. No Hedging Arrangements. Without the prior Written Consent of the Funding Lender or unless otherwise required by this Borrower Loan Agreement, the Borrower will not enter into or guarantee, provide security for or otherwise undertake any form of contractual obligation with respect to any interest rate swap, interest rate cap or other arrangement that has the effect of an interest rate swap or interest rate cap or that otherwise (directly or indirectly, derivatively or synthetically) hedges interest rate risk associated with being a debtor of variable rate debt or any agreement or other arrangement to enter into any of the above on a future date or after the occurrence of one or more events in the future.

Section 6.13. Loans and Investments; Distributions; Related Party Payments.

(a) Without the prior Written Consent of Funding Lender in each instance, Borrower shall not (i) lend money, make investments, or extend credit, other than in the ordinary course of its business as presently conducted; or (ii) repurchase, redeem or otherwise acquire any interest in Borrower, any Borrower Affiliate or any other Person owning an interest, directly or indirectly, in Borrower, or make any distribution, in cash or in kind, in respect of interests in Borrower, any Borrower Affiliate or any other Person owning an interest, directly or indirectly, in Borrower (except to the extent permitted by the Security Instrument and subject to the limitations set forth in Section 5.27 hereof).

(b) Disbursements for fees and expenses of any Borrower Affiliate and developer fees (however characterized) will only be paid to the extent that such fee or expense bears a proportionate relationship to the percentage of completion of the construction or rehabilitation, as the case may be, of the Improvements, as reasonably determined by the Construction Consultant, and only after deducting the applicable Retainage. Unless otherwise approved by the Funding Lender in writing, no Disbursements for the Developer Fee or any "deferred developer fees" shall be made prior to the Conversion Date other than in accordance with the Approved Developer Fee Schedule.

Section 6.14. Amendment of Related Documents or CC&R's. Without the prior Written Consent of Funding Lender in each instance, except as provided herein or in the Construction Funding Agreement, Borrower shall not enter into or consent to any amendment, termination, modification, or other alteration of any of the Related Documents or any of the CC&R's (including, without limitation, those contained in this Borrower Loan Agreement, any Architect's Agreement or Engineer's Contract, any Construction Contract, and any Management Agreement, but excluding the Operating Agreement, which is covered by Section 6.10), or any assignment, transfer, pledge or hypothecation of any of its rights thereunder, if any.

Section 6.15. Personal Property. Borrower shall not install materials, personal property, equipment or fixtures subject to any security agreement or other agreement or contract wherein the right is reserved to any Person other than Borrower to remove or repossess any such materials, equipment or fixtures, or whereby title to any of the same is not completely vested in Borrower at the time of installation,

without Funding Lender's prior Written Consent; provided, however, that this Section 6.15 shall not apply to laundry equipment or other equipment that is owned by a third-party vendor and commercial tenants.

Section 6.16. Fiscal Year. Without Funding Lender's Written Consent, which shall not be unreasonably delayed or withheld, neither Borrower nor Managing Member shall change the times of commencement or termination of its fiscal year or other accounting periods, or change its methods of accounting, other than to conform to GAAP.

Section 6.17. Publicity. Neither Borrower nor Managing Member shall issue any publicity release or other communication to any print, broadcast or on-line media, post any sign or in any other way identify Funding Lender or any of its Affiliates as the source of the financing provided for herein, without the prior written approval of Funding Lender in each instance (provided that nothing herein shall prevent Borrower or Managing Member from identifying Funding Lender or its Affiliates as the source of such financing to the extent that Borrower or Managing Member are required to do so by disclosure requirements applicable to publicly held companies). Borrower and Managing Member agree that no sign shall be posted on the Project in connection with the construction or rehabilitation of the Improvements unless such sign identifies Citigroup and its affiliates as the source of the financing provided for herein or Funding Lender consents to not being identified on any such sign.

Section 6.18. Subordinate Loan Documents. Without Funding Lender's prior written consent, Borrower will not surrender, terminate, cancel, modify, change, supplement, alter, amend, waive, release, assign, transfer, pledge or hypothecate any of its rights or remedies under the Subordinate Loan Documents.

Section 6.19. Ground Lease. Without the Funding Lender's prior written consent, the Borrower will not surrender, terminate, cancel, modify, change, supplement, alter, amend, waive, release, assign, transfer, pledge or hypothecate any of its rights or remedies under the Ground Lease.

ARTICLE VII

RESERVED

ARTICLE VIII

DEFAULTS

Section 8.1. Events of Default. Each of the following events shall constitute an "Event of Default" under this Borrower Loan Agreement:

(a) failure by the Borrower to pay any Borrower Loan Payment in the manner and on the date such payment is due in accordance with the terms and provisions of the Borrower Notes, or the failure by the Borrower to pay any Additional Borrower Payment on the date such payment is due in accordance with the terms and provisions of the Borrower Notes, the Security Instrument, this Borrower Loan Agreement or any other Borrower Loan Document;

(b) failure by or on behalf of the Borrower to pay when due any amount (other than as provided in subsection (a) above or elsewhere in this Section 8.1) required to be paid by the Borrower under this Borrower Loan Agreement, the Borrower Notes, the Security Instrument or any of the other Borrower Loan Documents or Funding Loan Documents, including a failure to repay any amounts that have been previously paid but are recovered, attached or enjoined pursuant to any insolvency, receivership, liquidation

or similar proceedings, which default remains uncured for a period of five (5) Business Days after Written Notice thereof shall have been given to the Borrower;

(c) an Event of Default, as defined by the Borrower Notes, the Security Instrument or any other Borrower Loan Document, occurs (or to the extent an "Event of Default" is not defined in any other Borrower Loan Document, any default or breach by the Borrower or any Guarantor of its obligations, covenants, representations or warranties under such Borrower Loan Document occurs and any applicable notice and/or cure period has expired);

(d) any representation or warranty made by any of the Borrower, the Guarantor or the Managing Member in any Borrower Loan Document or Funding Loan Document to which it is a party, or in any report, certificate, financial statement or other instrument, agreement or document furnished by the Borrower, the Guarantor or the Managing Member in connection with any Borrower Loan Document or Funding Loan Document, shall be false or misleading in any material respect as of the Closing Date;

(e) the Borrower shall make a general assignment for the benefit of creditors, or shall generally not be paying its debts as they become due;

(f) the Borrower Controlling Entity shall make a general assignment for the benefit of creditors, shall generally not be paying its debts as they become due, or an Act of Bankruptcy with respect to the Borrower Controlling Entity shall occur, unless in all cases the Borrower Controlling Entity is replaced with a substitute Borrower Controlling Entity that satisfies the requirements of Section 21 of the Security Instrument; which, in the case of a non-profit Borrower Controlling Entity, may be replaced within sixty (60) days of such event with another non-profit Borrower Controlling Entity acceptable to the Funding Lender, in which case no Event of Default shall be deemed to have occurred;

(g) any portion of Borrower Deferred Equity to be made by Equity Investor and required for (i) completion of the construction or rehabilitation, as the case may be, of the Improvements, (ii) the satisfaction of the Conditions to Conversion or (iii) the operation of the Improvements, is not received in accordance with the Operating Agreement after the expiration of all applicable notice and cure periods;

(h) the failure by Borrower or any ERISA Affiliate of Borrower to comply in all respects with ERISA, or the occurrence of any other event (with respect to the failure of Borrower or any ERISA Affiliate to pay any amount required to be paid under ERISA or with respect to the termination of, or withdrawal of Borrower or any ERISA Affiliate from, any employee benefit or welfare plan subject to ERISA) the effect of which is to impose upon Borrower (after giving effect to the tax consequences thereof) for the payment of any amount in excess of Fifty Thousand Dollars (\$50,000);

(i) a Bankruptcy Event shall occur with respect to Borrower, any Managing Member or Guarantor, or there shall be a change in the assets, liabilities or financial position of any such Person which has a material adverse effect upon the ability of such Person to perform such Person's obligations under this Borrower Loan Agreement, any other Borrower Loan Document or any Related Document, provided that any such Bankruptcy Event with respect to a Guarantor shall not constitute an Event of Default: (i) if such Bankruptcy Event occurs on or after the date upon which the Guaranty terminates in accordance with its terms (or the date upon which all of the Guaranties have terminated in accordance with their terms, if more than one Guaranty was executed by such Guarantor), or (ii) if such Bankruptcy Event occurs prior to the date upon which the Guaranty terminates in accordance with its terms (or the date upon which all of the Guaranties have terminated in accordance with their terms, if more than one Guaranty was executed by such Guarantor) and the Borrower replaces such Guarantor with a person or entity satisfying the Funding Lender's mortgage credit standards for principals and acceptable to the Funding Lender in its sole and absolute discretion within thirty (30) days after notice thereof from the Funding Lender;

(j) all or any part of the property of Borrower is attached, levied upon or otherwise seized by legal process, and such attachment, levy or seizure is not quashed, stayed or released: (i) prior to completion of the construction or rehabilitation, as the case may be, of the Improvements, within ten (10) days of the date thereof or (ii) after completion of the construction or rehabilitation, as the case may be, of the Improvements, within thirty (30) days of the date thereof;

(k) subject to Section 10.16 hereof, Borrower fails to pay when due any monetary obligation (other than pursuant to this Borrower Loan Agreement) to any Person in excess of \$100,000, and such failure continues beyond the expiration of any applicable cure or grace periods;

(l) any material litigation or proceeding is commenced before any Governmental Authority against or affecting Borrower, any Managing Member or Guarantor, or property of Borrower, any Managing Member or Guarantor, or any part thereof, and such litigation or proceeding is not defended diligently and in good faith by Borrower, any Managing Member or Guarantor, as applicable, provided that any such material litigation or proceeding against a Guarantor shall not constitute an Event of Default: (i) if such material litigation is commenced on or after the date upon which the Guaranty terminates in accordance with its terms (or the date upon which all of the Guaranties have terminated in accordance with their terms, if more than one Guaranty was executed by such Guarantor), or (ii) if such material litigation or proceeding is commenced prior to the date upon which the Guaranty terminates in accordance with its terms (or the date upon which all of the Guaranties have terminated in accordance with their terms, if more than one Guaranty was executed by such Guarantor) and the Borrower replaces such Guarantor with a person or entity satisfying the Funding Lender's mortgage credit standards for principals and acceptable to the Funding Lender in its sole and absolute discretion within thirty (30) days after notice thereof from the Funding Lender;

(m) a final judgment or decree for monetary damages in excess of \$100,000 or a monetary fine or penalty (not subject to appeal or as to which the time for appeal has expired) is entered against Borrower, any Managing Member or Guarantor by any Governmental Authority, and such judgment, decree, fine or penalty is not paid and discharged or stayed (i) prior to completion of the construction or rehabilitation, as the case may be, of the Improvements, within ten (10) days after entry thereof or (ii) after completion of the construction or rehabilitation, as the case may be, of the Improvements, within thirty (30) days after entry thereof (or such longer period as may be permitted for payment by the terms of such judgment, fine or penalty), provided that any such judgment, decree, fine or penalty against a Guarantor shall not constitute an Event of Default: (i) if such judgment, decree, fine or penalty is entered on or after the date upon which the Guaranty terminates in accordance with its terms (or the date upon which all of the Guaranties have terminated in accordance with their terms, if more than one Guaranty was executed by such Guarantor), or (ii) if such judgment, decree, fine or penalty is entered prior to the date upon which the Guaranty terminates in accordance with its terms (or the date upon which all of the Guaranties have terminated in accordance with their terms, if more than one Guaranty was executed by such Guarantor) and the Borrower replaces such Guarantor with a person or entity satisfying the Funding Lender's mortgage credit standards for principals and acceptable to the Funding Lender in its sole and absolute discretion within thirty (30) days after notice thereof from the Funding Lender;

(n) a final, un-appealable and uninsured money judgment or judgments, in favor of any Person other than a Governmental Authority, in the aggregate sum of \$100,000 or more shall be rendered against Borrower, any Managing Member or Guarantor, or against any of their respective assets, that is not paid, superseded or stayed (i) prior to completion of the construction or rehabilitation, as the case may be, of the Improvements, within ten (10) days after entry thereof or (ii) after completion of the construction or rehabilitation, as the case may be, of the Improvements, within thirty (30) days after entry thereof (or such longer period as may be permitted for payment by the terms of such judgment); or any levy of execution, writ or warrant of attachment, or similar process, is entered or filed against Borrower, any Managing

Member or Guarantor, or against any of their respective assets (that is likely to have a material adverse effect upon the ability of Borrower, any Managing Member or Guarantor to perform their respective obligations under this Borrower Loan Agreement, any other Borrower Loan Document or any Related Document), and such judgment, writ, warrant or process shall remain unsatisfied, unsettled, unvacated, unhanded and unstayed (i) prior to completion of the construction or rehabilitation, as the case may be, of the Improvements, for a period of ten (10) days or (ii) after completion of the construction or rehabilitation, as the case may be, of the Improvements, for a period of thirty (30) days, or in any event later than five (5) Business Days prior to the date of any proposed sale thereunder, provided that any such judgment, levy, writ, warrant, attachment or similar process against a Guarantor shall not constitute an Event of Default: (i) if such judgment, levy, writ, warrant, attachment or similar process is entered on or after the date upon which the Guaranty terminates in accordance with its terms (or the date upon which all of the Guaranties have terminated in accordance with their terms, if more than one Guaranty was executed by such Guarantor), or (ii) if such judgment, levy, writ, warrant, attachment or similar process is entered prior to the date upon which the Guaranty terminates in accordance with its terms (or the date upon which all of the Guaranties have terminated in accordance with their terms, if more than one Guaranty was executed by such Guarantor) and the Borrower replaces such Guarantor with a person or entity satisfying the Funding Lender's mortgage credit standards for principals and acceptable to the Funding Lender in its sole and absolute discretion within thirty (30) days after notice thereof from the Funding Lender;

(o) the inability of Borrower to satisfy any condition for the receipt of a Disbursement hereunder (other than an Event of Default specifically addressed in this Section 8.1) and failure to resolve the situation to the satisfaction of Funding Lender for a period in excess of thirty (30) days after Written Notice from Funding Lender unless (i) such inability shall have been caused by conditions beyond the control of Borrower, including, without limitation, acts of God, epidemics, pandemics or the elements, fire, strikes and disruption of shipping; (ii) Borrower shall have made adequate provision, acceptable to Funding Lender, for the protection of materials stored on-site or off-site and for the protection of the Improvements to the extent then constructed against deterioration and against other loss or damage or theft; (iii) Borrower shall furnish to Funding Lender satisfactory evidence that such cessation of construction or rehabilitation will not adversely affect or interfere with the rights of Borrower under labor and materials contracts or subcontracts relating to the construction or operation of the Improvements; and (iv) Borrower shall furnish to Funding Lender satisfactory evidence that the completion of the construction or rehabilitation of the Improvements can be accomplished by the Completion Date;

(p) the construction or rehabilitation of the Improvements is abandoned or halted prior to completion for any period of thirty (30) consecutive days, subject to Force Majeure;

(q) Borrower shall fail to keep in force and effect any material permit, license, consent or approval required under this Borrower Loan Agreement, or any Governmental Authority with jurisdiction over the Mortgaged Property or the Project orders or requires that construction or rehabilitation of the Improvements be stopped, in whole or in part, or that any required approval, license or permit be withdrawn or suspended, and the order, requirement, withdrawal or suspension remains in effect for a period of thirty (30) days;

(r) failure by the Borrower to Substantially Complete the construction or rehabilitation, as the case may be, of the Improvements in accordance with this Borrower Loan Agreement on or prior to the Substantial Completion Date;

(s) failure by Borrower to complete the construction or rehabilitation, as the case may be, of the Improvements in accordance with this Borrower Loan Agreement on or prior to the Completion Date;

(t) failure by Borrower to satisfy the Conditions to Conversion on or before the Outside Conversion Date;

(u) failure by any Subordinate Lender to disburse the proceeds of its Subordinate Loan in approximately such amounts and at approximately such times as set forth in the Cost Breakdown and in the Subordinate Loan Documents;

(v) an "Event of Default" or "Default" (as defined in the applicable agreement) shall occur under any of the Subordinate Loan Documents, after the expiration of all applicable notice and cure periods; or

(w) any failure by the Borrower to perform or comply with any of its obligations under this Borrower Loan Agreement (other than those specified in this Section 8.1), as and when required, which continues for a period of thirty (30) days after written notice of such failure by Funding Lender or the Servicer on its behalf to the Borrower; provided, however, if such failure is susceptible of cure but cannot reasonably be cured within such thirty (30) day period, and the Borrower shall have commenced to cure such failure within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for an additional period of time as is reasonably necessary for the Borrower in the exercise of due diligence to cure such failure, such additional period not to exceed sixty (60) days. However, no such notice or grace period shall apply to the extent such failure could, in the Funding Lender's judgment, absent immediate exercise by the Funding Lender of a right or remedy under this Borrower Loan Agreement, result in harm to the Funding Lender, impairment of either of the Borrower Notes or this Borrower Loan Agreement or any security given under any other Borrower Loan Document.

Section 8.2. Remedies.

Section 8.2.1 Acceleration. Upon the occurrence of an Event of Default (other than an Event of Default described in paragraph (e), (f) or (i) of Section 8.1) and at any time and from time to time thereafter, as long as such Event of Default continues to exist, in addition to any other rights or remedies available to the Governmental Lender pursuant to the Borrower Loan Documents or at law or in equity, the Funding Lender may, take such action (whether directly or by directing the actions of the Fiscal Agent), without notice or demand, as the Funding Lender deems advisable to protect and enforce its rights against the Borrower and in and to the Project, including declaring the Borrower Payment Obligations to be immediately due and payable (including, without limitation, the principal of, Prepayment Premium, if any, and interest on and all other amounts due on the Borrower Notes to be immediately due and payable), without notice or demand, and apply such payment of the Borrower Payment Obligations in any manner and in any order determined by Funding Lender, in Funding Lender's sole and absolute discretion; and upon any Event of Default described in paragraph (e), (f) or (i) of Section 8.1, the Borrower Payment Obligations shall become immediately due and payable, without notice or demand, and the Borrower hereby expressly waives any such notice or demand, anything contained in any Borrower Loan Document to the contrary notwithstanding. Notwithstanding anything herein to the contrary, enforcement of remedies hereunder and under the Funding Loan Agreement shall be controlled by the Funding Lender.

Section 8.2.2 Remedies Cumulative. Upon the occurrence of an Event of Default, all or any one or more of the rights, powers, privileges and other remedies available to the Funding Lender or the Fiscal Agent against the Borrower under the Borrower Loan Documents or at law or in equity may be exercised by the Funding Lender, at any time and from time to time, whether or not all or any of the Borrower Payment Obligations shall be declared due and payable, and whether or not the Funding Lender shall have commenced any foreclosure proceeding or other action for the enforcement of its rights and remedies under any of the Borrower Loan Documents. Any such actions taken by the Funding Lender shall

be cumulative and concurrent and may be pursued independently, singly, successively, together or otherwise, at such time and in such order as the Funding Lender may determine in its sole discretion, to the fullest extent permitted by law, without impairing or otherwise affecting the other rights and remedies of the Funding Lender permitted by law, equity or contract or as set forth in the Borrower Loan Documents. Without limiting the generality of the foregoing, the Borrower agrees that if an Event of Default is continuing, all Liens and other rights, remedies or privileges provided to the Funding Lender shall remain in full force and effect until it has exhausted all of its remedies, the Security Instrument has been foreclosed, the Project has been sold and/or otherwise realized upon satisfaction of the Borrower Payment Obligations or the Borrower Payment Obligations have been paid in full. To the extent permitted by applicable law, nothing contained in any Borrower Loan Document shall be construed as requiring the Funding Lender to resort to any portion of the Project for the satisfaction of any of the Borrower Payment Obligations in preference or priority to any other portion, and the Funding Lender may seek satisfaction out of the entire Project or any part thereof, in its absolute discretion.

Notwithstanding any provision herein to the contrary, the Governmental Lender and the Funding Lender agree that any cure of any default made or tendered by the Equity Investor shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

Section 8.2.3 Delay. No delay or omission to exercise any remedy, right, power accruing upon an Event of Default, or the granting of any indulgence or compromise by the Funding Lender or the Fiscal Agent shall impair any such remedy, right or power hereunder or be construed as a waiver thereof, but any such remedy, right or power may be exercised from time to time and as often as may be deemed expedient. A waiver of one Potential Default or Event of Default shall not be construed to be a waiver of any subsequent Potential Default or Event of Default or to impair any remedy, right or power consequent thereon. Notwithstanding any other provision of this Borrower Loan Agreement, the Funding Lender and the Fiscal Agent reserve the right to seek a deficiency judgment or preserve a deficiency claim, in connection with the foreclosure of the Security Instrument to the extent necessary to foreclose on the Project, the Rents, the funds or any other collateral.

Section 8.2.4 Set Off; Waiver of Set Off. Upon the occurrence of an Event of Default, Funding Lender may, at any time and from time to time, without notice to Borrower or any other Person (any such notice being expressly waived), set off and appropriate and apply (against and on account of any obligations and liabilities of the Borrower to the Funding Lender or the Fiscal Agent arising under or connected with this Borrower Loan Agreement and the other Borrower Loan Documents and the Funding Loan Documents, irrespective of whether or not Funding Lender shall have made any demand therefor, and although such obligations and liabilities may be contingent or unmatured), and Borrower hereby grants to Funding Lender, as security for the Borrower Payment Obligations, a security interest in, any and all deposits (general or special, including but not limited to Debt evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts) and any other Debt at any time held or owing by Funding Lender to or for the credit or the account of Borrower.

Section 8.2.5 Assumption of Obligations. In the event that the Funding Lender or its 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 the Borrower under this Borrower Loan Agreement, the Borrower Notes, the Regulatory Agreement, and any other Borrower Loan Documents and Funding Loan Documents to which the Borrower is a party. 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 the Borrower.

Section 8.2.6 Accounts Receivable. Upon the occurrence of an Event of Default, Funding Lender shall have the right, to the extent permitted by law, to impound and take possession of books, records, notes and other documents evidencing Borrower's accounts, accounts receivable and other claims for payment of money, arising in connection with the Project, and to make direct collections on such accounts, accounts receivable and claims for the benefit of Funding Lender.

Section 8.2.7 Defaults under Other Documents. Funding Lender shall have the right to cure any default under any of the Related Documents and the Subordinate Loan Documents, but shall have no obligation to do so.

Section 8.2.8 Abatement of Disbursements. Notwithstanding any provision to the contrary herein or any of the other Borrower Loan Documents or the Funding Loan Documents, Funding Lender's obligation to make further Disbursements shall abate (i) during the continuance of any Potential Default, (ii) after any disclosure to Funding Lender of any fact or circumstance that, absent such disclosure, would cause any representation or warranty of Borrower to fail to be true and correct in all material respects, unless and until Funding Lender elects to permit further Disbursements notwithstanding such event or circumstance; and (iii) upon the occurrence of any Event of Default.

Section 8.2.9 Completion of Improvements. Upon the occurrence of any Event of Default, Funding Lender shall have the right to cause an independent contractor selected by Funding Lender to enter into possession of the Project and to perform any and all work and labor necessary for the completion of the Project substantially in accordance with the Plans and Specifications, if any, and to perform Borrower's obligations under this Borrower Loan Agreement. All sums expended by Funding Lender for such purposes shall be deemed to have been disbursed to and borrowed by Borrower and shall be secured by the Security Documents.

Section 8.2.10 Right to Directly Enforce. Notwithstanding any other provision hereof to the contrary, the Funding Lender shall have the right to directly enforce all rights and remedies hereunder with or without involvement of the Governmental Lender or the Fiscal Agent, provided that only the Governmental Lender may enforce the Reserved Rights. In the event that any of the provisions set forth in this Section 8.2.10 are inconsistent with the covenants, terms and conditions of the Security Instrument, the covenants, terms and conditions of the Security Instrument shall prevail.

Section 8.2.11 Power of Attorney. Effective upon the occurrence of an Event of Default, and continuing until and unless such Event of Default is cured or waived, Borrower hereby constitutes and appoints Funding Lender, or an independent contractor selected by Funding Lender, as its true and lawful attorney-in-fact with full power of substitution, for the purposes of completion of the Project and performance of Borrower's obligations under this Borrower Loan Agreement in the name of Borrower, and hereby empowers said attorney-in-fact to do any or all of the following upon the occurrence and continuation of an Event of Default (it being understood and agreed that said power of attorney shall be deemed to be a power coupled with an interest which cannot be revoked until full payment and performance of all obligations under this Borrower Loan Agreement and the other Borrower Loan Documents and the Funding Loan Documents):

(a) to use any of the funds of Borrower or Managing Member, including any balance of the Borrower Loan, as applicable, and any funds which may be held by Funding Lender for Borrower (including all funds in all deposit accounts in which Borrower has granted to Funding Lender a security interest), for the purpose of effecting completion of the construction or rehabilitation, as the case may be, of the Improvements, in the manner called for by the Plans and Specifications;

(b) to make such additions, changes and corrections in the Plans and Specifications as shall be necessary or desirable to complete the Project in substantially the manner contemplated by the Plans and Specifications;

(c) to employ any contractors, subcontractors, agents, architects and inspectors required for said purposes;

(d) to employ attorneys to defend against attempts to interfere with the exercise of power granted hereby;

(e) to pay, settle or compromise all existing bills and claims which are or may be liens against the Project or the Improvements, or may be necessary or desirable for the completion of the construction or rehabilitation, as the case may be, of the Improvements, or clearance of objections to or encumbrances on title;

(f) to execute all applications and certificates in the name of Borrower, which may be required by any other construction contract;

(g) to prosecute and defend all actions or proceedings in connection with the Project and to take such action, require such performance and do any and every other act as is deemed necessary with respect to the completion of the construction or rehabilitation, as the case may be, of the Improvements, which Borrower might do on its own behalf;

(h) to let new or additional contracts to the extent not prohibited by their existing contracts;

(i) to employ watchmen and erect security fences to protect the Project from injury;
and

(j) to take such action and require such performance as it deems necessary under any of the bonds or insurance policies to be furnished hereunder, to make settlements and compromises with the sureties or insurers thereunder, and in connection therewith to execute instruments of release and satisfaction.

It is the intention of the parties hereto that upon the occurrence and continuance of an Event of Default, rights and remedies may be pursued pursuant to the terms of the Borrower Loan Documents and the Funding Loan Documents. The parties hereto acknowledge that, among the possible outcomes to the pursuit of such remedies, is the situation where the Funding Lender assignees or designees become the owner of the Project and assume the obligations identified above, and the Borrower Notes, the Borrower Loan and the other Borrower Loan Documents and Funding Loan Documents remain outstanding.

ARTICLE IX

SPECIAL PROVISIONS

Section 9.1. Sale of Notes and Secondary Market Transaction.

Section 9.1.1 Cooperation. Subject to the restrictions of Section 2.6 of the Funding Loan Agreement, at the Funding Lender's or the Servicer's request (to the extent not already required to be provided by the Borrower under this Borrower Loan Agreement), the Borrower shall use reasonable efforts to satisfy the market standards to which the Funding Lender or the Servicer customarily adheres or which

may be reasonably required in the marketplace or by the Funding Lender or the Servicer in connection with one or more sales or assignments of all or a portion of either or both of the Governmental Lender Notes and the Funding Loan or participations therein or securitizations of single or multi-class securities (the "Securities") secured by or evidencing ownership interests in all or a portion of either or both of the Governmental Lender Notes and the Funding Loan (each such sale, assignment and/or securitization, a "Secondary Market Transaction"); provided that the Borrower shall not incur any third party or other out-of-pocket costs and expenses in connection with a Secondary Market Transaction, including the costs associated with the delivery of any Provided Information or any opinion required in connection therewith, and all such costs shall be paid by the Funding Lender or the Servicer, and shall not materially modify Borrower's rights or obligations. Without limiting the generality of the foregoing, the Borrower shall, so long as the Borrower Loan is still outstanding:

(a) (i) provide such financial and other information with respect to the Borrower Loan, and with respect to the Project, the Borrower, the Manager, the contractor of the Project or the Borrower Controlling Entity, (ii) provide financial statements, audited, if available, relating to the Project with customary disclaimers for any forward looking statements or lack of audit, and (iii), at the expense of the Funding Lender or the Servicer, perform or permit or cause to be performed or permitted such site inspection, appraisals, surveys, market studies, environmental reviews and reports (Phase Is and, if appropriate, Phase IIs), engineering reports and other due diligence investigations of the Project, as may be reasonably requested in writing from time to time by the Funding Lender or the Servicer or the Rating Agencies or as may be necessary or appropriate in connection with a Secondary Market Transaction or Exchange Act requirements (the items provided to the Funding Lender or the Servicer pursuant to this paragraph (a) being called the "Provided Information"), together, if customary, with appropriate verification of and/or consents (including, without limitation, auditor consents) to include or incorporate by reference the Provided Information in an offering document or otherwise provide the Provided Information to investors and potential investors or opinions of counsel of independent attorneys acceptable to the Funding Lender or the Servicer and the Rating Agencies;

(b) make such representations and warranties as of the closing date of any Secondary Market Transaction with respect to the Project, the Borrower, the Borrower Loan Documents and the Funding Loan Documents reasonably acceptable to the Funding Lender or the Servicer, consistent with the facts covered by such representations and warranties as they exist on the date thereof; and

(c) execute such amendments to the Borrower Loan Documents and the Funding Loan Documents to accommodate such Secondary Market Transaction so long as such amendment does not affect the material economic terms of the Borrower Loan Documents and the Funding Loan Documents and is not otherwise adverse to the Borrower in its reasonable discretion.

Section 9.1.2 Use of Information. The Borrower understands that certain of the Provided Information and the required records may be included in disclosure documents in connection with a Secondary Market Transaction, including a prospectus or private placement memorandum (each, a "Secondary Market Disclosure Document"), or provided or made available to investors or prospective investors in the Securities, the Rating Agencies and service providers or other parties relating to the Secondary Market Transaction. In the event that the Secondary Market Disclosure Document is required to be revised, the Borrower shall cooperate, subject to Section 9.1.1(c) hereof, with the Funding Lender and the Servicer in updating the Provided Information or required records for inclusion or summary in the Secondary Market Disclosure Document or for other use reasonably required in connection with a Secondary Market Transaction by providing all current information pertaining to the Borrower and the Project necessary to keep the Secondary Market Disclosure Document accurate and complete in all material respects with respect to such matters. The Borrower hereby consents to any and all such disclosures of such information.

Section 9.1.3 Borrower Obligations Regarding Secondary Market Disclosure Documents. In connection with a Secondary Market Disclosure Document, the Borrower shall provide, or in the case of a Borrower-engaged third party such as the Manager, cause it to provide, information reasonably requested by the Funding Lender pertaining to the Borrower, the Project or such third party (and portions of any other sections reasonably requested by the Funding Lender pertaining to the Borrower, the Project or the third party). The Borrower shall, if requested by the Funding Lender and the Servicer, certify in writing that the Borrower has carefully examined those portions of such Secondary Market Disclosure Document, pertaining to the Borrower, the Project or the Manager, and such portions (and portions of any other sections reasonably requested and pertaining to the Borrower, the Project or the Manager) do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; provided that the Borrower shall not be required to make any representations or warranties regarding any Provided Information obtained from a third party except with respect to information it provided to such parties. Furthermore, the Borrower hereby indemnifies the Funding Lender and the Servicer for any Liabilities to which any such parties may become subject to the extent such Liabilities arise out of or are based upon the use of the Provided Information in a Secondary Market Disclosure Document.

Section 9.1.4 Borrower Indemnity Regarding Filings. In connection with filings under the Exchange Act or the Securities Act, the Borrower shall (i) indemnify Funding Lender and the underwriter group for any securities (the "Underwriter Group") for any Liabilities to which Funding Lender, the Servicer or the Underwriter Group may become subject insofar as the Liabilities arise out of or are based upon the omission or alleged omission to state in the Provided Information of a material fact required to be stated in the Provided Information in order to make the statements in the Provided Information, in the light of the circumstances under which they were made not misleading and (ii) reimburse the Funding Lender, the Servicer, the Underwriter Group and other indemnified parties listed above for any legal or other expenses reasonably incurred by the Funding Lender, the Servicer or the Underwriter Group in connection with defending or investigating the Liabilities; provided that the Borrower shall not provide any indemnification regarding any Provided Information obtained from unrelated third parties except with respect to information it provided to such parties.

Section 9.1.5 Indemnification Procedure. Promptly after receipt by an indemnified party under Sections 9.1.3 and 9.1.4 hereof of notice of the commencement of any action for which a claim for indemnification is to be made against the Borrower, such indemnified party shall notify the Borrower in writing of such commencement, but the omission to so notify the Borrower will not relieve the Borrower from any liability that it may have to any indemnified party hereunder except to the extent that failure to notify causes prejudice to the Borrower. In the event that any action is brought against any indemnified party, and it notifies the Borrower of the commencement thereof, the Borrower will be entitled, jointly with any other indemnifying party, to participate therein and, to the extent that it (or they) may elect by Written Notice delivered to the indemnified party promptly after receiving the aforesaid notice of commencement, to assume the defense thereof with counsel selected by the Borrower and reasonably satisfactory to such indemnified party in its sole discretion. After notice from the Borrower to such indemnified party under this Section 9.1.5, the Borrower shall not be responsible for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnified party shall settle or compromise any claim for which the Borrower may be liable hereunder without the prior Written Consent of the Borrower.

Section 9.1.6 Contribution. In order to provide for just and equitable contribution in circumstances in which the indemnity agreement provided for in Section 9.1.4 hereof is for any reason held to be unenforceable by an indemnified party in respect of any Liabilities (or action in respect thereof) referred to therein which would otherwise be indemnifiable under Section 9.1.4 hereof, the Borrower shall contribute to the amount paid or payable by the indemnified party as a result of such Liabilities (or action

in respect thereof); provided, however, that no Person guilty of fraudulent misrepresentation (within the meaning of Section 10(f) of the Securities Act) shall be entitled to contribution from any Person not guilty of such fraudulent misrepresentation. In determining the amount of contribution to which the respective parties are entitled, the following factors shall be considered: (i) the indemnified parties and the Borrower's relative knowledge and access to information concerning the matter with respect to which the claim was asserted; (ii) the opportunity to correct and prevent any statement or omission; and (iii) any other equitable considerations appropriate in the circumstances. The parties hereto hereby agree that it may not be equitable if the amount of such contribution were determined by pro rata or per capita allocation.

ARTICLE X

MISCELLANEOUS

Section 10.1. Notices. All notices, consents, approvals and requests required or permitted hereunder or under any other Borrower Loan Document or Funding Loan Document (a "notice") shall be deemed to be given and made when delivered by hand, by recognized overnight delivery service, confirmed facsimile transmission (provided any telecopy or other electronic transmission received by any party after 4:00 p.m., local time, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Day), or five (5) calendar days after deposited in the United States mail, registered or certified, postage prepaid, with return receipt requested, addressed as follows:

If to the Borrower:

Vi Collina, LLC
c/o O-SDA/Saigebrook
5501-A Balcones Dr. #302
Austin, Texas 78731
Attention: Megan Lasch
Phone: (830) 330-0762

With a copy to:

Shackelford, Bowen, McKinley & Norton, LLP
9201 N Central Expressway, 4th Floor
Dallas, TX 75231
Attention: John Shackelford, Esq.
Phone: (214) 780-1414

If to the Governmental
Lender:

Austin Housing Finance Corporation
1000 East 11th St.
Austin, Texas 78702
Attention: Program Manager
Phone: (512) 974-3192

If to Funding Lender:

Citibank, N.A.
388 Greenwich Street, Trading 6th Floor
New York, New York 10013
Attention: Transaction and Asset Management Group
Re: Vi Collina Deal ID No. 60000227
Facsimile: (212) 723-8209

and
325 East Hillcrest Drive, Suite 160
Thousand Oaks, California 91360
Attention: Operations Manager/Asset Manager
Re: Vi Collina Deal ID No. 60000227
Facsimile: (805) 557-0924

Prior to the Conversion Date,
With a copy to:
Citibank, N.A.
388 Greenwich Street, Trading 6th Floor
New York, New York 10013
Attention: Account Specialist
Re: Vi Collina Deal ID No. 60000227
Facsimile: (212) 723-8209

Following the Conversion
Date, with a copy to:
Citibank, N.A.
c/o Berkadia Commercial Servicing Department
323 Norristown Road, Suite 300
Ambler, Pennsylvania 19002
Attention: Client Relations Manager
Re: Vi Collina Deal ID No. 60000227
Facsimile: (215) 328-0305

And a copy of any notices of
default sent to:
Citibank, N.A.
388 Greenwich Street, 17th Floor
New York, New York 10013
Attention: General Counsel's Office
Deal ID# 24437
Facsimile: (646) 291-5754

If to the Fiscal Agent:
Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 550
Dallas, Texas 75248
Attention: Corporate Trust Department
Facsimile: (888) 316-6238

If to the Equity Investor:
AHP Housing Fund 261, LLC
c/o Affordable Housing Partners, Inc.
10250 Constellation Blvd., Suite 1270
Los Angeles, California 90067
Attention: Michael L. Fowler

With a copy to:
Kutak Rock LLP
1801 California Street, Suite 3000
Denver, Colorado 80202
Attention: Ellen O'Brien, Esq.

Any party may change such party's address for the notice or demands required under this Borrower Loan Agreement by providing written notice of such change of address to the other parties by written notice as provided herein.

Section 10.2. Brokers and Financial Advisors. The Borrower hereby represents that it has dealt with no financial advisors, brokers, underwriters, placement agents, agents or finders in connection with the Borrower Loan, other than those disclosed to the Funding Lender and whose fees shall be paid by the Borrower pursuant to separate agreements. The Borrower and the Funding Lender shall indemnify and hold the other harmless from and against any and all claims, liabilities, costs and expenses of any kind in any way relating to or arising from a claim by any Person that such Person acted on behalf of the indemnifying party in connection with the transactions contemplated herein. The provisions of this Section 10.2 shall survive the expiration and termination of this Borrower Loan Agreement and the repayment of the Borrower Payment Obligations.

Section 10.3. Survival. This Borrower Loan Agreement and all covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the making by the Governmental Lender of the Borrower Loan and the execution and delivery to the Governmental Lender of the Borrower Notes and the assignment of the Borrower Notes to the Fiscal Agent, and shall continue in full force and effect so long as all or any of the Borrower Payment Obligations is unpaid. Further, the covenants of the Borrower contained in Section 5.15 of this Borrower Loan Agreement shall survive as provided in Section 5.15 hereof. All the Borrower's covenants and agreements in this Borrower Loan Agreement shall inure to the benefit of the respective legal representatives, successors and assigns of the Governmental Lender, the Fiscal Agent, the Funding Lender and the Servicer.

Section 10.4. Preferences. The Governmental Lender shall have the continuing and exclusive right to apply or reverse and reapply any and all payments by the Borrower to any portion of the Borrower Payment Obligations. To the extent the Borrower makes a payment to the Governmental Lender, the Fiscal Agent or the Servicer, or the Governmental Lender, the Fiscal Agent or the Servicer receives proceeds of any collateral, which is in whole or part subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or proceeds received, the Borrower Payment Obligations or part thereof intended to be satisfied shall be revived and continue in full force and effect, as if such payment or proceeds had not been received by the Governmental Lender or the Servicer.

Section 10.5. Waiver of Notice. The Borrower shall not be entitled to any notices of any nature whatsoever from the Funding Lender, the Fiscal Agent or the Servicer except with respect to matters for which this Borrower Loan Agreement or any other Borrower Loan Document specifically and expressly provides for the giving of notice by the Funding Lender, the Fiscal Agent or the Servicer, as the case may be, to the Borrower and except with respect to matters for which the Borrower is not, pursuant to applicable Legal Requirements, permitted to waive the giving of notice. The Borrower hereby expressly waives the right to receive any notice from the Funding Lender, the Fiscal Agent or the Servicer, as the case may be, with respect to any matter for which no Borrower Loan Document specifically and expressly provides for the giving of notice by the Funding Lender, the Fiscal Agent or the Servicer to the Borrower.

Section 10.6. Offsets, Counterclaims and Defenses. The Borrower hereby waives the right to assert a counterclaim, other than a compulsory counterclaim, in any action or proceeding brought against it by the Funding Lender, the Fiscal Agent or the Servicer with respect to a Borrower Loan Payment. Any assignee of Funding Lender's or the Fiscal Agent's interest in and to the Borrower Loan Documents or the Funding Loan Documents shall take the same free and clear of all offsets, counterclaims or defenses that are unrelated to the Borrower Loan Documents or the Funding Loan Documents which the Borrower may otherwise have against any assignor of such documents, and no such unrelated offset, counterclaim or defense shall be interposed or asserted by the Borrower in any action or proceeding brought by any such assignee upon such documents, and any such right to interpose or assert any such unrelated offset, counterclaim or defense in any such action or proceeding is hereby expressly waived by the Borrower.

Section 10.7. Publicity. The Funding Lender and the Servicer (and any Affiliates of either party) shall have the right to issue press releases, advertisements and other promotional materials describing the Funding Lender's or the Servicer's participation in the making of the Borrower Loan or the Borrower Loan's inclusion in any Secondary Market Transaction effectuated by the Funding Lender or the Servicer or one of its or their Affiliates. All news releases, publicity or advertising by the Borrower or its Affiliates through any media intended to reach the general public, which refers to the Borrower Loan Documents or the Funding Loan Documents, the Borrower Loan, the Funding Lender or the Servicer in a Secondary Market Transaction, shall be subject to the prior Written Consent of the Funding Lender or the Servicer, as applicable.

Section 10.8. Construction of Documents. The parties hereto acknowledge that they were represented by counsel in connection with the negotiation and drafting of the Borrower Loan Documents and the Funding Loan Documents and that the Borrower Loan Documents and the Funding Loan Documents shall not be subject to the principle of construing their meaning against the party that drafted them.

Section 10.9. No Third Party Beneficiaries. The Borrower Loan Documents and the Funding Loan Documents are solely for the benefit of the Governmental Lender, the Funding Lender, the Fiscal Agent, the Servicer and the Borrower and, with respect to Sections 9.1.3 and 9.1.4 hereof, the Underwriter Group, and nothing contained in any Borrower Loan Document shall be deemed to confer upon anyone other than the Governmental Lender, the Funding Lender, the Fiscal Agent, the Servicer, and the Borrower any right to insist upon or to enforce the performance or observance of any of the obligations contained therein.

Section 10.10. Assignment. The Borrower Loan, the Security Instrument, the Borrower Loan Documents and the Funding Loan Documents and all Funding Lender's rights, title, obligations and interests therein may be assigned by the Funding Lender, at any time in its sole discretion, whether by operation of law (pursuant to a merger or other successor in interest) or otherwise, subject to the requirements of Section 2.6 and Article IV of the Funding Loan Agreement. Upon such assignment, all references to Funding Lender in this Borrower Loan Agreement and in any Borrower Loan Document shall be deemed to refer to such assignee or successor in interest and such assignee or successor in interest shall thereafter stand in the place of the Funding Lender. Borrower shall accord full recognition to any such assignment, and all rights and remedies of Funding Lender in connection with the interest so assigned shall be as fully enforceable by such assignee as they were by Funding Lender before such assignment. In connection with any proposed assignment, Funding Lender may disclose to the proposed assignee any information that Borrower has delivered, or caused to be delivered, to Funding Lender with reference to Borrower, Managing Member, Guarantor or any Borrower Affiliate, or the Project, including information that Borrower is required to deliver to Funding Lender pursuant to this Borrower Loan Agreement, provided that such proposed assignee agrees to treat such information as confidential. The Borrower may not assign its rights, interests or obligations under this Borrower Loan Agreement or under any of the Borrower Loan Documents or Funding Loan Documents, or Borrower's interest in any moneys to be disbursed or advanced hereunder, except only as may be expressly permitted hereby and in the Funding Loan Documents.

Section 10.11. Usury. Borrower and Governmental Lender intend at all times to comply with the laws of the State of Texas governing the maximum rate or amount of interest payable on or in connection with the Borrower Loan, including Chapter 1204 of the Texas Government Code (or applicable United States federal law to the extent that it permits Governmental Lender to contract for, charge, take, reserve or receive a greater amount of interest than under Texas law). If the applicable law is ever judicially interpreted so as to render usurious any amount payable under the Borrower Notes, this Borrower Loan Agreement or any other Borrower Loan Document, or contracted for, charged, taken, reserved or received with respect to the Borrower Loan, or if acceleration of the maturity of the Borrower Loan, or if any prepayment by

Borrower results in Borrower having paid any interest in excess of that permitted by any applicable law, then Borrower and Governmental Lender expressly intend that all excess amounts collected by Governmental Lender will be applied to reduce the unpaid principal balance of the Borrower Loan (or, if the Borrower Loan has been or would thereby be paid in full, will be refunded to Borrower), and the provisions of the Borrower Notes, this Borrower Loan Agreement and the other Borrower Loan Documents immediately will be deemed reformed and the amounts thereafter collectible under the Borrower Loan Documents reduced, without the necessity of the execution of any new documents, so as to comply with any applicable law, but so as to permit the recovery of the fullest amount otherwise payable under the Borrower Loan Documents. The right to accelerate the maturity of the Borrower Loan does not include the right to accelerate any interest which has not otherwise accrued on the date of such acceleration, and Governmental Lender does not intend to collect any unearned interest in the event of acceleration. All sums paid or agreed to be paid to Governmental Lender for the use, forbearance or detention of the Borrower Loan will, to the extent permitted by any applicable law, be amortized, prorated, allocated and spread throughout the full term of the Borrower Loan until payment in full so that the rate or amount of interest on account of the Borrower Loan does not exceed the applicable usury ceiling. Notwithstanding any provision contained in the Borrower Notes, this Borrower Loan Agreement or any other Borrower Loan Document that permits the compounding of interest, including any provision by which any accrued interest is added to the principal amount of the Borrower Loan, the total amount of interest that Borrower is obligated to pay and Governmental Lender is entitled to receive with respect to the Borrower Loan will not exceed the amount calculated on a simple (i.e., noncompounded) interest basis at the maximum rate on principal amounts actually advanced to or for the account of Borrower, including all current and prior advances and any advances made pursuant to the Borrower Loan Agreement or any other Borrower Loan Document.

Section 10.12. Governmental Lender, Funding Lender, Fiscal Agent and Servicer Not in Control; No Partnership. None of the covenants or other provisions contained in this Borrower Loan Agreement shall, or shall be deemed to, give the Governmental Lender, the Funding Lender, the Fiscal Agent or the Servicer the right or power to exercise control over the affairs or management of the Borrower, the power of the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer being limited to the rights to exercise the remedies referred to in the Borrower Loan Documents and the Funding Loan Documents. The relationship between the Borrower and the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer is, and at all times shall remain, solely that of debtor and creditor. No covenant or provision of the Borrower Loan Documents or the Funding Loan Documents is intended, nor shall it be deemed or construed, to create a partnership, joint venture, agency or common interest in profits or income between the Borrower and the Governmental Lender, the Funding Lender, the Fiscal Agent or the Servicer or to create an equity in the Project in the Governmental Lender, the Funding Lender, the Fiscal Agent or the Servicer. Neither the Governmental Lender, the Funding Lender, the Fiscal Agent nor the Servicer undertakes or assumes any responsibility or duty to the Borrower or to any other person with respect to the Project or the Borrower Loan, except as expressly provided in the Borrower Loan Documents or the Funding Loan Documents; and notwithstanding any other provision of the Borrower Loan Documents and the Funding Loan Documents: (1) the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer are not, and shall not be construed as, a partner, joint venturer, alter ego, manager, controlling person or other business associate or participant of any kind of the Borrower or its stockholders, members, or partners and the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer do not intend to ever assume such status; (2) the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer shall in no event be liable for any Borrower Payment Obligations, expenses or losses incurred or sustained by the Borrower; and (3) the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer shall not be deemed responsible for or a participant in any acts, omissions or decisions of the Borrower, the Borrower Controlling Entities or its stockholders, members, or partners. The Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer and the Borrower disclaim any intention to create any partnership, joint venture, agency or common interest in profits or income between the Governmental Lender, the Funding Lender, the Servicer, the Fiscal Agent

and the Borrower, or to create an equity in the Project in the Governmental Lender, the Funding Lender, the Fiscal Agent or the Servicer, or any sharing of liabilities, losses, costs or expenses.

Section 10.13. Release. The Borrower hereby acknowledges that it is executing this Borrower Loan Agreement and each of the Borrower Loan Documents and the Funding Loan Documents to which it is a party as its own voluntary act free from duress and undue influence.

Section 10.14. Term of Borrower Loan Agreement. This Borrower Loan Agreement shall be in full force and effect until all payment obligations of the Borrower hereunder have been paid in full and the Borrower Loan and the Governmental Lender Notes have been retired or the payment thereof has been provided for; except that on and after payment in full of the Borrower Notes, this Borrower Loan Agreement shall be terminated, without further action by the parties hereto; provided, however, that the obligations of the Borrower under Sections 5.11 (Governmental Lender's Fees), 5.14 (Expenses), 5.15 (Indemnity), 9.1.3, 9.1.4, 9.1.5, 9.1.6 and 10.15 (Reimbursement of Expenses) hereof, as well as under Section 5.7 of the Construction Funding Agreement, shall survive the termination of this Borrower Loan Agreement.

Section 10.15. Reimbursement of Expenses. If, upon or after the occurrence of any Event of Default or Potential Default, the Governmental Lender, the Funding Lender, the Fiscal Agent or the Servicer shall employ attorneys or incur other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the Borrower contained herein, the Borrower will on written demand therefor reimburse the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer for fees of such attorneys and such other expenses so incurred.

The Borrower's obligation to pay the amounts required to be paid under this Section 10.15 shall be subordinate to its obligations to make payments under the Borrower Notes.

Section 10.16. Permitted Contests. Notwithstanding anything to the contrary contained in this Borrower Loan Agreement, Borrower shall have the right to contest or object in good faith to any claim, demand, levy or assessment (other than in respect of Debt or Contractual Obligations of Borrower under any Borrower Loan Document or Related Document) by appropriate legal proceedings that are not prejudicial to Funding Lender's rights, but this shall not be deemed or construed as in any way relieving, modifying or providing any extension of time with respect to Borrower's covenant to pay and comply with any such claim, demand, levy or assessment, unless Borrower shall have given prior Written Notice to the Governmental Lender and the Funding Lender of Borrower's intent to so contest or object thereto, and unless (i) Borrower has, in the Governmental Lender's and the Funding Lender's judgment, a reasonable basis for such contest, (ii) Borrower pays when due any portion of the claim, demand, levy or assessment to which Borrower does not object, (iii) Borrower demonstrates to Funding Lender's satisfaction that such legal proceedings shall conclusively operate to prevent enforcement prior to final determination of such proceedings, (iv) Borrower furnishes such bond, surety, undertaking or other security in connection therewith as required by law, or as requested by and satisfactory to Funding Lender, to stay such proceeding, which bond, surety, undertaking or other security shall be issued by a bonding company, insurer or surety company reasonably satisfactory to Funding Lender and shall be sufficient to cause the claim, demand, levy or assessment to be insured against by the Title Company or removed as a lien against the Project, (v) Borrower at all times prosecutes the contest with due diligence, and (vi) Borrower pays, promptly following a determination of the amount of such claim, demand, levy or assessment due and owing by Borrower, the amount so determined to be due and owing by Borrower. In the event that Borrower does not make, promptly following a determination of the amount of such claim, demand, levy or assessment due and owing by Borrower, any payment required to be made pursuant to clause (vi) of the preceding sentence, an Event of Default shall have occurred, and Funding Lender may draw or realize upon any bond or other security delivered to Funding Lender in connection with the contest by Borrower, in order to make such payment.

Section 10.17. Funding Lender Approval of Instruments and Parties. All proceedings taken in accordance with transactions provided for herein, and all surveys, appraisals and documents required or contemplated by this Borrower Loan Agreement and the persons responsible for the execution and preparation thereof, shall be satisfactory to and subject to approval by Funding Lender. Funding Lender's approval of any matter in connection with the Project shall be for the sole purpose of protecting the security and rights of Funding Lender. No such approval shall result in a waiver of any default of Borrower. In no event shall Funding Lender's approval be a representation of any kind with regard to the matter being approved.

Section 10.18. Funding Lender Determination of Facts. Funding Lender shall at all times be free to establish independently, to its reasonable satisfaction, the existence or nonexistence of any fact or facts, the existence or nonexistence of which is a condition of this Borrower Loan Agreement.

Section 10.19. Calendar Months. With respect to any payment or obligation that is due or required to be performed within a specified number of Calendar Months after a specified date, such payment or obligation shall become due on the day in the last of such specified number of Calendar Months that corresponds numerically to the date so specified; provided, however, that with respect to any obligation as to which such specified date is the 29th, 30th or 31st day of any Calendar Month: if the Calendar Month in which such payment or obligation would otherwise become due does not have a numerically corresponding date, such obligation shall become due on the first day of the next succeeding Calendar Month.

Section 10.20. Determinations by Lender. Except to the extent expressly set forth in this Borrower Loan Agreement to the contrary, in any instance where the consent or approval of the Governmental Lender and the Funding Lender may be given or is required, or where any determination, judgment or decision is to be rendered by the Governmental Lender and the Funding Lender under this Borrower Loan Agreement, the granting, withholding or denial of such consent or approval and the rendering of such determination, judgment or decision shall be made or exercised by the Governmental Lender and the Funding Lender, as applicable (or its designated representative) at its sole and exclusive option and in its sole and absolute discretion.

Section 10.21. Governing Law. This Borrower Loan Agreement shall be governed by and enforced in accordance with the laws of the State, without giving effect to the choice of law principles of the State that would require the application of the laws of a jurisdiction other than the State.

Section 10.22. Consent to Jurisdiction and Venue. Borrower agrees that any controversy arising under or in relation to this Borrower Loan Agreement shall be litigated exclusively in the State. The state and federal courts and authorities with jurisdiction in the State shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Borrower Loan Agreement. Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise. However, nothing herein is intended to limit Beneficiary Parties' right to bring any suit, action or proceeding relating to matters arising under this Borrower Loan Agreement against Borrower or any of Borrower's assets in any court of competent jurisdiction.

Section 10.23. Successors and Assigns. This Borrower Loan Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors, successors-in-interest and assigns, as appropriate. The terms used to designate any of the parties herein shall be deemed to include the heirs, legal representatives, successors, successors-in-interest and assigns, as appropriate, of such parties. References to a "person" or "persons" shall be deemed to include individuals and entities.

Section 10.24. Severability. The invalidity, illegality or unenforceability of any provision of this Borrower Loan Agreement shall not affect the validity, legality or enforceability of any other provision, and all other provisions shall remain in full force and effect.

Section 10.25. Entire Agreement; Amendment and Waiver. This Borrower Loan Agreement contains the complete and entire understanding of the parties with respect to the matters covered. This Borrower Loan Agreement may not be amended, modified or changed, nor shall any waiver of any provision hereof be effective, except by a written instrument signed by the party against whom enforcement of the waiver, amendment, change, or modification is sought, and then only to the extent set forth in that instrument. No specific waiver of any of the terms of this Borrower Loan Agreement shall be considered as a general waiver. Without limiting the generality of the foregoing, no Disbursement shall constitute a waiver of any conditions to the Governmental Lender's or the Funding Lender's obligation to make further Disbursements nor, in the event Borrower is unable to satisfy any such conditions, shall any such waiver have the effect of precluding the Governmental Lender or the Funding Lender from thereafter declaring such inability to constitute a Potential Default or Event of Default under this Borrower Loan Agreement.

Section 10.26. Counterparts. This Borrower Loan Agreement may be executed in multiple counterparts, each of which shall constitute an original document and all of which together shall constitute one agreement.

Section 10.27. Captions. The captions of the sections of this Borrower Loan Agreement are for convenience only and shall be disregarded in construing this Borrower Loan Agreement.

Section 10.28. Servicer. Borrower hereby acknowledges and agrees that, pursuant to the terms of Section 39 of the Security Instrument: (a) from time to time, the Governmental Lender or the Funding Lender may appoint a servicer to collect payments, escrows and deposits, to give and to receive notices under the Borrower Notes, this Borrower Loan Agreement or the other Borrower Loan Documents, and to otherwise service the Borrower Loan and (b) unless Borrower receives Written Notice from the Governmental Lender or the Funding Lender to the contrary, any action or right which shall or may be taken or exercised by the Governmental Lender or the Funding Lender may be taken or exercised by such servicer with the same force and effect.

Section 10.29. Beneficiary Parties as Third Party Beneficiary. Each of the Beneficiary Parties shall be a third party beneficiary of this Borrower Loan Agreement for all purposes.

Section 10.30. Waiver of Trial by Jury. TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, EACH OF BORROWER AND THE BENEFICIARY PARTIES (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS BORROWER LOAN AGREEMENT OR THE RELATIONSHIP BETWEEN THE PARTIES THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

Section 10.31. Time of the Essence. Time is of the essence with respect to this Borrower Loan Agreement.

Section 10.32. Modifications. Modifications (if any) to this Borrower Loan Agreement ("Modifications") are set forth on Exhibit A attached to this Borrower Loan Agreement. In the event of a Transfer under the terms of the Security Instrument, some or all of the Modifications to this Borrower Loan

Agreement may be modified or rendered void by the Governmental Lender or the Funding Lender at its option by notice to Borrower or such transferee.

Section 10.33. Reference Date. This Borrower Loan Agreement is dated for reference purposes only as of the first day of June, 2020, and will not be effective and binding on the parties hereto unless and until the Closing Date (as defined herein) occurs.

ARTICLE XI

LIMITATIONS ON LIABILITY

Section 11.1. Limitation on Liability. Notwithstanding anything to the contrary herein, the liability of the Borrower hereunder and under the other Borrower Loan Documents and the Funding Loan Documents shall be limited to the extent set forth in the Borrower Notes.

Section 11.2. Limitation on Liability of Governmental Lender; Governmental Lender May Rely.

(a) All obligations of the Governmental Lender incurred under this Borrower Loan Agreement, the Regulatory Agreement and the Funding Loan Agreement shall be limited obligations of the Governmental Lender, payable solely and only from Funding Loan proceeds, revenues and other amounts derived by the Governmental Lender from the Security pledged therefor including Pledged Revenues. THE GOVERNMENTAL LENDER NOTES AND THE FUNDING LOAN SHALL BE PAYABLE SOLELY FROM THE REVENUES AND OTHER FUNDS AND PROPERTY PLEDGED UNDER THE FUNDING LOAN AGREEMENT FOR THE PAYMENT OF THE GOVERNMENTAL LENDER NOTES AND THE FUNDING LOAN, AND NO OWNER OF THE GOVERNMENTAL LENDER NOTES SHALL EVER HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION OR OTHER PUBLIC BODY OF THE STATE, OR TO ENFORCE THE PAYMENT OF THE FUNDING LOAN OR THE GOVERNMENTAL LENDER NOTES AGAINST ANY PROPERTY OF THE GOVERNMENTAL LENDER, THE STATE OR ANY SUCH POLITICAL SUBDIVISION OR OTHER PUBLIC BODY, INCLUDING THE GOVERNMENTAL LENDER, EXCEPT AS PROVIDED IN THE FUNDING LOAN AGREEMENT. NO OFFICIAL, DIRECTOR, OFFICER, EMPLOYEE, AGENT OR ATTORNEY OF THE GOVERNMENTAL LENDER OR THE COUNTY, INCLUDING ANY PERSON EXECUTING THIS BORROWER LOAN AGREEMENT ON BEHALF OF THE GOVERNMENTAL LENDER, SHALL BE LIABLE PERSONALLY UNDER THIS BORROWER LOAN AGREEMENT OR FOR ANY REASON RELATING TO THE MAKING OF THE FUNDING LOAN OR ISSUANCE OF THE GOVERNMENTAL LENDER NOTES. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE GOVERNMENTAL LENDER NOTES OR THE FUNDING LOAN, OR FOR ANY CLAIM BASED ON THE GOVERNMENTAL LENDER NOTES OR THE FUNDING LOAN, OR OTHERWISE IN RESPECT OF THE GOVERNMENTAL LENDER NOTES OR THE FUNDING LOAN, OR BASED ON OR IN RESPECT OF THIS BORROWER LOAN AGREEMENT OR ANY AMENDMENT TO THIS BORROWER LOAN AGREEMENT, AGAINST ANY OFFICIAL, DIRECTOR, OFFICER, EMPLOYEE, AGENT OR ATTORNEY OF THE GOVERNMENTAL LENDER OR THE COUNTY, AS SUCH, OR ANY SUCCESSOR WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, ALL SUCH LIABILITY BEING, BY THE ACCEPTANCE OF THIS BORROWER LOAN AGREEMENT AND AS PART OF THE CONSIDERATION FOR THE MAKING OF THE FUNDING LOAN AND THE ISSUANCE OF THE GOVERNMENTAL LENDER NOTES, EXPRESSLY WAIVED AND RELEASED.

(b) It is expressly understood and agreed by the parties to this Borrower Loan Agreement that:

(i) the Governmental Lender may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Governmental Lender by the Funding Lender, the Fiscal Agent, any Owner of the Governmental Lender Notes or the Borrower as to the existence of a fact or state of affairs required under this Borrower Loan Agreement to be noticed by the Governmental Lender;

(ii) the 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 the Borrower, the Funding Lender or the Fiscal Agent; and

(iii) none of the provisions of this Borrower Loan Agreement shall require the Governmental Lender to expend or risk its own funds (apart from the proceeds of Governmental Lender Notes 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 Borrower Loan Agreement unless it first shall have been adequately indemnified to its satisfaction against the costs, expenses and liabilities which may be incurred by taking any such action.

(c) No provision, representation, covenant or agreement contained in this Borrower Loan Agreement or in the Funding Loan Agreement, the Governmental Lender Notes, or any obligation herein or therein imposed upon the Governmental Lender, or the breach thereof, shall constitute or give rise to or impose upon the Governmental Lender a pecuniary liability (except to the extent of any Borrower Loan repayments, revenues and receipts derived by the Governmental Lender pursuant to this Borrower Loan Agreement and other moneys held pursuant to the Funding Loan Agreement, other than in the Rebate Fund). No provision hereof shall be construed to impose a charge against the general credit of the Governmental Lender, the County, the State or any other political subdivision of the State, the taxing powers of the foregoing, within the meaning of any Constitutional provision or statutory limitation, or any personal or pecuniary liability upon any official, director, officer, employee, agent or attorney of the Governmental Lender or the County.

(d) All covenants, obligations and agreements of the Governmental Lender contained in this Borrower Loan Agreement and the Funding Loan Agreement shall be effective to the extent authorized and permitted by applicable law. No such covenant, obligation or agreement shall be deemed to be a covenant, obligation or agreement of any present or future official, director, officer, employee, agent or attorney of the Governmental Lender in other than his official capacity, and no official executing the Governmental Lender Notes shall be liable personally on the Governmental Lender Notes or be subject to any personal liability or accountability by reason of the issuance thereof or by reason of the covenants, obligations or agreements of the Governmental Lender contained in this Borrower Loan Agreement or in the Funding Loan Agreement. No provision, covenant or agreement contained in this Borrower Loan Agreement, the Funding Loan Agreement or the Governmental Lender Notes, or any obligation herein or therein imposed upon the Governmental Lender, or the breach thereof, shall constitute or give rise to or impose upon the Governmental Lender a pecuniary liability or a charge. No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the Governmental Lender contained in this Borrower Loan Agreement or in the Governmental Lender Notes or for any claim based hereon or otherwise in respect hereof or upon any obligation, covenant, promise, or agreement of the Governmental Lender contained in any agreement, instrument, or certificate executed in connection with the Project or the making of the Funding Loan and issuance of the Governmental Lender Notes, against any member of the governing body of the Governmental Lender, its officers, counsel, financial advisor, employees or agents, as such, in his or her individual capacity, past, present, or future, or of any successor thereto, whether by virtue of any Constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or

otherwise; it being expressly agreed and understood that no personal liability whatsoever shall attach to, or be incurred by, any member of the governing body, officers, counsel, financial advisors, employees or agents, as such, in his or her individual capacity, past, present, or future, of the Governmental Lender or of any successor thereto, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into between the Governmental Lender and the Fiscal Agent, the Funding Lender or the Borrower to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such director, officer, counsel, financial advisor, employee or agent, is, by the execution of the Governmental Lender Notes, this Borrower Loan Agreement, and the Funding Loan Agreement, and as a condition of, and as part of the consideration for, the execution of the Governmental Lender Notes, this Borrower Loan Agreement, and the Funding Loan Agreement, expressly waived and released.

Section 11.3. Waiver of Personal Liability. No member, officer, agent or employee of the Governmental Lender or any director, officer, agent or employee of the Governmental Lender shall be individually or personally liable for the payment of any principal (or prepayment price) of or interest on the Governmental Lender Notes or any other sum hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of this Borrower Loan Agreement; but nothing herein contained shall relieve any such member, director, officer, agent or employee from the performance of any official duty provided by law or by this Borrower Loan Agreement.

Section 11.4. Limitation on Liability of Funding Lender's Officers, Employees, Etc.

(a) Borrower assumes all risks of the acts or omissions of the Governmental Lender and the Funding Lender, provided, however, this assumption is not intended to, and shall not, preclude Borrower from pursuing such rights and remedies as it may have against the Governmental Lender and the Funding Lender at law or under any other agreement. None of Governmental Lender and the Funding Lender, nor the other Beneficiary Parties or their respective officers, directors, employees or agents shall be liable or responsible for (i) for any acts or omissions of the Governmental Lender and the Funding Lender; or (ii) the validity, sufficiency or genuineness of any documents, or endorsements, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged. In furtherance and not in limitation of the foregoing, the Governmental Lender and the Funding Lender may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, unless acceptance in light of such notice or information constitutes gross negligence or willful misconduct on the part of the Governmental Lender and the Funding Lender.

(b) None of the Governmental Lender, the Funding Lender, the other Beneficiary Parties or any of their respective officers, directors, employees or agents shall be liable to any contractor, subcontractor, supplier, laborer, architect, engineer or any other party for services performed or materials supplied in connection with the Project. The Governmental Lender and the Funding Lender shall not be liable for any debts or claims accruing in favor of any such parties against Borrower or others or against the Project. Borrower is not and shall not be an agent of the Governmental Lender and the Funding Lender for any purpose. Neither the Governmental Lender nor the Funding Lender is a joint venture partner with Borrower in any manner whatsoever. Prior to default by Borrower under this Borrower Loan Agreement and the exercise of remedies granted herein, the Governmental Lender and the Funding Lender shall not be deemed to be in privity of contract with any contractor or provider of services to the Project, nor shall any payment of funds directly to a contractor, subcontractor or provider of services be deemed to create any third party beneficiary status or recognition of same by the Governmental Lender and the Funding Lender. Approvals granted by the Governmental Lender and the Funding Lender for any matters covered under this Borrower Loan Agreement shall be narrowly construed to cover only the parties and facts identified in any written approval or, if not in writing, such approvals shall be solely for the benefit of Borrower.

(c) Any obligation or liability whatsoever of the Governmental Lender and the Funding Lender that may arise at any time under this Borrower Loan Agreement or any other Borrower Loan Document shall be satisfied, if at all, out of the Funding Lender's assets only. No such obligation or liability shall be personally binding upon, nor shall resort for the enforcement thereof be had to, the Project or any of the Governmental Lender's or the Funding Lender's shareholders (if any), directors, officers, employees or agents, regardless of whether such obligation or liability is in the nature of contract, tort or otherwise.

Section 11.5. Delivery of Reports, Etc. The delivery of reports, information and documents to the Governmental Lender and the Funding Lender as provided herein is for informational purposes only and the Governmental Lender's and the Funding Lender's receipt of such shall not constitute constructive knowledge of any information contained therein or determinable from information contained therein. The Governmental Lender and the Funding Lender shall have no duties or responsibilities except those that are specifically set forth herein, and no other duties or obligations shall be implied in this Borrower Loan Agreement against the Governmental Lender and the Funding Lender.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Borrower Loan Agreement or caused this Borrower Loan Agreement to be duly executed and delivered by its authorized representative as of the date first set forth above. The undersigned intends that this instrument shall be deemed to be signed and delivered as a sealed instrument.

VI COLLINA, LLC,
a Texas limited liability company

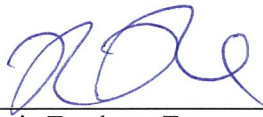
By: AHFC Vi Collina Non-Profit Corporation
Its: Managing Member

By: 
Name: Rosie Truelove
Title: Vice President

(signatures follow on subsequent page)

GOVERNMENTAL LENDER:

AUSTIN HOUSING FINANCE CORPORATION

By:  _____
Rosie Truelove, Treasurer

Agreed to and Acknowledged by:

FUNDING LENDER:

CITIBANK, N.A.

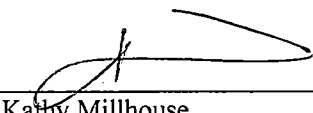
By: 
Name: Kathy Millhouse
Title: Vice President

EXHIBIT A
MODIFICATIONS

NONE

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 Issuer,**

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

AND

VI COLLINA, LLC

as Owner

Dated as of June 1, 2020

Relating to

\$20,450,000

**AUSTIN HOUSING FINANCE CORPORATION
MULTIFAMILY HOUSING GOVERNMENTAL REVENUE NOTE
(VI COLLINA APARTMENTS)
SERIES 2020A-1**

And

\$3,500,000

**AUSTIN HOUSING FINANCE CORPORATION
MULTIFAMILY HOUSING GOVERNMENTAL REVENUE NOTE
(VI COLLINA APARTMENTS)
SERIES 2020A-2**

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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 June 1, 2020, among the Austin Housing Finance Corporation, a public non-profit housing finance corporation organized and existing under the laws of the State of Texas (together with its successors and assigns, the "Issuer"), Wilmington Trust, National Association, a national banking association organized and existing under the laws of the United States of America, as Fiscal Agent (together with any successor or 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 Vi Collina, LLC, a limited liability company organized and existing under the laws of the State of Texas (together with its permitted successors and assigns, the "Owner"),

WITNESSETH:

WHEREAS, pursuant to the Act (as hereinafter defined), the Issuer is authorized to issue one or more series of its revenue bonds and to loan the proceeds thereof to finance the acquisition, construction and equipping of residential rental housing for persons of low and moderate income; and

WHEREAS, the Owner has requested the assistance of the Issuer in financing a multifamily residential affordable housing 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 Issuer has determined to assist in the financing of the Project by issuing its Multifamily Housing Governmental Revenue Note (Vi Collina Apartments) Series 2020A-1 in the original aggregate principal amount of \$20,450,000 and Multifamily Housing Governmental Revenue Note (Vi Collina Apartments) Series 2020A-2 in the original aggregate principal amount of \$3,500,000 (collectively, the "Note"), and making a loan to the Owner of proceeds of the Note, upon the terms and conditions set forth in the Loan Agreement (as hereinafter defined);

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 Issuer, 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, construction, 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 Issuer, 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 Issuer 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 Issuer 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 Issuer's rules, resolutions relating to the issuance of debt, or financing documents relating to the issuance of debt, which as of the date hereof, is 100% of median family income.

"Favorable Opinion of Bond Counsel" means an opinion of Bond Counsel, addressed to the Issuer and the 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 Bond is discharged.

"Gross Proceeds" means any Proceeds and any Replacement Proceeds of the Note.

"Funding Loan Agreement" means the Funding Loan Agreement of even date herewith by and between the Issuer, the Fiscal Agent and the Owner, relating to the issuance of the Note, and any supplements thereto.

"Inducement Date" means October 17, 2019

"Installment Computation Date" means the last day of each fifth year, commencing January 31, 2024, 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 of even date herewith among the Issuer, Fiscal Agent and Owner related to the Note as may be amended, modified, supplemented or restated from time to time.

"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.

"Owner Representative" means any Person who at the time and from time to time may be designated as such, by written certificate furnished to the Issuer and the Fiscal Agent containing the specimen signature of such Person and signed on behalf of the Owner by the managing member, which certificate may designate an alternate or alternates.

"Person" means any individual, entity, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any Issuer or political subdivision thereof.

"Proceeds" means any Sale Proceeds, Investment Proceeds and Transferred Proceeds of the 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, 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 bond 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 Bond, including amounts used to pay underwriters' discount or compensation and accrued interest other than pre-issuance accrued interest. Sale Proceeds also include amounts derived from the sale of a right that is associated with any Bond and that is described in Section 1.148-4 of the Regulations.

"Set Aside" has the meaning assigned to such term in Section 2(i) hereof.

"Spending Exception Issue" means any issue of the 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 Issuer all in satisfaction of the requirements of Regulations Section 1.167(k)-3(b)(3) (prior to its withdrawal by T.D. 8473, April 27, 1993) and other regulations of the Issuer and as described in Section 4(b)(ii), including the Tenant Income Certification Form as set forth in Exhibit C.

"Transferred Proceeds" means, with respect to any portion of the 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, Construction 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 Bond Closing Date, a substantial binding obligation to commence the construction 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, construction 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, construction 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 Bond Closing Date.
- (e) The statements made in the various certificates delivered by the Owner to the Issuer, 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 Notes. 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 Issuer 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 any 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 Issuer 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 Issuer, the Fiscal Agent and the Bondholder Representative a Favorable Opinion of Bond Counsel that the Owner does not need to comply with this Section 2(f), the Owner shall cause to be delivered, to the 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 is 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 Bond is discharged.

(iv) The Owner agrees to pay all of the reasonable and actual fees and out-of-pocket expenses of the Rebate Analyst, charged at rates substantially similar to the rate by such party for work of this type which may be Bond Counsel, a certified public accountant and any other necessary consultant employed by the Owner in connection with computing the Rebate Amount.

(g) The Owner covenants and agrees that not more than 50% of the Proceeds of the 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 any 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, and will cause the managing member of the Owner to covenant and agree for the longer of the Qualified Project Period or the period during which any 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 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 Issuer need not affirmatively consent to the termination of the covenants.

(k) Anything in this Agreement to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that the Issuer and the 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 Issuer, 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 Issuer, 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 Issuer, an opinion to the effect that such amendments are permitted, necessary and sufficient in order to enable compliance with the provisions of the Code such that the interest on the 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 Issuer and, where applicable, the Fiscal Agent pursuant to written instructions from the Issuer, shall execute, deliver and, if applicable, the Owner shall file of record, any and all documents and instruments, including without limitation, an amendment to this Regulatory Agreement, necessary to effectuate the intent of this Section 3, and the Owner and the Issuer hereby appoint the 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 Issuer, as is applicable, any

such document or instrument (in such form as may be approved by and upon instruction of Bond Counsel) if either the Owner or the Issuer defaults in the performance of its obligation under this Section 3; provided, however, that the Fiscal Agent shall take no action under this Section 3 without first notifying the Owner or the Issuer, as is applicable, in writing of its intention to take such action and providing the Owner or the Issuer, as is applicable, 10 Business Days after delivery of such notice to comply with the requirements of this Section 3.

Section 4. Residential Development. The Issuer and the Owner hereby recognize and declare their understanding and intent that the 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 Issuer, 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 Mortgage and this Regulatory Agreement, (B) all statements made in the Tenant Income Certification submitted by such tenant are accurate, (C) the family income and eligibility requirements of this Agreement and the 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 Issuer, and (E) failure to provide accurate information in the Tenant Income Certification or refusal to comply with a request for information with respect thereto will constitute a violation of a substantial obligation of the tenancy of such tenant in the Project;

(iv) To cause to be prepared and submitted to the Issuer 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 April, July, October, and January, as applicable, or other quarterly schedule as determined by the Issuer, a certified Compliance Monitoring Report and Occupancy Summary in a form attached hereto as Exhibit D or at the reasonable request of the Issuer in such other form provided by the Issuer from time to time;

(v) To the extent legally permissible and subject to the rights of tenants to permit any duly authorized representative of the Issuer or the 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 Issuer's requirements; and

(vi) The Owner will obtain a Tenant Income Certification from each tenant at least annually after the tenant's initial occupancy or as otherwise directed by the Issuer in writing.

Section 5. [Reserved].

Section 6. Consideration. The Issuer has issued the 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 Issuer, 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 Issuer, 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 Issuer 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 Issuer, 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 Issuer, 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 Issuer with respect to the occurrence or absence of a default unless it has actual knowledge that the report, notice or certificate is erroneous or misleading.

Section 8. Project in Austin, Texas. The Owner hereby represents that the Project is located entirely within the City of 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 Issuer. Such consent of the Issuer shall not be unreasonably withheld or delayed and shall be given if all conditions to the sale set forth in the Loan Agreement and this Regulatory Agreement are met or are waived in writing by the Issuer, including (1) there is delivered to the Fiscal Agent and the Issuer a written Opinion of Counsel reasonably satisfactory to the Fiscal Agent and the Issuer, addressed to the Fiscal Agent and the Issuer 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 Issuer receives a Favorable Opinion of Bond Counsel, which opinion shall be furnished at the expense of the Owner or the transferee, regarding such

sale, transfer or disposition, (3) the proposed purchaser or assignee executes any document reasonably requested by the Issuer with respect to assuming the obligations of the Owner under the Loan Agreement (to the extent still in effect) and this Regulatory Agreement, and (4) the Issuer shall not have any reason to believe that the purchaser or assignee is incapable, financially or otherwise, of complying with, or may be unwilling to comply with, the terms of all agreements and instruments binding on such proposed purchaser or assignee relating to the 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. Any such sale or transfer shall be subject to the Issuer's multifamily rules.

The Owner shall not change or cause to be changed the managing member of the Owner (or cause the Owner to have more than one managing member) without the prior written consent of the President, Vice President or Treasurer of the Issuer, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, the managing member 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 operating agreement, as it may be amended from time to time, and subject to the satisfaction of the requirements of the Loan Agreement.

Section 10. Term. This Regulatory Agreement and all and each of the provisions hereof shall become effective upon its execution and delivery, shall remain in full force and effect for the periods provided herein and, except as otherwise provided in this Section 10, shall terminate in its entirety at the end of the Qualified 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.

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 Issuer 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 Bond Closing Date which prevents the Issuer 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 is 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 Issuer shall not be required to consent to termination of this Regulatory Agreement for any reason other than those specified above.

Upon the termination of the terms of this Regulatory Agreement, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof; provided, however, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Agreement in accordance with its terms. All costs, including reasonable and actual fees and expenses of the Issuer and the 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 Issuer, 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 Issuer, 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 Issuer, 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 was 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 Issuer 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 Issuer, 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 Issuer 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 Issuer may, at its option, take any one or more of the following steps:

- (i) by mandamus or other suit, action or proceeding for specific performance, including injunctive relief, require the Owner to perform its obligations and covenants hereunder or enjoin any acts or things which may be unlawful or in violation of the rights of the Issuer or the 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 Issuer 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 Issuer and the Fiscal Agent are cumulative, nonexclusive and in addition to any and all rights and remedies that the Issuer 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 Issuer 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 Issuer when requested in writing by the Issuer to do so, and any act required to be performed by the Issuer as herein provided shall be deemed taken if such act is performed by the 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 9 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 Mortgage, termination of the Loan Agreement and defeasance or termination of the Funding Loan Agreement.

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, bad faith, fraud or willful misconduct. 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 review all documents prepared by the Owner and furnished to the Fiscal Agent to determine whether such documents materially conform on their face to the requirements of this Regulatory Agreement (which shall not require the Fiscal Agent to determine compliance with the

covenants herein), provided that the Fiscal Agent shall bear no liability for the determination so made. The Fiscal Agent shall notify the Issuer 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 or if such document does not conform on its face to the requirements of 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 Issuer 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 Issuer and the Fiscal Agent reimbursement for all fees and expenses actually incurred thereby required to be paid to the Issuer 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 Issuer, 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 Issuer and the Fiscal Agent, or the Owner 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.

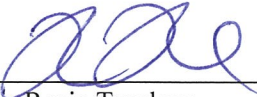
Section 22. Multiple Counterparts. This Regulatory Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 23. Authorization to Act for Issuer. To the extent allowed by law, the Issuer may authorize the Owner to take on behalf of the Issuer actions required or permitted to be taken by it hereunder, or under the Funding Loan Agreement and the Loan Agreement and to make on behalf of the Issuer all elections and determinations required or permitted to be made by the Issuer hereunder or under the Funding Loan Agreement and the Loan Agreement. In addition, to the extent allowed by law, the Issuer may authorize the Owner to exercise, on behalf of the Issuer, any election with respect to the Note pursuant to the Code or the Regulations, and in such case, the Issuer will cooperate with the Owner and execute any form of statement required by the Code or the Regulations required to effectuate any such election. Any authorization by the Issuer under this Section 23 shall be in writing.

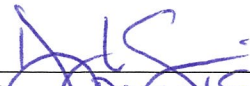


[EXECUTION PAGES FOLLOW]

IN WITNESS WHEREOF, the Issuer, 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: Rosie Truelove
Title: Treasurer

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

By: 
Name: 
Title: 

BORROWER

VI COLLINA, LLC,
a Texas limited liability company

By: AHFC Vi Collina Non-Profit Corporation
Its: Managing Member

By: 
Name: Rosie Truelove
Title: Vice President

ACKNOWLEDGMENT

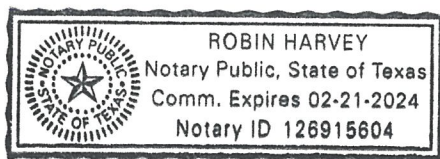
STATE OF TEXAS

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§

COUNTY OF TRAVIS

This Regulatory Agreement was acknowledged before me on May 27, 2020, by
Rosie Truelove, Treasurer of Austin Housing Finance Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Robin Harvey
Notary Public Signature

My Commission expires: 2/21/2024

(Personalized Seal)

ACKNOWLEDGMENT

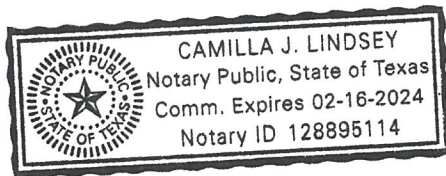
STATE OF TEXAS

COUNTY OF DALLAS

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This instrument was acknowledged before me on May 21, 2020, by Danilo L. Silva
Vice Pres. of Wilmington Trust, National Association

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



(Personalized Seal)

Camilla J. Lindsey
Notary Public Signature

My Commission expires: 2-16-24

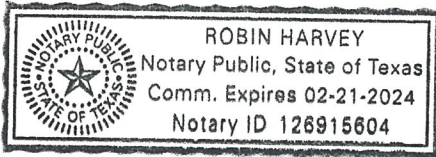
ACKNOWLEDGMENT

STATE OF Texas
COUNTY OF Travis

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This instrument was acknowledged before me on the 27 day of May, 2020, by Rosie Truelove, Vice President of AHFC Vi Collina, the managing member of Vi Collina, LLC, a Texas limited liability company. Non-Profit Corp.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Robin Harvey
Notary Public Signature

My Commission expires: 2/21/2024

(Personalized Seal)

EXHIBIT A

Legal Description for Title Commitment attached on next page

Description of Land

BEING all of Lots 2, 3, 4, 5, 6, and part of Lot 7, Willow Creek Commercial, Section II, an addition in the City of Austin, Travis County, Texas, according to the plat recorded in Volume 87, Pages 110B and 110C, Plat Records, Travis County, Texas (P.R.T.C.T.), the subject tract being more particularly described as follows (bearings are based on the State Plane Coordinate System, Texas Central Zone (4203), North American Datum of 1983 (NAD '83)):

BEGINNING at a 1/2 inch rebar with cap stamped "HOLT" found at the northwest corner of said Lot 2, lying in the southwest right-of-way of East Oltorf Street (called to be a 90' right-of-way by said Willow Creek Commercial, Section II);

THENCE with the southwest right-of-way of said East Oltorf Street, the following calls:

1. SOUTH 61 degrees 42 minutes 18 seconds EAST, a distance of 168.31 feet to a 5/8 inch rebar found at the beginning of a tangent curve to the right, having a radius of 1012.50 feet, a central angle of 26 degrees 23 minutes 35 seconds, and a chord bearing and distance of SOUTH 48 degrees 30 minutes 13 seconds EAST, 462.29 feet;
2. Along the arc of said curve, an arc distance of 466.40 feet to the northeast corner of said Lot 5, from which a 1/2 inch rebar found bears SOUTH 83 degrees WEST, 0.27 feet, being the beginning of a reverse curve, having a radius of 1012.50 feet, a central angle of 09 degrees 20 minutes 53 seconds, and a chord bearing and distance of SOUTH 40 degrees 00 minutes 28 seconds EAST, 165.01 feet;
3. Along the arc of said curve, an arc distance of 165.19 feet to the northwest corner of Lot 1, Willow Bend II Addition, an addition in the City of Austin, Travis County, Texas, according to the plat recorded in Volume 83, Page 184B, P.R.T.C.T., from which a 1/2 inch iron pipe found bears NORTH 01 degree WEST, 0.42 feet;

THENCE with the west line of said Lot 1, SOUTH 27 degrees 11 minutes 07 seconds WEST, a distance of 250.09 feet to a 3/8 inch rebar found at the southernmost corner of said Lot 7;

THENCE with the perimeter and to the corners of said Lot 7, the following calls:

1. NORTH 41 degrees 12 minutes 51 seconds WEST, a distance of 289.01 feet to the beginning of a non-tangent curve to the left, having a radius of 774.50 feet, a central angle of 25 degrees 50 minutes 10 seconds, and a chord bearing and distance of NORTH 48 degrees 46 minutes 48 seconds WEST, 346.29 feet;
2. Along the arc of said curve, an arc distance of 349.24 feet to a 1/2 inch rebar with cap stamped "HOLT" found;
3. NORTH 61 degrees 42 minutes 18 seconds WEST, a distance of 317.17 feet to the westernmost corner of said Lot 7, from which a 1/2 inch rebar found bears NORTH 78 degrees EAST, 0.46 feet;
4. NORTH 27 degrees 20 minutes 12 seconds EAST, a distance of 68.01 feet to the northernmost corner of said Lot 7, from which a 1/2 inch rebar with cap stamped "HOLT" found bears SOUTH 69 degrees EAST, a distance of 0.23 feet;

5. SOUTH 61 degrees 42 minutes 18 seconds EAST, a distance of 25.36 feet to a point in the northeast line of said Lot 7;

THENCE through the interior of said Lot 7, the following calls:

1. SOUTH 28 degrees 17 minutes 42 seconds WEST, a distance of 38.00 feet;

2. SOUTH 61 degrees 42 minutes 28 seconds EAST, a distance of 22.93 feet;

3. NORTH 88 degrees 43 minutes 02 seconds EAST, a distance of 21.27 feet;

4. NORTH 28 degrees 17 minutes 42 seconds EAST, a distance of 27.50 feet to a point in the northeast line of said Lot 7;

THENCE with the northeast line of said Lot 7, SOUTH 61 degrees 42 minutes 18 seconds EAST, a distance of 83.21 feet to a 5/8 inch rebar found at the southwest corner of said Lot 2;

THENCE with the west line of said Lot 2, NORTH 28 degrees 17 minutes 42 seconds EAST, a distance of 169.99 feet, returning to the POINT OF BEGINNING and enclosing 4.558 acres (198,555 square feet) of land, more or less.

EXHIBIT B

PROJECT AND OWNER

Owner:	Vi Collina, LLC
Project Site:	2401 E. Oltorf Street, Austin, Texas 78741
Project Facilities	Approx 170 units.

EXHIBIT C

TENANT INCOME CERTIFICATION

Austin Housing Finance Corporation
Multifamily Housing Governmental Revenue Note
(Vi Collina Apartments)
Series 2020A-1 and A-2

INCOME CERTIFICATION

☐ Initial Certification ☐ Recertification ☐ Other*

Effective Date: _____

Move-in Date: _____
(MM/DD/YYYY)

*Transfer from Unit:

PART I – DEVELOPMENT DATA

PART I – DEVELOPMENT DATA		
Property _____	County: _____	BIN #: _____
Name: AHFC# _____	Unit Number: _____	# Bedrooms: _____

PART II. HOUSEHOLD COMPOSITION

HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	Student Status (<i>circle one</i>)	Last 4 digits of Social Security Number
1			HEAD		FT / PT / NA	
2					FT / PT / NA	
3					FT / PT / NA	
4					FT / PT / NA	
5					FT / PT / NA	
6					FT / PT / NA	
7					FT / PT / NA	

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
TOTALS	\$	\$	\$	\$
Add totals from (A) through (D) above			TOTAL INCOME (E):	\$

PART IV. INCOME FROM ASSETS

HH Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
TOTALS:			\$	\$

Enter Column (H) Total	Passbook Rate		
If over \$5000 \$	X .06% (effective 2/1/2015)	= (J) Imputed Income	\$

Enter the greater of the total of column I, or J: imputed income **TOTAL INCOME FROM ASSETS (K)**

(L) Total Annual Household Income from all Sources [Add (E) + (K)]	\$
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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)

PART V. DETERMINATION OF INCOME ELIGIBILITY

TOTAL ANNUAL HOUSEHOLD INCOME
FROM ALL SOURCES:
From item (L) on page 1 \$ _____

Mark the program(s) listed below for which this household's income will be counted toward the property's occupancy requirements.

<input type="checkbox"/> HTC or Exchange	<input type="checkbox"/> 30%	<input type="checkbox"/> 40%	<input type="checkbox"/> 50%	<input type="checkbox"/> 60%	<input type="checkbox"/> OI***	
<input type="checkbox"/> TCAP	<input type="checkbox"/> 30%	<input type="checkbox"/> 40%	<input type="checkbox"/> 50%	<input type="checkbox"/> 60%	<input type="checkbox"/> OI***	
<input type="checkbox"/> HOME	<input type="checkbox"/> 30%	<input type="checkbox"/> 40%	<input type="checkbox"/> 50%	<input type="checkbox"/> 60%	<input type="checkbox"/> 80%	<input type="checkbox"/> OI***
<input type="checkbox"/> BOND	<input type="checkbox"/> 30%	<input type="checkbox"/> 50%	<input type="checkbox"/> 60%	<input type="checkbox"/> 80%	<input type="checkbox"/> OI***	<input type="checkbox"/> ET
<input type="checkbox"/> HTF	<input type="checkbox"/> ELI	<input type="checkbox"/> VLI	<input type="checkbox"/> LI	<input type="checkbox"/> OI***		
<input type="checkbox"/> NSP	<input type="checkbox"/> 30%	<input type="checkbox"/> 40%	<input type="checkbox"/> 50%	<input type="checkbox"/> 60%	<input type="checkbox"/> 80%	<input type="checkbox"/> 120%
<input type="checkbox"/> CDBG	<input type="checkbox"/> 30%	<input type="checkbox"/> 40%	<input type="checkbox"/> 50%	<input type="checkbox"/> 60%	<input type="checkbox"/> 80%	<input type="checkbox"/> 120%
<input type="checkbox"/> Other _____	<input type="checkbox"/>					

*** Upon Recertification household was determined to be over income (OI) according to eligibility requirements of the programs marked above.

PART VI. RENT

A. Tenant Paid Rent: \$ _____

B. Utility Allowance: \$ _____

C. Rent Assistance: \$ _____

D. Other non-optional charges and mandatory fees: \$ _____

E. Gross Rent For Unit (See Instructions): \$ _____ / _____

Mark the program(s) listed below for which this household's rent will be counted toward the property's occupancy requirements.

<input type="checkbox"/> HTC or Exchange	<input type="checkbox"/> 30%	<input type="checkbox"/> 40%	<input type="checkbox"/> 50%	<input type="checkbox"/> 60%
<input type="checkbox"/> TCAP	<input type="checkbox"/> 30%	<input type="checkbox"/> 40%	<input type="checkbox"/> 50%	<input type="checkbox"/> 60%
<input type="checkbox"/> HOME	<input type="checkbox"/> Low HOME	<input type="checkbox"/> High HOME	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> BOND	<input type="checkbox"/> 30%	<input type="checkbox"/> 50%	<input type="checkbox"/> 60%	<input type="checkbox"/> 80%
<input type="checkbox"/> HTF	<input type="checkbox"/> 30%	<input type="checkbox"/> 50%	<input type="checkbox"/> 60%	<input type="checkbox"/> 80%
<input type="checkbox"/> NSP	<input type="checkbox"/> 30%	<input type="checkbox"/> 40%	<input type="checkbox"/> Low HOME	<input type="checkbox"/> High HOME
<input type="checkbox"/> CDBG	<input type="checkbox"/> 30%	<input type="checkbox"/> 40%	<input type="checkbox"/> Low HOME	<input type="checkbox"/> High HOME
<input type="checkbox"/> Other _____	<input type="checkbox"/>			

PART VII. STUDENT STATUS (HTC, TCAP, Exchange, and BOND only)

ARE ALL OCCUPANTS FULL TIME STUDENTS? If yes, Enter student explanation*
(also attach documentation)

☐ Yes ☐ No

Enter 1-5

*Student Explanation:

1. TANF assistance
2. Job Training Program
3. Single parent/dependent child
4. Married/joint return
5. Previous Foster Care

SIGNATURE OF OWNER/REPRESENTATIVE

Based on the representations herein and upon the proofs and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of program's rules, regulations and the Land Use Restriction Agreement (if applicable), to live in a unit in this Project.

SIGNATURE OF OWNER/REPRESENTATIVE _____

DATE _____

Supplement to the Income Certification

Unit #: _____ Date: _____

See below for Ethnicity, Race, and Other codes that characterize household composition. **Enter both Ethnicity and Race** codes for each household member, if applicable. Also indicate if an individual in the household is elderly and/or disabled.

HH Mbr #	Sex – enter M or F	Age	Ethnicity	Race	Elderly Enter Y or N	Disabled Enter Y or N
1						
2						
3						
4						
5						
6						
7						

The AHFC requests this information in order to comply with HUD's required reporting requirements. Although AHFC would appreciate receiving this information, you may choose not to furnish it. You may not be discriminated against on the basis of this information, or on whether or not you choose to furnish it. If you do not wish to furnish this information, please initial below.

RESIDENT/APPLICANT: I do not wish to furnish information regarding ethnicity, race, sex, age and other household composition.
(Initials) _____

The following Ethnicity codes should be used:	The following Race codes should be used:
A Hispanic	A White
B Not Hispanic	B Black/African American
	C Asian
	D American Indian/Alaska Native
	E Native Hawaiian/Other Pacific Islander
	F American Indian/Alaska Native & White
	G Asian & White
	H Black/African American & White
	I American Indian/Alaska Native & Black/African American
	J Other Multi Racial

DEFINITIONS

Ethnic categories:

- A. Hispanic – A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. Terms such as "Latino" or "Spanish Origin" apply to this category.
- B. Not Hispanic – A person not of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.

Racial categories:

- A. White – A person having origins in any of the original peoples of Europe, the Middle East, or North Africa.
- B. Black/African American – A person having origins in any of the black racial groups of Africa. Terms such as "Haitian" or "Negro" apply to this category.
- C. Asian – A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.
- D. American Indian/Alaskan Native – A person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.
- E. Native Hawaiian/Other Pacific Islander – A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

Note: The remaining racial categories (F-I) are multi racial categories made up of combinations of the single race categories defined above (A-E). If the appropriate multi-racial category is not listed, use the "Other Multi Racial" (J) category.

Disabled:

- A physical or mental impairment which substantially limits one or more major life activities; a record of such an impairment; or being regarded as having such an impairment. For a definition of "physical or mental impairment" and other terms used in this definition, please see 24 CFR 100.201.

"Handicap" does not include current, illegal use of or addiction to a controlled substance.

EXHIBIT D

COMPLIANCE MONITORING REPORT

TO: Austin Housing Finance Corporation
1000 E. 11th Street
Austin, Texas 78702
Attention: Program Manager

Wilmington Trust, National Association, as Fiscal Agent
15950 North Dallas Parkway, Suite 550
Dallas, Texas 75248
Attention: Corporate Trust Department

Austin Housing Finance Corporation
Multifamily Housing Governmental Revenue Notes
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Vi Collina, LLC (the "Owner") and _____ (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 Loan Agreement and the Regulatory Agreement (as each is defined below), has been made by the Administrative Member and reviewed by AHFC Vi Collina Non-Profit Corporation (the "Managing Member") on behalf of the Owner.
2. The Owner owns Vi Collina Apartments (the "Project").
3. The Project was financed, in substantial part, as a result of the loan of the proceeds of the above-captioned Notes (the "Notes") from the Austin Housing Finance Corporation (the "Issuer" or "Governmental Lender") to the Owner.
4. The Administrative Member and the Managing Member have read and are thoroughly familiar with the provisions of (1) the Regulatory Agreement and Land Use Restriction Agreement (the "Regulatory Agreement"), dated as of June 1, 2020, among the Owner, the Issuer and Wilmington Trust, National Association, as Fiscal Agent (the "Fiscal Agent"); and (2) the Borrower Loan Agreement, dated as of June 1, 2020, among the Owner, the Fiscal Agent and the Issuer (the "Loan Agreement"). The Regulatory Agreement was executed, delivered, and recorded against the Project in connection with the issuance of the Notes. 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 Project's Qualified Project Period with respect to the Project is the period beginning on the first day on which 10 percent of the residential units in the Project 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 Project are occupied, (ii) the first date on which no tax-exempt private activity bond issued with respect to the Project are outstanding, 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. The Qualified Project Period began on _____, 20__.

6. For the entire Qualified Project Period, at least 40% of the Units at each Project 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 Project (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 Project 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, and to the best knowledge of the Managing Member based solely on information received by it from the Administrative Member, (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 Notes.
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 Notes, such knowledge should be detailed here:)
11. The Owner has not transferred any interest in the Project since the date of submission of the Compliance Monitoring Report last submitted to the Fiscal Agent and the Issuer with respect to the Project. (If the Owner has transferred any interest in the Project, 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 Member (based upon information supplied by tenants of the Project), true and accurate.

VI COLLINA, LLC,
a Texas limited liability company

By: AHFC Vi Collina Non-Profit
Corporation
Its: Managing Member

By: _____
Name:
Title:

ADMINISTRATIVE MEMBER

**[ADD ADMINISTRATIVE MEMBER
SIG BLOCK]**

Exhibit D

Ground Lease

GROUND LEASE

between

**AUSTIN HOUSING FINANCE CORPORATION,
as Landlord**

and

**VI COLLINA, LLC,
as Tenant**

Dated as of June 1, 2020

GROUND LEASE**between****AUSTIN HOUSING FINANCE CORPORATION, as Landlord****and****VI COLLINA, LLC, as Tenant**

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Addenda and Exhibits

Exhibit A	Description of Land
Exhibit B	Schedule of Permitted Encumbrances
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GROUND LEASE

This Ground Lease (the “**Lease**”) is dated as of June 1, 2020 (and effective June 18, 2020), by and between the undersigned parties: **AUSTIN HOUSING FINANCE CORPORATION**, a Texas housing finance corporation established under Section 394 of the Texas Local Governmental Code, as amended, having an address at 1000 East 11th Street, Suite 200, Austin, Texas 78702, as landlord (“**Landlord**”), and **VI COLLINA, LLC**, a Texas limited liability company, having its principal address at 5501-A Balcones Drive, #302, Austin, Texas 78731, as tenant (“**Tenant**”).

R E C I T A L S

WHEREAS, Landlord is a housing finance corporation established under the laws of the State of Texas, with its offices in the City of Austin, Texas, and is the owner of certain Land (as defined herein) all of which Landlord has agreed to lease under the terms and conditions hereof to Tenant for Tenant’s construction and operation of a rental project (“**Project**”) to be comprised of 170 rental units (the “**Units**”); and

WHEREAS, Tenant and Landlord intend that Units will qualify for Low Income Housing Tax Credits as defined in Section 42 of the Code (as defined herein), and that Units will be subject to restrictions under Section 42 and Section 142(d) of the Code, the terms of a loan from Austin Housing Finance Corporation to the Tenant, and other applicable restrictive covenants (the “**Restricted Units**”); and

WHEREAS, Landlord and Tenant desire to enter into this Lease on the terms and conditions set forth herein;

NOW THEREFORE, IN CONSIDERATION of the covenants and agreements of the parties hereto, as are hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each party hereto, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord all of that tract of land in the City of Austin, Texas, which is described in Exhibit A attached hereto, together with any and all rights, alleys, right of ways, privileges, appurtenances, easements, and advantages, to the same belonging or in any way appertaining (collectively, the “**Land**”);

SUBJECT TO THE OPERATION AND EFFECT of the Permitted Encumbrances,

TO HAVE AND TO HOLD the Land unto Tenant, its successors and permitted assigns, for the purposes and term of years set forth herein,

ON THE TERMS AND SUBJECT TO THE CONDITIONS which are hereinafter set forth:

SECTION 1. DEFINITIONS.

1.1 Specific. As used herein, the following terms have the following meanings:

“**Additional Rent**” has the meaning given to it in Section 4.1.2.

“**Administrative Member**” means, collectively, (i) Vi Collina O-SDA, LLC, a Texas limited liability company, and (ii) Vi Collina Saigebrook, LLC, a Texas limited liability company, together with their successors and assigns.

“**AM**” **Diminution**” has the meaning given to it in Section 20.1(a).

“**Annual Rent**” has the meaning given to it in paragraph 4.1.1.

“**Bankruptcy**” shall be deemed, for any Person, to have occurred either

(a) if and when such Person (i) applies for or consents to the appointment of a receiver, trustee or liquidator of such Person or of all or a substantial part of its assets, (ii) files a voluntary petition in bankruptcy or admits in writing its inability to pay its debts as they come due, (iii) makes an assignment for the benefit of its creditors, (iv) files a petition or an answer seeking a reorganization or an arrangement with its creditors or seeks to take advantage of any insolvency law, (v) performs any other act of bankruptcy, or (vi) files an answer admitting the material allegations of a petition filed against such Person in any bankruptcy, reorganization or insolvency proceeding; or

(b) if (i) an order, judgment or decree is entered by any court of competent jurisdiction adjudicating such Person a bankrupt or an insolvent, approving a petition seeking such an adjudication, or reorganization, or appointing a receiver, trustee or liquidator of such Person or of all or a substantial part of its assets, or (ii) there otherwise commences with respect to such Person or any of its assets any proceeding under any bankruptcy, reorganization, arrangement, insolvency, readjustment, receivership or similar law, and if such order, judgment, decree or proceeding continues unstayed for any period of ninety (90) consecutive days after the expiration of any stay thereof.

“**Bill of Sale**” has the meaning given it in paragraph 20.2.

“**City**” means the City of Austin, Texas.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Commencement Date**” has the meaning given it in paragraph 3.1.1.

“**Compliance Period**” means the fifteen (15) year tax credit compliance period under Section 42 of the Code.

“**Construction Completion Date**” has the meaning given it in paragraph 9.1.3.

“**Conveyance Documents**” shall have the meaning given it in paragraph 20.2.

“Depository” means a federally-insured bank or trust company designated by Landlord having a capital of not less than \$50,000,000 and having its main office in Texas, or if no such bank or trust company is willing to act as such, Landlord. For purposes of this Lease, (a) a bank or trust company qualified as aforesaid shall be deemed willing to act as Depository hereunder if in connection therewith it employs its customary form of escrow agreement which does not contain provisions inconsistent with those of this Lease, and agrees to undertake the duties provided for herein, and (b) no such bank or trust company shall be deemed willing to act as Depository if Landlord gives written notice to Tenant and Investor Member that no bank or trust company with qualifications as aforesaid to which it has applied is willing to act as Depository, and neither Tenant nor Investor Member, within thirty (30) days after being given such notice, designates as Depository a bank or trust company having such qualifications and willing to act as such.

“Environmental Laws” shall mean any and all federal, state, or local statutes, laws, rules, regulations, ordinances, orders, codes, determinations, decrees, or rules of common law pertaining to health, safety, or the environment now or at any time hereafter in effect and any judicial or administrative interpretation thereof (including, but not limited to, any judicial or administrative order, consent decree or judgment relating to the environment or Hazardous Materials (as hereafter defined), or exposure to Hazardous Materials) including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Superfund Amendments and Reauthorization Act of 1986, as amended, the Resource, Conservation and Recovery Act of 1976, as amended, the Clean Air Act, as amended, the Federal Water Pollution Control Act, as amended, the Oil Pollution Act of 1990, as amended, the Safe Drinking Water Act, as amended, the Hazardous Materials Transportation Act, as amended, the Toxic Substances Control Act, as amended, and any other environmental or health conservation or protection laws.

“Equipment” means all apparatus, machinery, devices, fixtures, appurtenances, equipment and personal property owned by Tenant now or hereafter located on or within the Premises or the Improvements and necessary or desirable for the proper operation and maintenance of the Premises or the Improvements (other than moveable equipment belonging to any third parties or belonging to any Resident of a Unit), including but not limited to any and all awnings, shades, screens and blinds; asphalt, vinyl, composition and other floor, wall and ceiling coverings; partitions, doors and hardware; elevators, escalators and hoists; heating, plumbing and ventilating apparatus; gas, electric and steam fixtures; chutes, ducts and tanks; oil burners, furnaces, heaters, incinerators and boilers; air-cooling and air-conditioning equipment; washroom, toilet and lavatory fixtures and equipment; engines, pumps, dynamos, motors, generators, electrical wiring and equipment; tools, building supplies, lobby decorations and window washing hoists and equipment; garage equipment, security systems, and gardening and landscaping equipment; swimming pool, recreational furniture and equipment; refrigerators, dishwashers, disposals, ranges, washers, dryers, and other kitchen appliances and all additions thereto and replacements thereof.

“Event of Default” has the meaning given it in subsection 15.1.

“Fee Estate” means the fee simple estate in the Land, subject to the operation and effect of this Lease.

“Force Majeure” means any (a) strike, lock-out or other labor troubles, (b) governmental restrictions or limitations, (c) failure or shortage of electrical power, gas, water, fuel oil, or other utility or service, (d) riot, war, insurrection or other national or local emergency, (e) accident, flood, fire or other casualty, (f) adverse weather conditions resulting in cessation of work on the Project for in excess of one (1) week, (g) local, state, national or global pandemics; (h) other act of God, (i) inability to obtain a building permit or a certificate of occupancy, or (j) other cause similar or dissimilar to any of the foregoing and beyond the reasonable control of the Person in question.

“Ground Lease Assignment” has the meaning given it in paragraph 20.2.

“Guarantors” means Saigebrook Development, LLC, O-SDA Industries, LLC, Lisa Stephens and Megan Lasch.

“Guaranty Period” means the period that any Guarantor (or affiliate of any Guarantor) shall guaranty any Permitted Leasehold Mortgage or any obligations owed under the Operating Agreement (or agreements contemplated therein).

“Hazardous Materials” means any pollutants, contaminants or industrial, toxic, hazardous or extremely hazardous chemicals, wastes, materials or substances, and in such amounts, which are defined, determined, classified or identified as such in any Environmental Law or in any judicial or administrative interpretation of any Environmental Law, including, without limitation, oil, petroleum, petroleum by-products, friable asbestos, polychlorinated biphenyls and urea formaldehyde, excluding, within legal limits, household cleaners, lawn products and pesticides.

“Holdover Rent” has the meaning given it in paragraph 3.3.2.

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

“IM Diminution” has the meaning given to it in Section 20.1(a).

“Improvements” means any and all buildings, structures, alterations, improvements, fixtures, and non-movable Equipment now located or at any time in the future located on or in the Premises, and all subsequent alterations, additions, and/or replacements thereto and/or thereof.

“Independent Appraiser” has the meaning given to it in Section 20(b).

“Initial Rent Payment” has the meaning given to it in paragraph 4.1.1.

“Insurance Requirements” has the meaning given it in paragraph 5.2.1.

“Investor Member” means AHP Housing Fund 261, LLC, a Delaware limited liability company, and any entity which succeeds to its interest as an investor member in the Tenant.

“Landlord” means Landlord and its successors and assigns as owner of the Fee Estate.

“Landlord Event of Default” shall have the meaning given it in paragraph 15.5.

“Landlord’s Related Parties” shall have the meaning given it in paragraph 7.5.4.

“Land Records” means the Official Public Records of Real Property of Travis County, Texas.

“Lease Year” means (a) the period commencing on the Commencement Date and terminating on the first (1st) anniversary of the last day of the calendar month containing the Commencement Date, and (b) each successive period of twelve (12) calendar months thereafter during the Term.

“Leasehold Estate” means the leasehold estate in the Land held by Tenant under this Lease.

“Leasehold Mortgage” means any Permitted Leasehold Mortgagee holding a Mortgage against the Leasehold Estate.

“Legal Requirements” has the meaning given it in paragraph 5.2.1.

“LIHTC/Bond/Additional Housing Requirements” means (i) applicable Low Income Housing Tax Credits requirements as found in Section 42 of the Code, and as required by the Texas Department of Housing and Community Affairs for the appropriate extended use period, (ii) the applicable tax-exempt bond-related requirements as found in Section 142(d) and related sections of the Code, (iii) the affordable housing requirements, if any, set forth in the Landlord’s Special Warranty Deed for the Land, (iv) the affordable housing requirements set forth in the restrictive covenants relating to the subordinate loan made by Austin Housing Finance Corporation to Tenant for the benefit of the Project, and (v) and other applicable affordable housing requirements with respect to the Project.

“LURA” has the meaning given to it in paragraph 8.1.

“Managing Member” means AHFC Vi Collina Non-Profit Corporation, a Texas nonprofit corporation, and any entity which succeeds to its interest as a managing member in the Tenant.

“Mortgage” means any mortgage or deed of trust at any time encumbering any or all of Tenant’s leasehold interest in the Property, and any other security interest therein existing at any time under any other form of security instrument or arrangement used from time to time in the locality of the Property (including but not limited to any such other form of security arrangement arising under any deed of trust, sale-and-leaseback documents, lease-and-leaseback documents, security deed or conditional deed, or any financing statement, security agreement or other documentation used pursuant to the Uniform Commercial Code – Secured Transactions, or any successor or similar statute), provided that such mortgage, deed of trust or other form of security instrument, and an instrument evidencing any such other form of security arrangement, has been recorded among the Land Records or in such other place as is, under applicable law, required for such instrument to give constructive notice of the matters set forth therein. Except as otherwise provided in this Lease, all Mortgages are subordinated in all respects to this Lease.

“Mortgagee” means the Person secured by a Mortgage.

“New Tenant” has the meaning given to it in paragraph 8.3.

“Operating Agreement” means that certain Amended and Restated Operating Agreement of Vi Collina, LLC, a Texas limited liability company, as amended.

“Operating Expenses” has the meaning given it in paragraph 6.4.1.

“Option” has the meaning given it in paragraph 20.1.

“Option Exercise Notice” has the meaning given it in paragraph 20.1.

“Partial Taking” has the meaning given it in paragraph 13.4.

“Permitted Encumbrances” means any and all instruments and matters of record or matters of fact on the date hereof, including but not limited to the instruments and matters listed in a schedule attached hereto as Exhibit B and matters permitted under paragraph 9.1.10 herein, and including without limitation, the LURA, any liens or encumbrances securing any construction and/or permanent loans made to the Tenant, at Tenant’s request, in connection with the Project and matters permitted by Permitted Leasehold Mortgagees of such loans, and anything that would be visible or apparent from a current survey of the Land.

“Permitted Leasehold Mortgage” has the meaning given to it in paragraph 9.1.10.

“Permitted Leasehold Mortgagee” means the Person owed indebtedness the repayment of which is secured by a Permitted Leasehold Mortgage.

“Person” means a natural person, a trustee, a corporation, a partnership, a limited liability company and any other form of legal entity.

“Plans and Specifications” has the meaning given it in paragraph 9.1.1.

“Premises” means the Land; provided, that if at any time any portion of the Premises becomes no longer subject to this Lease, “Premises” shall mean so much thereof as remains subject to this Lease.

“Property” means the Land, the Improvements and the Equipment.

“Purchase Price” has the meaning given in paragraph 20.1.

“Rent” means the Initial Rent Payment, all Annual Rent, and all Additional Rent.

“Resident” means a person occupying a Unit in the Project pursuant to a Tenancy Agreement.

“Restoration” means the repair, restoration or rebuilding of any or all of the Property after any damage thereto or destruction thereof, with such alterations or additions thereto as are made by Tenant in accordance with this Lease, together with any temporary repairs or improvements made to protect the Property pending the completion of such work.

“**Taxes**” has the meaning given it in subsection 6.1.

“**TDHCA**” means the Texas Department of Housing and Community Affairs or a successor state department.

“**Tenancy Agreement**” means the form of lease agreement between the Tenant and a Resident under the terms of which a Resident is entitled to enjoy possession of a Unit in the Project.

“**Tenant**” means Tenant and its successors and permitted assigns as holder of the Leasehold Estate.

“**Tenant’s Property**” has the meaning given it in paragraph 20.1.

“**Tenant’s Related Parties**” has the meaning given it in paragraph 7.5.4.

“**Term**” has the meaning given it in paragraph 3.1.1.

“**Termination Date**” has the meaning given it in paragraph 3.1.1.

“**Total Taking**” has the meaning given to it in paragraph 13.3.

“**Transfer**” has the meaning given it in paragraph 14.1.

1.2 General. Any other term to which meaning is expressly given in this Lease shall have such meaning.

1.3 Construction. Any Rent or any other amount paid hereunder shall be construed as made by Tenant solely for the use of the Premises, as Tenant shall be deemed to own the Improvements and the Equipment for all purposes. Any covenants contained herein made by the Tenant regarding the Improvements and the Equipment shall be construed solely to protect Landlord from liability in connection with the Improvements and the Equipment.

SECTION 2. TITLE. Tenant and Landlord hereby acknowledge that the Fee Estate upon which the Improvements are to be constructed and operated is held exclusively by Landlord.

SECTION 3. TERM.

3.1 Length.

3.1.1 Original Term. This Lease shall be for a term (“**Term**”) commencing on June 18, 2020 (“**Commencement Date**”), and (b) terminating at 11:59 o’clock P.M. on June 30, 2075, the day immediately before the fifty-fifth (55th) anniversary of the first (1st) day of the first (1st) full calendar month following the Commencement Date (the “**Termination Date**”, except that if the date of such termination is hereafter advanced to an earlier date or postponed pursuant to any provision of this Lease, or by express, written agreement of the parties hereto (and only with the written consent of Managing Member, Investor Member, Permitted Leasehold Mortgagees and Administrative Member), or by operation of law, the date to which it is advanced or postponed shall thereafter be the “**Termination Date**” for all purposes of this Lease).

Notwithstanding the foregoing provisions of this Section 3.1.1, or any other provision of this Lease, this Lease shall not be extended beyond the seventy-fifth (75th) anniversary of July 1, 2020.

3.1.2 Confirmation of Commencement and Termination. Landlord and Tenant shall upon either's prior written request therefor, within fifteen (15) days after, respectively, (a) the commencement of the Term, and (b) the expiration of the Term or any earlier termination of this Lease by action of law or in any other manner, confirm in writing by instrument in recordable form that, respectively, such commencement or such termination has occurred, setting forth therein the Commencement Date and the Termination Date.

3.2 Surrender.

3.2.1 Tenant shall, at its expense, at the expiration of the Term or any earlier termination of this Lease, subject to the terms of paragraph 3.4, (a) peaceably leave, quit and surrender the Premises promptly yield up to Landlord the Property in a condition similar to a like property of a similar age, subject to reasonable ordinary wear and tear, and damage by casualty, subject to Section 12, excepted, and broom clean, (b) remove therefrom Tenant's personal property that is not part of the Property or otherwise owned by Landlord or a Resident, and (c) repair any damage to the Property caused by such removal, all subject to the rights of Residents in possession of Units under Tenancy Agreements with Tenant. Upon such expiration or termination, the Property or any portion of the Property so terminated, shall become the sole property of Landlord at no cost to Landlord, and shall be free of all liens and encumbrances (other than the Permitted Encumbrances and such other encumbrances which may be granted from time to time in accordance with the terms hereof).

3.2.2 Upon such expiration or termination (whether by reason of an Event of Default or otherwise), (a) neither Tenant nor its representatives shall thereafter have any right at law or in equity in or to any or all of the Property (including the Units and the rest of the Improvements) or to repossess any of same, or in, to or under this Lease, and Landlord shall automatically be deemed immediately thereupon to have succeeded to all of the same, free and clear of the right, title or interest therein of any creditor of Tenant or any other Person whatsoever (but subject to the rights of any Person then holding any lien, right, title or interest in or to the Fee Estate, the Leasehold Estate, or the Property), and (b) Tenant hereby waives any and all rights of redemption which it may otherwise hold under any applicable law.

3.3 Holding Over.

3.3.1 Nothing in this Lease shall be deemed in any way to permit Tenant to use or occupy the Premises after the expiration of the Term or any earlier termination of this Lease. If and only if Tenant continues to occupy the Premises after such expiration or termination after obtaining Landlord's express, written consent thereto,

(a) such occupancy shall (unless the parties hereto otherwise agree in writing) be deemed to be under a month-to-month tenancy, which shall continue until either party hereto notifies the other in writing, by at least thirty (30) days before the end of any calendar month, that the party giving such notice elects to terminate such tenancy at the end of such calendar month, in which event such tenancy shall so terminate;

(b) subject to the provisions of subparagraph 3.3.1(c), but anything in the remaining provisions of this Section to the contrary notwithstanding, the rent payable with respect to each such monthly period shall equal the Additional Rent payable under Section 4; and

(c) such month-to-month tenancy shall be on the same terms and subject to the same conditions as those set forth in this Lease, except that if Landlord gives Tenant, by at least thirty (30) days before the end of any calendar month during such month-to-month tenancy, written notice that such terms and conditions (including any thereof relating to the amount and payment of Rent) shall, after such month, be modified in any manner specified in such notice, then such tenancy shall, after such month, be on the said terms and subject to the said conditions, as so modified.

3.3.2 If Tenant continues to occupy the Premises after the expiration of the Term or any earlier termination of this Lease without having obtained Landlord's express, written consent thereto, then without altering or impairing any of Landlord's rights under this Lease or applicable law, (a) Tenant hereby agrees to pay to Landlord immediately on demand by Landlord as holdover rental ("**Holdover Rent**") for the Premises, for each calendar month or portion thereof after such expiration of the Term or such earlier termination of this Lease, as aforesaid, until Tenant surrenders possession of the Premises to Landlord, a sum equaling the allocable monthly Additional Rent plus Fifty and 00/100 Dollars (\$50.00) per each day of such holdover occupancy, and (b) Tenant shall surrender possession of the Premises to Landlord immediately on Landlord's having demanded the same. Nothing in this Lease shall be deemed in any way to give Tenant any right to remain in possession of the Premises after such expiration or termination, regardless of whether Tenant has paid any such Holdover Rent to Landlord, without Landlord's express written approval.

3.4 Title to and Alterations of Improvements. At all times during the Term of this Lease, legal and beneficial title to the Improvements and the Equipment shall be vested in the Tenant and during the Term, to the extent permitted by applicable law, Tenant alone shall be entitled to all of the tax attributes of ownership, including, without limitation, the right to claim depreciation or cost recovery deductions and the right to claim the low-income housing tax credit described in Section 42 of the Code, if applicable, and Tenant shall have the right to amortize capital costs and to claim any other federal or state tax benefits attributable to the Property.

SECTION 4. RENT.

4.1 Amount. As rent for the Premises, Tenant shall pay to Landlord:

4.1.1 Rent. Landlord hereby acknowledges the receipt of the payment of Three Million Four Hundred Forty Thousand and 00/100 Dollars (\$3,440,000), representing the payment in full of the initial rent payment due under the Lease. (the "**Initial Rent Payment**"). In addition to the Initial Rent Payment, annual rent ("**Annual Rent**") in the amount of Fourteen Thousand and 00/100 Dollars (\$14,000) shall be due commencing with the fourth (4th) Lease Year and continuing for the full Term. No Annual Rent shall be due for the first three (3) Lease Years. Until the Operating Agreement is terminated, the Annual Rent shall be payable only from available Net Cash Flow (as defined in the Operating Agreement) in accordance with Article 9 of the Operating Agreement. No failure of Tenant to pay all or any portion of Annual Rent in any given year

because there is insufficient Net Cash Flow shall be a default or Event of Default hereunder. Payments of Annual Rent due shall be paid in arrears on the last day of each Lease Year during the Term, or, as long as the Operating Agreement is in effect, the day on which Net Cash Flow is distributed pursuant to the Operating Agreement for the Company fiscal year in which such Lease Year ends.

4.1.2 Additional Rent. Additional rent (“**Additional Rent**”) in the amount of any payment referred to as such in this Lease which accrues while this Lease is in effect (which Additional Rent shall include any and all charges or other amounts which Tenant is obligated to pay under this Lease, including, but not limited to, costs of taxes, insurance and public utility charges, other than the Initial Rent Payment and the Annual Rent). Such Additional Rent, unless required to be paid sooner hereunder, shall be due and payable within 30 days of Landlord’s written demand therefor.

4.2 Tax on Lease. If federal, state or local law now or hereafter imposes any tax, payment in lieu of tax, assessment, levy or other charge (other than any income tax) directly or indirectly upon (a) Landlord with respect to this Lease or the value thereof, (b) Tenant’s use or occupancy of the Premises, (c) the Rent, or (d) this transaction, Tenant shall pay the amount thereof as Additional Rent to Landlord upon demand unless Tenant is prohibited by law from doing so, provided Tenant shall not be obligated to pay any tax which is solely attributable to Landlord’s ownership interest as owner of the Land.

4.3 Security Deposit. None.

4.4 Net Lease. Other than as is expressly set forth in this Lease (and except for Landlord’s legal fees, third-party consultants retained by Landlord and Landlord’s own costs), all costs, expenses, liabilities, charges or other deductions whatsoever with respect to the Premises and the construction, ownership, leasing, operation, maintenance, repair, rebuilding, use, occupation of, or conveyance of any or all of Tenant’s Improvements shall be the sole responsibility of and payable by Tenant, including, but not limited to any reasonable cost, expenses, liabilities, charges or other sums incurred by Landlord in connection with this Lease that are Tenant’s responsibility pursuant to the terms of this Lease; all of which costs, expenses, liabilities and charges shall be deemed Additional Rent hereunder.

4.5 Condition of the Premises. **TENANT ACKNOWLEDGES AND AGREES THAT THE PREMISES SHALL BE LEASED TO TENANT AND TENANT SHALL ACCEPT THE PREMISES, “AS IS, WHERE IS, AND WITH ALL FAULTS.” LANDLORD HEREBY EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PREMISES. WITHOUT LIMITING THE GENERALITY OF THE PRECEDING SENTENCE OR ANY OTHER DISCLAIMER SET FORTH HEREIN, LANDLORD AND TENANT HEREBY AGREE THAT LANDLORD HAS NOT MADE AND IS NOT MAKING ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WRITTEN OR ORAL, AS TO (A) THE NATURE OR CONDITION, PHYSICAL OR OTHERWISE, OF THE PREMISES OR ANY ASPECT THEREOF, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF HABITABILITY, SUITABILITY,**

MERCHANTABILITY, OR FITNESS FOR A PARTICULAR USE OR PURPOSE; (B) THE SOIL CONDITIONS, DRAINAGE CONDITIONS, TOPOGRAPHICAL FEATURES, ACCESS TO PUBLIC RIGHTS-OF-WAY, AVAILABILITY OF UTILITIES OR OTHER CONDITIONS OR CIRCUMSTANCES WHICH AFFECT OR MAY AFFECT THE PREMISES OR ANY USE TO WHICH TENANT MAY PUT THE PREMISES; (C) ANY CONDITIONS AT OR WHICH AFFECT OR MAY AFFECT THE PREMISES WITH RESPECT TO ANY PARTICULAR PURPOSE, USE, DEVELOPMENT POTENTIAL OR OTHERWISE; (D) ANY ENVIRONMENTAL, GEOLOGICAL, METEOROLOGICAL, STRUCTURAL OR OTHER CONDITION OR HAZARD OR THE ABSENCE THEREOF, HERETOFORE, NOW, OR HEREAFTER AFFECTING IN ANY MANNER THE PREMISES, INCLUDING, BUT NOT LIMITED TO, THE ABSENCE OF ASBESTOS, LEAD PAINT, OR ANY OTHER HAZARDOUS MATERIALS ON, IN, UNDER OR ADJACENT TO THE PREMISES, AND (E) THE COMPLIANCE OF THE PREMISES OR THE OPERATION OR USE OF THE PREMISES WITH ANY APPLICABLE RESTRICTIVE COVENANTS, OR ANY LEGAL REQUIREMENTS (INCLUDING SPECIFICALLY, WITHOUT LIMITATION, ANY ZONING LAWS OR REGULATIONS, ANY BUILDING CODES, ANY ENVIRONMENTAL LAWS, AND THE AMERICANS WITH DISABILITIES ACT OF 1990, ALL AS AMENDED FROM TIME TO TIME).

SECTION 5. USE OF PROPERTY.

5.1 Nature of Use. Tenant shall throughout the Term use and operate the Property only for residential rental apartments and related uses, including the construction, development, operation, marketing for lease, and leasing of the Units, in each case in a manner which satisfies the requirements of this Lease.

5.2 Compliance with Law and Covenants. Tenant, throughout the Term and at its sole expense, in its development, construction, possession, operation, leasing and all other uses of the Premises, the Improvements, the Equipment and the Units:

5.2.1 shall comply promptly and fully with (a) all applicable laws, ordinances, notices, orders, rules, regulations and requirements of all federal, state and municipal governments and all departments, commissions, boards and officers thereof, including all applicable LIHTC/Bond/Additional Housing Requirements (all of which are hereinafter referred to collectively as “**Legal Requirements**”); and (b) all requirements imposed by any policy of insurance required by Section 7 to be maintained by Tenant (all of which are hereinafter referred to collectively as “**Insurance Requirements**”); and (c) the provisions of the other Permitted Encumbrances, all if and to the extent that any of the Legal Requirements, the Insurance Requirements or the said provisions relate to any or all of the Premises, the Improvements and the Equipment, or manner of use thereof, whether any of the foregoing are foreseen or unforeseen, or are ordinary or extraordinary;

5.2.2 (without limiting the generality of the foregoing provisions of this subsection) shall keep in force throughout the Term all licenses, consents and permits required from time to time by all applicable Legal Requirements to permit the Property to be used in accordance with this Lease;

5.2.3 shall pay or cause to be paid before past due all personal property taxes, income taxes, license fees and other taxes or special assessments assessed, levied or imposed upon Tenant or any other Person (other than Landlord) in connection with the operation of the Project or its use thereof;

5.2.4 shall not take or fail to take any action, as the result of which action or failure to act, Landlord's estate, right, title or interest in and to any or all of the Fee Estate might be impaired; and

5.2.5 shall not (either with or without negligence) (a) knowingly cause or permit the escape, disposal or release of any Hazardous Materials, or (b) knowingly allow the storage or use Hazardous Materials in any manner not sanctioned by law or by the highest standards prevailing in the industry for the storage and use of such substances or materials, or (c) knowingly allow any Hazardous Materials to be brought onto the Property except to use in the ordinary course of Tenant's business or by Residents for use within the Units in quantities permitted under the Legal Requirements. If any Permitted Leasehold Mortgagee or governmental agency reasonably requires testing to ascertain whether or not there has been any release of Hazardous Materials on the Premises while this Lease is in effect, then the reasonable costs thereof paid by Landlord shall be reimbursed by Tenant to Landlord upon demand as Additional Rent if such requirement applies to the Premises. Tenant shall execute affidavits, representations and the like from time to time at Landlord's reasonable request concerning Tenant's best knowledge and belief regarding the presence of Hazardous Materials on the Premises.

5.3 Restrictions Applicable to Units.

5.3.1 Tenant shall comply with the restrictive covenants contained in any land use restrictions that are now or hereafter recorded in the Land Records and pertain to the Property, including, without limitation, the LURA, the restrictive covenants in the Landlord's Special Warranty Deed for the Land and the restrictive covenants relating to the bonds issued by Austin Housing Finance Corporation and the loan made to the Tenant from the bond proceeds, and the subordinate loan made by Austin Housing Finance Corporation to the Tenant.

5.3.2 Tenant shall comply with the provisions of the Legal Requirements prohibiting discrimination in housing on the grounds of race, color, creed, national origin, sex, marital status, sexual orientation, or a physical or mental handicap, including, but not limited to, Title VI of the Civil Rights Act of 1964 (Public Law 88-352) and Title VIII of the Civil Rights Act of 1968 (Public Law 90-284) and the Fair Housing Act (42 U.S.C. §§3601-3620).

5.3.3 The Restricted Units are subjected to and benefited by the terms and conditions of the LIHTC/Bond/Additional Housing Requirements. All LIHTC/Bond Housing/Additional Requirements and this Section 5 with respect to applicable Restricted Units shall be binding upon Landlord and Tenant and each of their respective successors and assigns, except for, to the extent permitted by applicable Legal Requirements, any entity which succeeds to Tenant's interest in the Premises by foreclosure or an instrument in lieu of foreclosure. The Landlord (in its capacity as Landlord) shall have no control or participation in the control or operation of the Property and shall not be entitled to any benefits from or uses thereof except for the Rent required hereunder.

5.3.4 Notwithstanding anything to the contrary contained in this Lease, following foreclosure by any Permitted Leasehold Mortgagee or assignment of the Leasehold Estate in lieu of such foreclosure, the use restrictions contained in this Section 5.3 shall be terminated and of no further force and effect to the extent permitted by applicable Legal Requirements.

SECTION 6. TAXES AND OPERATING EXPENSES.

6.1 Tenant to Pay. Tenant (a) shall bear the full expense of any and all real property, personal property or other taxes, including any and all PILOT Payments, if applicable, city, county, metropolitan district charges or other state or local assessments, charges or fees levied against any or all of the Premises, the Improvements, the Equipment and the Units, whether against the Fee Estate or the Leasehold Estate therein, and payable with respect to any calendar or tax year or other period falling wholly or partly within the Term, including but not limited to any assessments or fees levied against the Units pursuant to any Permitted Encumbrances (all of which are hereinafter referred to collectively as “**Taxes**”), except that if any such tax, charge or assessment is levied with respect to a period beginning before the Commencement Date or ending after the Termination Date, Tenant shall bear the full expense of only that percentage thereof equaling the percentage of such period falling within the Term; (b) shall pay the same before past due and before any penalty is incurred for late payment thereof; and (c) shall deliver to Landlord the receipted bill for such Taxes within ten (10) days after Landlord requests it from Tenant in writing. Tenant shall not be required to pay any income taxes otherwise chargeable to the Landlord. Landlord hereby agrees, as owner of the Land, to use its best efforts to maintain any existing or future ad valorem tax exemption under the Texas Tax Code for the Premises.

6.2 Delivery of Bills and Notices. Each party hereto shall deliver to the other, promptly after such party’s receipt thereof, the originals or accurate copies of any and all bills for Taxes and notices of assessments or reassessments made or to be made for the purpose of levying any Taxes. If the Premises are not now treated as a separate tax lot by the assessing authority, Landlord shall use its reasonable efforts promptly hereafter to have the Premises so treated.

6.3 Tenant Proceedings to Contest; Indemnification of Landlord. Tenant may, without postponing payment thereof, as aforesaid, bring proceedings to contest any Legal Requirement and to contest the validity or the amount of any Taxes, or to recover any amount thereof paid by Tenant, provided that prior thereto Tenant notifies Landlord in writing that Tenant intends to take such action. Tenant shall indemnify and hold harmless Landlord against and from any expense arising out of any such action. Landlord shall, upon written request by Tenant, cooperate with Tenant in taking any such action, provided that Tenant indemnifies and holds harmless Landlord against and from any expense or liability arising out of such cooperation.

6.3.1 Property Tax Exemption. The Property is anticipated to qualify for exemption from all state and local government real estate taxes. Tenant and Landlord, and/or Landlord’s successors, will use best efforts to entitle the Property to qualify for the exemption from state and local government real estate taxes. Landlord agrees not to take any action within its reasonable control which would jeopardize the property tax exemption, and further agrees to take such commercially reasonable action as Tenant or Investor Member may request (at Tenant’s expense) to preserve such property tax exemption, unless such action is otherwise prohibited by law.

6.4 Operating Expenses.

6.4.1 Tenant's Obligations. Subject to Tenant's legal rights to dispute expenses, Tenant will pay (or cause to be paid) directly to the providers of such services all costs and expenses attributable to or incurred in connection with the development, construction and rehabilitation, completion, marketing, leasing, maintenance, management and occupancy of the Premises, the Improvements and the Equipment (collectively, "**Operating Expenses**"), including without limitation (a) all energy sources for the Improvements, such as propane, butane, natural gas, steam, electricity, solar energy and fuel oil, as applicable; (b) all water, sewer and trash disposal services; (c) all maintenance, repair, replacement and rebuilding of the Improvements including, without limitation, all Equipment; (d) all landscaping, maintenance, repair and striping of all parking areas; (e) all insurance premiums relating to the Premises and the Improvements, including fire and extended coverage, public liability insurance, rental insurance and all risk insurance; and (f) the cost and expenses of all capital improvements or repairs (whether structural or non-structural) required to maintain the Improvements in good order and repair, including but not limited to any required by any governmental or quasi-governmental authority having jurisdiction over the Premises or the Improvements.

6.4.2 Permits and Licenses. Tenant shall also procure, or cause to be procured, at Tenant's sole cost and expense, any and all necessary permits, licenses, or other authorizations required for the lawful and proper installation and maintenance upon the Premises of wires, cables, pipes, conduits, tubes, fiber optics and other equipment and appliances for use in supplying any such service to the Improvements and upon the Premises. Landlord, upon request of Tenant, and at the sole expense and liability of Tenant, will join with Tenant in any application required for obtaining or continuing any such services.

6.5 Right to Pay Taxes and Senior Mortgage. Any Permitted Leasehold Mortgagee, Investor Member or Administrative Member shall have the right (but not the obligation) to pay any taxes payable by Landlord or Tenant with respect to the Premises, and to cure any monetary or non-monetary default by Landlord or Tenant under any Mortgage (excluding, with respect to a Permitted Leasehold Mortgagee, such Permitted Leasehold Mortgagee's Permitted Leasehold Mortgage) or other encumbrance on the Premises which has priority over the Lease, but only to the extent permitted by such Permitted Leasehold Mortgagee's Permitted Leasehold Mortgage; and if a Permitted Leasehold Mortgagee or Investor Member or Administrative Member do so pay or cure, Landlord or Tenant, as applicable, agrees that it will reimburse the Permitted Leasehold Mortgagee, Investor Member or Administrative Member, as applicable, for the amount thereof promptly following request by such Permitted Leasehold Mortgagee, Investor Member or Administrative Member, as applicable, therefor unless the Landlord or Tenant is protesting such taxes in good faith.

SECTION 7. INSURANCE AND INDEMNIFICATION.

7.1 Insurance to be Maintained by Tenant. Tenant shall maintain at its expense throughout the Term the insurance specified in the Operating Agreement, as the same may be reasonably modified from time to time due to changes in such insurance, as customarily provided for projects similar in scope and size to the Project, subject to Landlord's approval. Nothing in this subsection 7.1 is intended, nor shall be construed, to relieve Tenant from compliance with all

of the insurance requirements imposed upon Tenant under each Permitted Leasehold Mortgage. All insurance coverages shall have waiver of subrogation provisions reasonably acceptable to Landlord and Tenant. Approval, disapproval or failure to act by Landlord regarding any insurance applied by Tenant shall not relieve Tenant of full responsibility or liability for damages or accidents as set forth in this Lease. Neither shall the bankruptcy, insolvency or denial of liability by the insurance company exonerate Tenant from any such liability.

7.2 Insureds. Each such policy shall name Tenant as the insured, and shall name as additional insureds thereunder (a) Landlord, and (b) any Permitted Leasehold Mortgagee. Landlord's entitlement to proceeds from Tenant's insurance policies is subordinate to the rights of all Permitted Leasehold Mortgagees under all Permitted Leasehold Mortgages.

7.3 Insurer. All insurance required and all renewals of insurance shall be issued by companies of recognized responsibility licensed to issue such policies and otherwise transact business in the State of Texas. All insurance policies will expressly provide that such policies will not be canceled or altered without thirty (30) days' prior written notice to Landlord, and any other named insured thereunder, in the case of "All Risk" coverage insurance, and to Landlord, and all other named insureds thereunder, in the case of general liability insurance. Such insurance will, to the extent obtainable, provide that no act or omission of Tenant which would otherwise result in forfeiture or reduction of the insurance will affect or limit the obligation of the insurance company to pay the amount of any loss sustained; and will, to the extent obtainable, contain a waiver by the insurer of its rights of subrogation against Landlord. Upon Landlord's request a duplicate policy or a certificate of such policy shall be delivered to Landlord.

7.4 Evidence. Tenant shall deliver to Landlord no later than thirty (30) days after the Commencement Date a certificate of insurance or a signed duplicate copy of each such policy, and upon Landlord's request, Tenant shall deliver to Landlord a certificate of insurance or a signed duplicate copy of a replacement policy therefor. All public liability, property damage liability, and casualty policies maintained by Tenant will be written as primary policies, not contributing with and not in excess of coverage that Landlord may carry.

7.5 Indemnification of Landlord.

7.5.1 TENANT SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS LANDLORD FROM THIRD PARTY CLAIMS NOT ATTRIBUTABLE TO LANDLORD'S OR ANY OF LANDLORD'S RELATED PARTIES' ACTION OR INACTION AND AGAINST AND FROM ANY AND ALL LIABILITY, CLAIM OF LIABILITY OR REASONABLE EXPENSE INCURRED BY LANDLORD AND ARISING OUT OF OR IN ANY WAY CONNECTED WITH (A) THE DEVELOPMENT, CONSTRUCTION, USE, OCCUPANCY, CONDUCT, OPERATION OR MANAGEMENT OF THE PROPERTY DURING THE TERM, OR (B) ANY WORK OR THING WHATSOEVER DONE OR NOT DONE ON THE PROPERTY DURING THE TERM OR ARISING OUT OF ANY FAILURE OF TENANT'S COVENANTS OR WARRANTIES IN SECTION 9.1.9, OR (C) ANY BREACH OR DEFAULT BY TENANT IN PERFORMING ANY OF ITS OBLIGATIONS UNDER THIS LEASE OR APPLICABLE LAW, OR (D) ANY NEGLIGENT, INTENTIONALLY TORTIOUS OR OTHER ACT OR OMISSION OF TENANT OR ANY OF TENANT'S RELATED PARTIES DURING THE TERM, OR

(E) ANY INJURY TO OR DEATH OF ANY PERSON, OR DAMAGE TO ANY PROPERTY, OCCURRING ON THE PROPERTY DURING THE TERM OR (F) ANY DEFAULT OR BREACH BY TENANT OF ANY PERMITTED LEASEHOLD MORTGAGE, AND FROM AND AGAINST ALL REASONABLE EXPENSES AND LIABILITIES INCURRED IN CONNECTION WITH ANY SUCH CLAIM OR ANY ACTION OR PROCEEDING BROUGHT THEREON (INCLUDING BUT NOT LIMITED TO THE REASONABLE FEES OF ATTORNEYS, INVESTIGATORS AND EXPERTS), ALL REGARDLESS OF WHETHER SUCH CLAIM IS ASSERTED DURING OR AFTER THE EXPIRATION OF THE TERM OR ANY EARLIER TERMINATION OF THIS LEASE BUT EXCLUDING, HOWEVER, THE PORTION OF ANY LIABILITY, CLAIM OF LIABILITY OR EXPENSE CAUSED WHOLLY AND DIRECTLY BY LANDLORD OR ANY OF LANDLORD'S RELATED PARTIES. THIS SUBSECTION 7.5.1 SHALL SURVIVE THE TERMINATION OF THIS LEASE. SPECIFICALLY, AND NOT BY WAY OF LIMITATION OF ANY OTHER PROVISION HEREUNDER, TENANT SHALL INDEMNIFY LANDLORD FOR ANY LOSS SUFFERED BY LANDLORD UPON A REPURCHASE OF THE LAND BY THE GRANTOR PURSUANT TO EXHIBIT C OF THE LANDLORD'S SPECIAL WARRANTY DEED FOR THE LAND.

7.5.2 TENANT AGREES THAT LANDLORD SHALL NOT BE LIABLE FOR ANY DAMAGE OR LIABILITY OF ANY KIND OR FOR ANY INJURY TO OR DEATH OF PERSONS OR DAMAGE TO PROPERTY OF TENANT OR ANY OTHER PERSON FROM ANY CAUSE WHATSOEVER BY REASON OF ANY WORK, LABOR OR MATERIALS PERFORMED OR DELIVERED TO, OR CONNECTED TO THE USE, OCCUPANCY, OR ENJOYMENT OF THE PREMISES BY TENANT OR ANY PERSON ON THE PREMISES OR HOLDING ALL OR ANY PART OF THE PREMISES UNDER TENANT. TENANT DOES HEREBY INDEMNIFY AND SAVE HARMLESS LANDLORD FROM ALL CLAIMS, ACTIONS, DEMANDS, COSTS AND REASONABLE EXPENSES AND LIABILITY WHATSOEVER, INCLUDING REASONABLE ATTORNEYS' FEES, ON ACCOUNT OF ANY SUCH REAL OR CLAIMED DAMAGE OR LIABILITY SUSTAINED BY THIRD PARTIES AND FROM ALL LIENS, CLAIMS AND DEMANDS OCCURRING IN OR AT THE PROPERTY, OR ARISING OUT OF THE CONSTRUCTION, USE, OCCUPANCY OR ENJOYMENT OF THE PROPERTY AND ITS FACILITIES, OR ANY REPAIRS OR ALTERATIONS WHICH TENANT MAY MAKE UPON THE PROPERTY, OR OCCASIONED IN WHOLE OR IN PART BY ANY ACT OR OMISSION OF TENANT OR ANY OF TENANT'S RELATED PARTIES, OTHER THAN THE PORTION OF CLAIMS, ACTIONS, DEMANDS, COSTS AND EXPENSES AND LIABILITIES ARISING DIRECTLY AND SOLELY FROM THE ACTS OR OMISSIONS OF LANDLORD OR ANY OF LANDLORD'S RELATED PARTIES.

7.5.3 TENANT HEREBY WAIVES AND RELEASES ANY CLAIM AGAINST LANDLORD FOR INJURY TO OR DEATH OF ANY PERSON AND ANY PROPERTY DAMAGE ARISING OUT OF OR ATTRIBUTABLE TO ANY CRIMINAL ACTIVITY IN OR ABOUT THE PREMISES, SPECIFICALLY INCLUDING, BUT NOT LIMITED TO, VANDALISM, THEFT, BURGLARY, ROBBERY, RAPE, MURDER OR ASSAULT.

7.5.4 TENANT HEREBY AGREES TO INDEMNIFY, PROTECT, DEFEND AND HOLD LANDLORD AND LANDLORD'S RELATED PARTIES HARMLESS FROM ANY AND ALL CLAIMS, CAUSES OF ACTIONS AND SUITS FOR INJURY TO OR DEATH OF ANY OF TENANT'S RELATED PARTIES OR RESIDENTS OF THE UNITS RESULTING FROM CRIMINAL ACTIVITIES IN OR ABOUT THE PREMISES, INCLUDING ALL COSTS, REASONABLE ATTORNEYS' FEES AND EXPENSES INCURRED. TENANT SHALL DEFEND ANY SUCH CLAIM, CAUSE OF ACTION OR SUIT MADE OR BROUGHT AGAINST LANDLORD OR LANDLORD'S RELATED PARTIES AT TENANT'S SOLE REASONABLE EXPENSE, BY COUNSEL REASONABLY SATISFACTORY TO LANDLORD. AS USED HEREIN, "LANDLORD'S RELATED PARTIES" SHALL MEAN AND REFER TO LANDLORD'S OFFICERS, DIRECTORS, AFFILIATES, AGENTS, CONTRACTORS, VOLUNTEERS AND EMPLOYEES, AND THEIR RESPECTIVE HEIRS AND PERSONAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS. AS USED HEREIN, "TENANT'S RELATED PARTIES" SHALL MEAN TENANT'S AGENTS, CONTRACTORS, EMPLOYEES, PATRONS, BUSINESS INVITEES AND GUESTS. NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH IN THIS SECTION 7.5.4, TENANT SHALL HAVE NO OBLIGATION TO INDEMNIFY LANDLORD PURSUANT TO THIS SECTION 7.5.4 IF SUCH LIABILITY ARISES DIRECTLY OR INDIRECTLY FROM THE ACTS OR OMISSIONS OF LANDLORD OR ANY OF LANDLORD'S RELATED PARTIES.

7.5.5 SUBJECT TO THE LIMITATIONS SET FORTH BELOW, TENANT HEREBY AGREES TO INDEMNIFY LANDLORD AND HOLD LANDLORD HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DAMAGES, LIABILITIES, REASONABLE EXPENSE AND COST INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES, PAID, INCURRED OR SUFFERED BY LANDLORD AS A DIRECT OR INDIRECT RESULT OF THE PRESENCE ON OR UNDER, OR THE ESCAPE, SEEPAGE, LEAKAGE, SPILLAGE, EMISSION, DISCHARGE, MIGRATION OR RELEASE FROM THE PROPERTY OF ANY HAZARDOUS MATERIALS CAUSED BY TENANT DURING THE TERM. THE FOREGOING INDEMNITY SHALL BE LIMITED TO MATTERS THAT ARE NOT CAUSED BY ACTS OF GOD AND NOT CAUSED BY LANDLORD OR ANY OF LANDLORD'S RELATED PARTIES. THE FOREGOING SHALL NOT BE CONSTRUED TO LIMIT THE LIABILITY OF THE TENANT FOR SUCH MATTERS WHICH OCCUR DURING THE TERM, BUT WHICH ARE DISCOVERED SUBSEQUENT TO THE EXPIRATION OF THE TERM.

7.5.6 Notwithstanding anything in this Section 7.5 or in Section 4.5 to the contrary, in no event shall Tenant be liable to Landlord hereunder for (i) any item caused by, or resulting from the gross negligence, intentional misconduct or fraud of, the Landlord or any of Landlord's Related Parties, and (ii) any item caused by, or resulting from the gross negligence, intentional misconduct or fraud of, any managing member of the Tenant if the managing member of Tenant is an Affiliate of Landlord.

7.6 Increase in Risk. Tenant:

7.6.1 shall not do or permit to be done any act or thing as a result of which either (a) any policy of insurance of any kind covering any or all of the Property or any liability of Landlord in connection therewith becomes void or suspended and such insurance policy is not replaced, or (b) the insurance risk under any such policy would (in the opinion of the insurer thereunder) be made materially greater and action is not taken to address the risk; and

7.6.2 if such insurance is maintained by Landlord, Tenant shall pay as Additional Rent the amount of any increase in any premium for such insurance resulting from any breach of such covenant, within ten (10) business days after Landlord notifies Tenant in writing of such increase.

7.7 Insurance Proceeds and Condemnation Awards. Landlord and the Tenant hereby agree that any and all property insurance proceeds and/or condemnation awards received by the Tenant or Landlord in connection with the Property shall be treated as set forth in the most senior Permitted Leasehold Mortgage.

SECTION 8. PERMITTED LEASEHOLD MORTGAGE REQUIREMENTS.

8.1 Future Fee Estate Mortgages. Other than Permitted Encumbrances and restrictive covenants comprising a Land Use Restriction Agreement (“LURA”) required by TDHCA, the Landlord (pursuant to the Landlord’s Special Warranty Deed for the Land) or Austin Housing Finance Corporation as issuer of tax-exempt bonds under Section 142(d) of the Internal Revenue Code or as lender of the subordinate loan to Tenant, or any other restrictive covenants in effect with respect to the Property, or any other applicable restrictive covenants with respect to the Property on the effective date of this Lease, Landlord shall not consent to any future mortgages or permit any future liens, or encumbrances against the Fee Estate or Premises, or otherwise pledge, subordinate, assign or otherwise dispose of the Fee Estate or Premises, without the prior written consent of Tenant, Investor Member, and all Permitted Leasehold Mortgagees and, during the Guaranty Period, the Guarantors. To the extent a future mortgage on the Fee Estate is permitted hereunder, such mortgage shall expressly provide that it is subordinate and subject to the Tenant’s interest under this Lease. Additionally, the Tenant shall not subordinate its interest in the Leasehold Estate to any future mortgage of the Fee Estate obtained by Landlord.

8.2 Nonmerger. This Lease shall not terminate as to any Permitted Leasehold Mortgagee because of any conveyance of Tenant’s interest in the Leasehold Estate to Landlord or of the Landlord’s interest hereunder to the Tenant. Accordingly, if the Leasehold Estate and the Fee Estate are commonly held, then they shall remain separate and distinct estates. They shall not merge without the prior written consent from all Permitted Leasehold Mortgagees and Investor Member.

8.3 Foreclosure Rights of Permitted Leasehold Mortgagee. Upon foreclosure or assignment in lieu of foreclosure of the Leasehold Estate, the most senior Permitted Leasehold Mortgagee shall have the right to acquire the Lease in its own name or the name of a nominee without consent or approval of Landlord. In the event that Tenant’s interest in the Leasehold Estate is acquired by any Permitted Leasehold Mortgagee, or its nominee, then such Permitted Leasehold Mortgagee, or its nominee, shall also have the right to further assign or sublet the Leasehold Estate to a third party with the consent of Landlord.

Foreclosure of any Permitted Leasehold Mortgage, or any sale thereunder, whether by judicial proceedings or by virtue of any power contained in the Permitted Leasehold Mortgage, or in lieu of, foreclosure or other appropriate proceedings in the nature thereof, shall not require the consent of Landlord or constitute a breach of any provision of, or a default under, the Lease, and upon such foreclosure, sale or conveyance, Landlord shall recognize the purchaser or other transferee in connection therewith as the tenant under the Lease (the “**New Tenant**”). Following such foreclosure, sale or conveyance in lieu thereof, the New Tenant shall have the right to further assign or sublet the Leasehold Estate to a third party with the consent of Landlord.

8.4 Obligations of New Tenant. The New Tenant shall only be personally obligated for performance of obligations under the Lease commencing as set forth in Section 21.20 hereof and ending as of the date of any permitted assignment of the Lease to a successor tenant. New Tenant shall take the Leasehold Estate subject to the agreements, covenants, conditions and terms of this Lease on the part of Tenant to be kept, observed and performed, subject to the foregoing subsection.

8.5 Voluntary Surrender. Notwithstanding anything set forth in this Lease to the contrary, Landlord shall not accept a voluntary surrender of the Lease at any time during which the Leasehold Estate (1) is encumbered by a Permitted Leasehold Mortgage; or (2) prior to the expiration of the Compliance Period; (3) prior to such time as Investor Member is no longer a member of the Tenant; or (4) prior to the end of the Guaranty Period.

SECTION 9. IMPROVEMENTS TO PREMISES.

9.1 Construction, Renovation or Rehabilitation of Improvements.

9.1.1 Plans and Specifications. Landlord authorizes Tenant, at Tenant’s sole cost and expense, to construct Improvements on the Premises, provided that Tenant hereby obligates itself to undertake any construction of the Project substantially in accordance with plans and specifications, as modified from time to time (collectively, “**Plans and Specifications**”) previously submitted to and approved by Landlord.

9.1.2 Amendments to Plans and Specifications. Tenant shall take no action to effectuate any material amendments, modifications or any other alterations to the Plans and Specifications that are not permitted by the Permitted Leasehold Mortgagee.

9.1.3 Completion Schedule. Subject to Force Majeure delays, Tenant shall no later than the date which is thirty-six (36) months after the Commencement Date (the “**Construction Completion Date**”), construct the Improvements as herein provided to the extent required for Tenant to be issued a permanent, unconditional certificate of occupancy therefor or temporary occupancy permits subject to punch list items that do not interfere with occupancy of the Units by the Residents. Failure of Tenant to complete construction/rehabilitation of the Improvements and make such Improvements available for occupancy as contemplated hereunder by the Construction Completion Date shall constitute a default by Tenant hereunder; provided, however, that Landlord shall give Tenant, any Permitted Leasehold Mortgagee, Investor Member and Administrative Member (90) days written notice and opportunity to cure such failure (and any

additional time as provided by this Lease) prior to exercising any remedy under this Lease, and a cure of such failure shall cure such default.

9.1.4 Intentionally Omitted.

9.1.5 Utilities. Prior to the commencement of any construction, renovation or rehabilitation activities involving excavation activities by Tenant, Tenant shall contact all appropriate utility agencies for the purpose of verifying the location, depth and nature of all utilities affecting the Premises and any areas bordering upon the Premises.

9.1.6 Safety. Tenant shall comply in all respects with the reasonable overall safety programs promulgated by Landlord and any governmental or quasi-governmental agency, from time to time, which are applicable to the Premises.

9.1.7 Post Completion Alterations. Except in the event of an emergency, as required for life-safety purposes or in the course of ordinary maintenance and repair (including capital repairs and replacements) of the Premises, Tenant shall not make any material post-completion alteration, improvement or addition to the Premises having a cost greater than \$100,000.00, or demolish any substantial portion thereof, without first presenting to Landlord complete plans and specifications (to the extent having been prepared) therefor and obtaining Landlord's written consent thereto (which consent shall not unreasonably be withheld so long as, in Landlord's reasonable judgment such alteration, improvement, addition or demolition will not violate applicable Legal Requirements or this Lease, or materially impair the value of the Property and Tenant's ability to perform in accordance with the terms of this Lease). Tenant shall make no post-completion alterations to the Premises until Tenant has procured, as applicable, required permits and authorizations required by the applicable governmental authorities and, if required, consents from Permitted Leasehold Mortgagees. Any post-completion improvements made to the Premises by either party hereto shall be made only in good and workmanlike manner using new materials of the same quality as the original Improvements and in accordance with all applicable building codes and other laws.

9.1.8 Intentionally Omitted.

9.1.9 Covenants and Warranties. Tenant covenants and warrants to Landlord that material and equipment furnished in connection with the construction of the Improvements, or any alteration, renovation or addition thereto, undertaken in accordance with paragraph 9.1.7, will be done in a good and workmanlike manner and of a quality consistent with industry standards and practices and substantially in accordance the Plans and Specifications, that all construction work associated with the construction of Improvements will be free from any material defect in workmanship and materials, and that such construction work will comply in all material respects with the requirements of the approved Plans and Specifications. All construction work not substantially conforming to these requirements, including inferior substitutions, shall be considered defective. Tenant's covenant excludes any damage to the extent directly caused by the gross negligence, violations of laws, or misfeasance by Landlord or any of Landlord's Related Parties, and normal wear and tear under normal usage. If required by Landlord, pursuant to written notice from Landlord to Tenant, Tenant shall within twenty (20) days, furnish reasonably satisfactory evidence as to Tenant's plans and schedule to cure any such construction deficiencies.

Without limiting the indemnification provisions of subsection 7.5, but intending to elaborate thereon, Tenant shall defend, indemnify and hold harmless Landlord against and from any and all liability, claim of liability or reasonable expense arising directly or indirectly, wholly or in part out of any failure of Tenant's warranties hereunder to be true, complete and accurate in all material respects. This paragraph 9.1.9 shall survive the termination of this Lease for a period of twelve (12) months.

9.1.10 Permitted Leasehold Mortgages.

(a) Landlord acknowledges and agrees that it will not be possible for the Tenant to construct the Improvements without obtaining a loan or loans from one or more Persons in order to finance the construction of said Improvements and the development and operation of the Project. Therefore, Landlord hereby covenants and agrees that the Landlord's interest in this Lease and its Fee Estate are and shall be subject to, subordinate and inferior to any and all loans (interim, permanent, "cash flow", "soft" or refinancings thereof) obtained by the Tenant for the purpose of financing the construction of the Improvements and the development and operation of the Project, and to the lien of any Mortgages evidencing any such loans (such Mortgages, together with assignments of rents and leases, security agreements, and other collateral or security documents or instruments required by the Permitted Leasehold Mortgagee(s) providing such financing, all other documents governing, securing, and/or evidencing the loan secured by the applicable Mortgage, and all renewals, extensions, modifications, consolidations, replacements, assignments and refinancings thereof, collectively a "**Permitted Leasehold Mortgage**"), and to all advances made or hereafter to be made upon the security of such Permitted Leasehold Mortgages. Landlord shall, at Tenant's request, join in, execute and/or deliver any and all Permitted Leasehold Mortgages as may be required by such Permitted Leasehold Mortgagees in order to subject and subordinate the Landlord's interest in this Lease and its Fee Estate, or to otherwise consent to or facilitate the subordination or encumbrance of the Tenant's interest in the Lease and the Property, to the lien of the Permitted Leasehold Mortgages, and upon Tenant's request, Landlord shall join in, execute and/or deliver any and all such further instruments or assurances as any such Permitted Leasehold Mortgagees may reasonably deem necessary to evidence or confirm the subordination of this Lease, or the encumbrance of the Landlord's interest herein and the Fee Estate, to the lien of the Permitted Leasehold Mortgages. Provided, however, and notwithstanding anything contained herein to the contrary, Landlord shall not be required to suffer, incur, accept or assume any personal liability for any such financing, loans or indebtedness, or any costs or expenses thereof, or any other indebtedness or liability of Tenant thereunder, and any Permitted Leasehold Mortgage and other collateral or security documents or instruments of any nature whatsoever which the Landlord may be called upon to join in, execute and/or deliver under and pursuant to this section, shall expressly exculpate Landlord from and against any and all such personal liability.

Neither Tenant nor any successor in interest to the Leasehold Estate or any part thereof shall, without the prior written consent of Landlord in each instance, which consent may be withheld in Landlord's sole discretion, engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the Premises, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attached to the Premises, except for the Permitted Leasehold Mortgages.

(b) Landlord agrees to accept payment or performance by Permitted Leasehold Mortgagee as though Tenant had done the same.

(c) Landlord agrees that, for so long as the Permitted Leasehold Mortgage remains a Permitted Encumbrance, the following provisions shall apply:

(i) There shall be no cancellation, surrender, or modification of this Lease by joint action of Landlord and Tenant, without the prior written consent of Permitted Leasehold Mortgagee and Investor Member, provided such consent is not unreasonably withheld, delayed or conditioned; and

(ii) Without confirming any right of Landlord to terminate this Lease other than as expressly set forth in this Lease, if Landlord elects to terminate this Lease due to an Event of Default of Tenant, after the expiration of all applicable notice and cure periods, by delivery to Tenant and the Permitted Leasehold Mortgagee of a written notice of termination, then Permitted Leasehold Mortgagee shall have the right to nullify any such notice of termination within ninety (90) days after receipt of Landlord's notice of termination by either (1) curing such Event of Default; or (2) commencing to cure or cause to be cured any then existing Event of Default of Tenant, and promptly initiating action to acquire or sell Tenant's interest in this Lease by foreclosure of the Permitted Leasehold Mortgage or otherwise and prosecuting the same to completion with due diligence and without any interruption.

(d) Permitted Leasehold Mortgagee shall not be obligated or required to cure a default or an Event of Default of Tenant that is uniquely specific to Tenant, such as bankruptcy, and Landlord shall not terminate this Lease, provided Permitted Leasehold Mortgagee has cured any other non-specific default or Event of Default of Tenant, and Landlord enters into a new lease on substantially the same terms and conditions with the same priorities with Permitted Leasehold Mortgage.

(e) Permitted Leasehold Mortgagee shall have the right to assume this Lease as Tenant in its own name or in the name of a nominee upon foreclosure or assignment in lieu of foreclosure of the Permitted Leasehold Mortgage.

(f) Permitted Leasehold Mortgagee shall not be liable hereunder unless and until Permitted Leasehold Mortgagee expressly assumes such liability in writing. Furthermore, no assumption of liability hereunder shall be inferred from Permitted Leasehold Mortgagee's foreclosure or other appropriative proceedings in lieu thereof.

(g) Except as permitted pursuant to this Section 9.1.10, neither Tenant nor any successor in interest to the Leasehold Estate or any part thereof shall engage in any transaction creating any encumbrance or lien upon the Premises, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attached to the Premises, except as approved with the prior written consent of Landlord in each instance, which consent may be withheld in Landlord's sole discretion (any Mortgage consented to by Landlord, as aforesaid, is also hereinafter referred to singularly as a Permitted Leasehold Mortgage), and except for an inchoate lien for taxes or municipal obligations, utility and access easements, restrictions required

by Section 42 of the Code, the LURA, other encumbrances incurred in the ordinary course of business of the Tenant, and Permitted Encumbrances.

9.2 Mechanic's or Other Liens.

9.2.1 Tenant shall: (a) within sixty (60) days after it is filed or claimed, have released (by bonding, insuring over, or otherwise) any mechanics', materialman's or other lien filed or claimed against any or all of the Premises, or Property, by reason of labor or materials provided for or about any or all of the Premises, the Units, or the Improvements during the Term, or otherwise arising out of Tenant's use or occupancy of any or all of the Premises, the Units, or the Improvements, and (b) defend, indemnify and hold harmless Landlord against and from any and all liability, claim of liability or reasonable expense (including but not limited to that of reasonable attorneys' fees) incurred by Landlord on account of any such lien or claim other than such liens arising out of the actions of the Landlord or any of Landlord's Related Parties.

9.2.2 Nothing in this Lease shall be deemed in any way (a) to constitute Landlord's consent or request, express or implied, that any contractor, subcontractor, laborer or materialman provide any labor or materials for any alteration, addition, improvement or repair to any or all of the Property, if doing so would give rise to the filing of any mechanics' or materialmen's lien against any or all of the Property or Landlord's estate or interest therein or (b) to give Tenant any right, power or authority to contract for or permit to be furnished any service or materials, if doing so would give rise to the filing of any mechanics' or materialmen's lien against any or all of the Property or Landlord's estate or interest therein, or (c) to evidence Landlord's consent that the Property be subjected to any such mechanic's or materialman's lien.

9.2.3 Right to Contest Certain Claims. Notwithstanding the provisions of Sections 9.2.1 or 9.2.2 of this Lease to the contrary, Tenant shall not be in default for failure to comply with any Legal Requirement or to pay or discharge any tax, assessment, fine, claim, or mechanic's or materialman's lien asserted against the Property if, and so long as (a) Tenant shall have notified Landlord of same within ten (10) business days of obtaining knowledge thereof; (b) Tenant shall diligently and in good faith contest the same by appropriate legal proceedings which shall cooperate to prevent the enforcement or collection of the same and the sale of the Property or any part thereof, to satisfy the same; and (c) Tenant complies with all requirements under the most senior Permitted Leasehold Mortgage necessary to avoid a default thereunder. Upon the discharge and/or dismissal of all tax assessments, fines and liens covered by this Section 9.2.3, Landlord shall return any unexpended funds delivered to it by Tenant to fulfill its obligations under this Section 9.2.3.

9.3 Fixtures. Any and all improvements, repairs, alterations and all other property attached to or otherwise installed as a fixture within the Premises by Landlord or Tenant shall, immediately on the completion of their installation, become part of the Property and, except as replaced in accordance with Section 10 hereof, remain with the Property at the expiration or earlier termination of this Lease, except that any machinery, equipment or fixtures installed by Tenant at no expense to Landlord and used in the conduct of Tenant's trade or business (rather than to service the Premises, the Units or the Property generally) and not part of the Equipment shall remain Tenant's property, and may be removed from the Premises by Tenant at the end of the Term (and any damage to the Property caused by such removal shall be repaired at Tenant's expense).

9.4 Joinder. Without limiting Landlord's obligations under any other provision of this Lease, Landlord shall, promptly at Tenant's request and expense at any time during the Term (and provided that Landlord thereby assumes no liability or obligation), join in any and all applications for building permits, subdivision plat approvals or certificates of dedication thereon, public works or other agreements and permits for sewer, water or other utility services, other instruments of dedication or other permits or approvals, the granting of or entry into which by any governmental or quasi-governmental authority having jurisdiction over the Property is necessary to permit (a) the subdivision, development, improvement, use and occupancy of the Property for the purposes permitted by this Lease, without violating applicable law; and (b) the dedication to the City of Austin, the applicable utility providers, and/or the State of Texas after the Commencement Date of such title to or easements for utility, roadway and slope or storm drainage areas or facilities as are, in Tenant's opinion, necessary or desirable in connection therewith. Subject to the provisions of subsection 9.1, Landlord shall, at no expense to Landlord, use its reasonable efforts to cooperate with Tenant in Tenant's efforts to obtain such final approval and recordation.

9.5 Signs. Tenant shall have the right to erect from time to time about the Property, in accordance with applicable law, such signs as it desires, (or as required by the most senior Permitted Leasehold Mortgage and/or Investor Member), and provided that any such sign has been approved by all architectural review committees having jurisdiction over any portion of the Property, if any, pursuant to any Permitted Encumbrance. Moreover, Tenant shall erect from time to time, at Tenant's expense, and upon the request of Landlord, about the Property, in accordance with applicable law, such signs as Landlord reasonably desires in order to advise the public of Landlord's participation in the Project, if applicable.

9.6 Tenant Control. Notwithstanding anything to the contrary herein, the Landlord shall have no control over the construction and rehabilitation of the Improvements.

SECTION 10. REPAIRS AND MAINTENANCE.

10.1 Repairs. Tenant shall, throughout the Term and at its expense, use commercially reasonable efforts to:

10.1.1 take good care of the Property and keep it in good order and condition; and

10.1.2 promptly make any and all repairs, ordinary or extraordinary, foreseen or unforeseen, to the Property (including but not limited to the landscaping thereon) as are necessary to maintain it in good condition, subject to ordinary wear and tear and casualty (including but not limited to any and all such repairs to the plumbing, heating, ventilating, air-conditioning, electrical and other systems for the furnishing of utilities or services to the Property), and replace or renew the same where necessary (using replacements at least equal in quality and usefulness to the original improvements, equipment or things so replaced), and Landlord shall have no obligation hereunder as to the same

10.2 Maintenance. Tenant shall use commercially reasonable efforts to keep and maintain all of the Property in a clean and orderly condition, free of accumulation of dirt, rubbish, snow and ice, and shall keep all grass, ground cover and other plantings mown, weeded and trimmed.

SECTION 11. LANDLORD'S RIGHT OF ENTRY.

11.1 Inspection and Repair. Subject to the rights of any Resident under a Tenancy Agreement, Landlord and its authorized representatives shall be entitled to enter the Project and Units and the rest of the Property at any time during Tenant's business hours and at any other reasonable time after giving Tenant at least two (2) business days' written notice of Landlord's intention to take such action, to (a) inspect the Property, and (b) with the prior written consent of the Permitted Leasehold Mortgagees (except in connection with repairs for life and/or safety issues, in which case prompt notice shall be provided to the Permitted Leasehold Mortgagees), and subject to the rights of any Resident under a Tenancy Agreement, Landlord and its authorized representatives shall be entitled to make any repairs thereto and/or take any other action therein which is required by Legal Requirements, or which Landlord is permitted to make by any provision of this Lease, after giving Tenant at least two (2) business days' written notice of Landlord's intention to take such action and allowing Tenant reasonable time to take the appropriate action (in any situation in which, due to an emergency or otherwise, the health, welfare or safety of the Residents or physical condition of the Project and Units or any other part of the Property would be unreasonably jeopardized unless Landlord were to take such action immediately, Landlord shall give only such notice, if any, to Tenant as is reasonable under the circumstances, and may enter the same at any time). Nothing in this Section shall be deemed to impose any duty upon Landlord to make any such repair or take any such action, and Landlord's performance thereof shall not constitute a waiver of Landlord's right hereunder to have Tenant perform such work. Landlord may, while taking any such action upon the Property, store therein any and all necessary materials, tools and equipment, and Tenant shall have no liability to Landlord for any damage to or destruction of any such materials, tools and equipment, except if and to the extent that such damage or destruction is proximately caused by the gross negligence or intentional misconduct of Tenant or its agents and employees. Landlord shall not in any event be liable to Tenant for any inconvenience, annoyance, disturbance, loss of business or other damage sustained by Tenant by reason of the making of such repairs or the taking of such action, or on account of the bringing of materials, supplies and equipment onto the Property during the course thereof (except if and to the extent is proximately caused by the gross negligence or intentional conduct of Landlord or any Landlord Related Party), and Tenant's obligations under the provisions of this Lease shall not be affected thereby. In exercising its rights under this subsection 11.1, Landlord shall use reasonable efforts not to cause or allow any interference or disruption of Tenant's work or Tenant's use, operation or enjoyment of the Property, or that of any Resident, except in the event of an emergency.

11.2 Exhibiting the Premises. Landlord and its business invitees may from time to time, after giving at least two (2) business days' written notice thereof to Tenant, and subject to the rights of any Resident under a Tenancy Agreement, enter the Project and the Units and the rest of the Property during Tenant's normal business hours to exhibit the Premises for purposes of (a) pledging or assigning any or all of Landlord's right, title and interest in and to the Premises or under this Lease (to the extent permitted hereunder), (b) during the last eighteen (18) months of the Term (or at any time after Landlord or Tenant has exercised any right to terminate this Lease which it holds hereunder), leasing the Premises to any prospective tenant thereof, and (c) exhibiting the same to any governmental and/or quasi-governmental authorities or other third-parties which may have an interest in developments similar to the Property or similarly financed or for any other business purpose; provided that in doing so Landlord and each such invitee

observes all reasonable safety standards and procedures which Tenant may require. In exercising its rights under this subsection 11.2, Landlord shall use its good faith, reasonable efforts to minimize any interference or disruption of Tenant's work or Tenant's use or operation of the Property, or that of any Resident.

SECTION 12. FIRE AND OTHER CASUALTIES.

12.1 Where Cost of Restoration Exceeds Specified Sum.

12.1.1 Subject to the provisions of Sections 12.2 and 12.4 hereof, if any or all of the Property is damaged or destroyed, Tenant shall (a) immediately notify Landlord thereof if the cost of Restoration on account thereof equals or exceeds Two Hundred Thousand and 00/100 Dollars (\$200,000.00), and (b) provided that insurance proceeds are available to Tenant and are adequate for such purposes and regardless of the dollar amount of such damage or loss (and regardless of whether the cost of Restoration is less than or greater than Two Hundred Thousand and 00/100 Dollars (\$200,000.00)), commence and complete Restoration with reasonable diligence at Tenant's expense, as nearly as possible to the Property's value, condition and character immediately before such damage or destruction, to the extent that insurance proceeds are made available to Tenant by the Permitted Leasehold Mortgagee. After expiration of the Compliance Period pursuant to Section 42 of the Code, such Restoration shall be in accordance with plans and specifications therefor which shall have been approved in writing by Landlord, such approval not to be unreasonably delayed, withheld or conditioned.

12.1.2 Subject to the provisions of Sections 12.1.1 and 12.4 hereof, all insurance proceeds (other than any proceeds which are separately paid on account of any damage to or destruction of Tenant's personal property, inventory or work-in-process, all of which shall be paid to Tenant) payable as a result of such casualty under policies of insurance held by or for the account of Tenant pursuant to Section 7 against such casualty and received by Tenant (less such reasonable attorneys' fees or other expenses as are incurred by the Landlord or Tenant in the collection thereof, which shall be paid out of such proceeds), shall be paid to the most senior Permitted Leasehold Mortgagee or a trustee it designates, to be used in accordance with the applicable Permitted Leasehold Mortgage. Upon receipt by Landlord of evidence satisfactory that such Restoration has been completed and the cost thereof paid in full, and that no mechanics', materialmens' or similar lien for labor or materials supplied in connection therewith may attach to the Property, the balance, if any, of such proceeds shall be paid to Tenant or as it may direct. In the case of a casualty, this Lease shall continue, unless Tenant and Landlord agree to terminate this Lease with the prior written consent of the Permitted Leasehold Mortgagee, Investor Member and Administrative Member.

12.2 Application of Proceeds on Termination. Anything in this Lease to the contrary notwithstanding, upon the expiration or earlier termination of this Lease before such Restoration is completed free and clear of any such liens, any insurance proceeds not theretofore applied to the cost of such Restoration or disbursed to Permitted Leasehold Mortgagees (the most senior Permitted Leasehold Mortgagee being entitled to proceeds first) shall be paid to Tenant to the extent permitted by the Permitted Leasehold Mortgages, then to Landlord.

12.3 No Termination. Except as provided in Section 12.1.2 and Section 12.6, no total or partial damage to or destruction of any or all of the Property shall entitle Tenant or Landlord to surrender or terminate this Lease, or shall relieve Tenant from its liability hereunder to pay in full the Rent, any Additional Rent and all other sums and charges which are otherwise payable by Tenant hereunder, or from any of its other obligations hereunder, and Tenant hereby waives any right now or hereafter conferred upon it by statute or otherwise, on account of any such damage or destruction, to surrender this Lease, to quit or surrender any or all of the Property, or to have any suspension, diminution, abatement or reduction of the Rent or any Additional Rent or other sum payable by Tenant hereunder (except that, if and to the extent that Landlord has, on account of any such Rent or other sum, received for its own account the proceeds of any rent insurance pursuant to the provisions of this Lease, Tenant shall be entitled to a credit (or refund) therefor against its obligations hereunder to pay Rent and other sums, by applying such credit toward any unpaid installments of Rent in the order in which they fall due hereunder).

12.4 Rights of the Parties Under the Loan Documents. Notwithstanding anything herein to the contrary, for so long as any Permitted Leasehold Mortgages are in effect, the most senior Permitted Leasehold Mortgage shall control the use and application of all casualty proceeds relating to the Property.

12.5 Notice. The Landlord will provide reasonable prior notice to Permitted Leasehold Mortgagees, Investor Member, Administrative Member and Tenant of any proceeding for adjustment or adjudication of any insurance or condemnation claim involving the Premises and will permit the Permitted Leasehold Mortgagees and Tenant to participate therein as interested parties at each respective party's choosing.

12.6 Termination upon Non-Restoration. Notwithstanding anything in this Lease to the contrary, following a casualty, the Lease may be terminated by Tenant, with the prior written consent of Permitted Leasehold Mortgagee, Investor Member and Administrative Member, if (i) such casualty prevents the use and operation of Property as a low-income or moderate-income development under Section 42 of the Code and in accordance with the LURA or (ii) if the insurance proceeds made available to Tenant are insufficient to restore the Property to a condition substantially similar to the conditions existing prior to such casualty, and the most senior Permitted Leasehold Mortgage is paid in full.

SECTION 13. CONDEMNATION.

13.1 Notice of Taking. Forthwith upon receipt by either Landlord or Tenant of notice of the institution of any proceedings for the taking or condemnation of all or a portion of the Property or Improvements by the government of the United States, State of Texas, County of Travis, City of Austin or any other governmental authority, or any corporation under the right of eminent domain (a "**Taking**"), the party receiving such notice shall promptly give notice thereof to the other, and such other party may also appear in such proceeding and be represented by counsel, who may be counsel for the party receiving such notice.

13.2 Condemnation Awards. Subject to Section 13.8 hereof, Tenant's share of any condemnation award shall be no less than the total condemnation award less the value of Landlord's remainder interest in the Premises, considered as if unimproved but encumbered by

this Lease and the Permitted Leasehold Mortgages. To the extent that Tenant is entitled to any condemnation award, it shall be paid to the most senior Permitted Leasehold Mortgagee to be used in accordance with the applicable Permitted Leasehold Mortgage, with any remaining balance being paid directly to Tenant.

13.3 Total Taking. Subject to the provisions of Section 13.8 herein, in the event of a permanent Taking of the entire Fee Estate, the Property or of the entire Leasehold Estate hereunder (a “**Total Taking**”), this Lease shall thereupon terminate as of the effective date of such Total Taking, without liability or further recourse to the parties, provided that any outstanding Rent payable or obligations owed by the Tenant to the Landlord as of the date of said Total Taking shall be paid or otherwise carried out in full, with due credit given for any pre-payment of Rent.

13.4 Partial Taking. Subject to the provisions of Section 13.6 and Section 13.8 herein, in the event of a permanent Taking of less than the entire Property (a “**Partial Taking**”), this Lease shall continue unless Tenant and Landlord shall agree to terminate the Lease with the prior written consent of the Permitted Leasehold Mortgagee, Investor Member and Administrative Member. Any condemnation award shall be paid to the most senior Permitted Leasehold Mortgagee or a trustee it designates to be used in accordance with the applicable Permitted Leasehold Mortgage. Any remainder shall be disbursed to the most senior Permitted Leasehold Mortgagee to the extent required by its loan documents and any excess to Tenant.

13.5 Notice. The Landlord will provide reasonable prior notice to Permitted Leasehold Mortgagees, Investor Member, Administrative Member and Tenant of any proceeding for adjustment or adjudication of any insurance or condemnation claim involving the Property and will permit the Permitted Leasehold Mortgagees, Investor Member, Guarantors and Tenant to participate therein as interested parties.

13.6 Termination upon Non-Restoration. Following a Partial Taking, the Lease may be terminated by Tenant, with the prior written consent of the Permitted Leasehold Mortgagee, Investor Member and Administrative Member, if such Partial Taking (a) prevents the use and operation of Property as a low-income or moderate-income development under Section 42 of the Code and in accordance with the terms of the LURA, (b) if the proceeds made available to Tenant are insufficient to restore the Improvements to a condition substantially similar to the conditions existing prior to such Partial Taking, or (c) Tenant reasonably determines that the continued use and occupancy of the remainder of the Property by Tenant cannot be made to be economically viable and structurally sound based upon the amount of eminent domain proceeds and, at Tenant’s option, any other funds of Tenant as are demonstrably available for the purpose of paying for such Restoration.

13.7 No Waiver. No provisions in this Lease shall limit the rights of either Landlord or Tenant to seek compensation from a condemning authority as provided by statute, common law, the State of Texas or the United States Constitution.

13.8 Rights of the Parties Under the Loan Documents. Notwithstanding anything herein to the contrary, for so long as any Permitted Leasehold Mortgages are in effect the most senior Permitted Leasehold Mortgage shall control the use and application of all condemnation proceeds relating to the Property and the most senior Permitted Leasehold Mortgage and Investor Member

shall control the operation of the Lease termination provisions, as applicable, hereunder. In any event, the Tenant and the Permitted Leasehold Mortgagee shall participate in all settlements.

SECTION 14. ASSIGNMENT AND SUBLETTING.

14.1 Limits on Transfers. Subject to the provisions of this Lease, Tenant hereby acknowledges that Landlord has entered into this Lease because of Tenant's financial strength, goodwill, ability and expertise, and that, accordingly, this Lease is one which is personal to Tenant, and Tenant agrees for itself and its successor and assigns in interest hereunder that it will not, other than by the terms of the Permitted Leasehold Mortgage and leases made in accordance with Section 21.17 herein, (a) assign this Lease or any of its rights under this Lease as to all or any portion of the Premises, the Units, the rest of the Improvements, the Equipment or the Property generally, or (b) make or permit any voluntary total or partial sale, lease, assignment, conveyance, mortgage, pledge, encumbrance or other transfer of any or all of the Premises, the Units, the rest of the Improvements, the Equipment or the Property or the occupancy or use thereof, other than in accordance with LIHTC/Bond/Additional Housing Requirements and this Lease (each of which is hereinafter referred to as a "**Transfer**") without first obtaining Landlord's and Investor Member's express written consent thereto by an instrument which makes specific reference to this paragraph 14.1 and is executed by Landlord (which consent will not be unreasonably withheld, delayed or conditioned) and by Investor Member. Further, notwithstanding anything to the contrary herein, the Landlord shall not transfer, encumber or otherwise dispose of the Fee Estate or the Property or any interest therein without the consent of the Tenant, Investor Member, the Permitted Leasehold Mortgagee and Administrative Member.

14.2 Permitted Transfers. Notwithstanding anything to the contrary set forth elsewhere in this Lease, any transfer or pledge of the interest of Managing Member, Administrative Member, Investor Member or any other member of Tenant, in accordance with the terms of the Operating Agreement or the Permitted Leasehold Mortgages, shall be a permitted Transfer hereunder and shall not require Landlord's consent. Any transfer, in whole or in part, of the Property or the Leasehold Estate (a) in accordance with the Operating Agreement or any Permitted Leasehold Mortgage, or any other transfers permitted thereunder, (b) in accordance with any Land Use Regulatory Agreement between TDHCA and Tenant, or Landlord and Tenant, including without limitation, the LURA, (c) in the ordinary course of business including, without limitation, any residential lease and any utility and access easement, (d) required by LIHTC/Bond/Additional Housing Requirements, and/or (e) any right of first refusal under Section 42(i)(7) of the Code or otherwise given to the Landlord, shall be a permitted transfer hereunder and shall not require Landlord's consent. For the avoidance of doubt, (i) Landlord approves the admission of the Investor Member as investor member of Tenant, (ii) Landlord's consent shall not be required for the transfer of any Investor Member interest in Tenant, the transfer of Administrative Member's interest in Tenant, the admission of any new investor member or administrative member into Tenant, the right by Investor Member to remove Administrative Member or Managing Member as a member of Tenant, the right of Investor Member to convert the membership status of Administrative Member or Managing Member, or transfers of interests within Investor Member, and (iii) Landlord acknowledges the right under the Operating Agreement of an Investor Member to remove the managing member of Tenant and to designate a substitute managing member of Tenant in accordance with the terms of the Operating Agreement or pursuant to the terms of any pledge or security agreement between the managing member and an Investor Member without

Landlord's consent. Further notwithstanding anything to the contrary herein, during the Term of this Lease, the Landlord shall not transfer, encumber or otherwise dispose of the Premises or any interest therein without the written consent of Tenant, Investor Member, the Permitted Leasehold Mortgagee and Administrative Member.

14.3 Effect on Obligations. Except as set forth in this Lease, no such Transfer shall alter or impair the obligations hereunder of Tenant or any other Person constituting Tenant or holding any interest hereunder before any such Transfer.

14.4 Benefit and Burden. Subject to the foregoing provisions of this Section, this Lease shall be binding on and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns in interest hereunder.

SECTION 15. DEFAULT.

15.1 Event of Default. As used in this Lease, and subject to the expiration of all notice and cure periods herein set forth, including without limitation those set forth in paragraph 15.2 below, each of the following events shall constitute an **"Event of Default"**:

15.1.1 if Tenant fails (a) to pay any Rent, Additional Rent or other sum which it is obligated to pay under this Lease, when and as it is due and payable hereunder and after demand therefor, or (b) to perform any of its obligations under this Lease; or

15.1.2 Intentionally deleted; or

15.1.3 if Tenant's Bankruptcy occurs and such Bankruptcy is not consented to or acquiesced in by Managing Member or Administrative Member; or

15.1.4 Intentionally deleted.

15.1.5 if Tenant fails to abide by LIHTC/Bond/Additional Housing Requirements and Legal Requirements, and such failure is not cured during any applicable cure period or such longer period of time as provided by the applicable authority; or

15.1.6 if Tenant fails to comply in all respects with Tenant's obligations under any instrument, lease, Mortgage (other than a Permitted Leasehold Mortgage) or other agreement to which Landlord is a party, and a copy of which has been provided to Tenant, and for which a default under this Lease would constitute a default under such instrument, lease, Mortgage or other agreement, which failure is not cured by Tenant within any permissible cure period provided herein or in such instrument, lease, mortgage or other agreement.

15.2 Notice to Tenant; Opportunity to Cure. Anything in this Section to the contrary notwithstanding, if an Event of Default occurs, Landlord shall not exercise any right or remedy on account thereof which it holds under this Lease or applicable law unless and until Landlord shall so notify Tenant, Administrative Member, Investor Member and all Permitted Leasehold Mortgagees in writing. Each shall have the right to cure such Event of Default, and Landlord shall not terminate this Lease for Tenant's default unless and until Landlord has given all Permitted Leasehold Mortgagees, the Investor Member and Administrative Member written notice of such

Event of Default and 60 days in addition to any applicable cure period given Tenant in which to cure it. If it cannot be reasonably cured within 60 days, each Permitted Leasehold Mortgagee, Investor Member and Administrative Member shall have such additional time as it shall reasonably require (not to exceed 120 days unless delay is due to Force Majeure), so long as a Permitted Leasehold Mortgagee or Investor Member or Administrative Member is proceeding with reasonable diligence. Landlord agrees to accept any such cure by Investor Member, Administrative Member or Permitted Leasehold Mortgagee as if made by Tenant.

15.3 Landlord's Rights on Event of Default.

15.3.1 If an Event of Default occurs and continues beyond applicable notice and cure periods, Landlord may (subject to the other provisions of this Lease, including without limitation, subsections 9.1.3 and 15.2) take any or all of the following actions:

(a) subject to any Tenancy Agreements, Legal Requirements, and LIHTC/Bond/Additional Housing Requirements, reenter and repossess any or all of the Premises and any or all Improvements thereon and additions thereto; and/or

(b) declare any remaining unpaid balance of the Rent for the remainder of the Term to be due and payable immediately, and collect such balance in any manner not inconsistent with applicable law; provided that if Landlord elects to relet any or all of the Premises following such acceleration of Rent, the provisions of subparagraph 15.3.1(d) shall be applicable to the rights of Landlord and Tenant. Accelerated payments payable hereunder shall not constitute a penalty or forfeiture or liquidated damages, but shall merely constitute payment of Rent; and/or

(c) if the Event of Default occurs after the expiration of the Property's initial fifteen (15) year tax credit compliance period and continues beyond all applicable cure periods under this lease, terminate this Lease by giving written notice of such termination to Tenant (and as otherwise required in accordance with the other provisions of this Lease), which termination shall be effective as of the date of such notice or any later date therefor specified by Landlord therein (provided, that without limiting the generality of the foregoing provisions of this subparagraph 15.3.1(c), Landlord shall not be deemed to have accepted any abandonment or surrender by Tenant of any or all of the Premises or Tenant's Leasehold Estate under this Lease unless Landlord has so advised Tenant expressly and in writing, regardless of whether Landlord has reentered or relet any or all of the Premises or exercised any or all of Landlord's other rights under this Section or applicable law); and, on the date specified in such notice, Tenant's right to possession of the Property will cease and the Leasehold Estate conveyed by this Lease upon Tenant shall revert in Landlord, provided, however, such reversion of the Leasehold Estate and the reentry by Landlord shall be subject to and limited by and shall not defeat, render invalid or limit in any way the lien of any Permitted Leasehold Mortgage or any provision of LIHTC Housing Requirements; and/or

(d) in Landlord's own name (but either (i) as agent for Tenant, if this Lease has not then been terminated, or (ii) for the benefit of Tenant, if this Lease has then been terminated), relet any or all of the Premises, with or without any additional premises, for any or all of the remainder of the Term (or, if this Lease has then been terminated, for any or all of the period which would, but for such termination, have constituted the remainder of the Term) or for a period

exceeding such remainder, on such terms and subject to such conditions as are acceptable to Landlord in its sole discretion (including but not limited to the alteration of any or all of the Premises in any manner which, in Landlord's judgment, is necessary or desirable as a condition to or otherwise in connection with such reletting, and the allowance of one or more concessions or "free-rent" or reduced-rent periods), and collect and receive the rents therefor. Anything in this Lease or applicable law to the contrary notwithstanding, (i) Landlord shall not have any duty or obligation to relet any or all of the Premises as the result of any Event of Default, or any liability to Tenant or any other Person for any failure to do so or to collect any rent or other sum due from any such reletting; (ii) Tenant shall have no right in or to any surplus which may be derived by Landlord from any such reletting, if the proceeds of such reletting exceed any Rent, if any, installment thereof or other sum owed by Tenant to Landlord hereunder; and (iii) Tenant's liability hereunder shall not be diminished or affected by any such failure to relet or the giving of any such initial or other concessions or "free-rent" or reduced rent periods in the event of any such reletting. In the event of any such reletting, Tenant shall pay to Landlord, at the times and in the manner specified by Section 4, both (i) the installments of Rent accruing during such remainder (or, if this Lease has then been terminated, damages equaling the respective amounts of such installments of Rent which would have accrued during such remainder, had this Lease not been terminated), less any monies received by Landlord with respect to such remainder from such reletting of any or all of the Premises, plus (ii) the reasonable cost to Landlord of any such reletting (including but not limited to any reasonable attorneys' fees, leasing or brokerage commissions, repair or improvement expenses and the expense of any other actions taken in connection with such reletting), plus (iii) any other sums for which Tenant is liable under paragraph 15.3.4 (and Tenant hereby waives any and all rights which it may have under applicable law, the exercise of which would be inconsistent with this subparagraph 15.3.1(d)); and/or

(e) enforce any one or more of LIHTC/Bond/Additional Housing Requirements or Legal Requirements; and/or

(f) cure such Event of Default in any other manner; and/or

(g) pursue any combination of such remedies and/or any other right or remedy available to Landlord on account of such Event of Default under this Lease and/or at law or in equity.

15.3.2 No such expiration or termination of this Lease, or summary dispossession proceedings, abandonment, reletting, bankruptcy, re-entry by Landlord or vacancy, shall relieve Tenant of any of its liabilities and obligations under this Lease (whether or not any or all of the Premises are relet), that arose during the Term of this Lease, and Tenant shall remain liable to Landlord for all damages resulting from any Event of Default, including but not limited to any damage resulting from the breach by Tenant of any of its obligations under this Lease to pay Rent and any other sums which Tenant is obligated to pay hereunder.

15.3.3 If any or all of the Premises are relet by Landlord for any or all of the unexpired Term of this Lease, the amount of rent reserved upon such reletting shall be deemed to be the fair and reasonable rental value for the part or the whole of the Premises so relet during the term of the reletting.

15.3.4 If an Event of Default exists, Tenant shall, immediately on its receipt of a written demand therefor from Landlord, reimburse Landlord for (a) all reasonable expenses (including but not limited to any and all reasonable repossession costs, management expenses, operating expenses, legal expenses and reasonable attorneys' fees) incurred by Landlord (i) in curing or seeking to cure any Event of Default and/or (ii) in exercising or seeking to exercise any of Landlord's rights and remedies under this Lease and/or at law or in equity on account of any Event of Default, and/or (iii) otherwise arising out of any Event of Default, and/or (iv) (regardless of whether it constitutes an Event of Default) in connection with any action, proceeding or matter of the types referred to in paragraphs 15.1.2 and 15.1.3, plus (b) interest on all such expenses, at the lesser of prime rate (as reported by the Wall Street Journal's bank survey) plus four percent (4%) or the highest rate then permitted on account thereof by applicable law, all of which expenses and interest shall be Additional Rent and shall be payable by Tenant immediately on demand therefor by Landlord.

15.3.5 Tenant hereby expressly waives, so far as permitted by law and only if an Event of Default has occurred and is continuing, the service of any notice of intention to re-enter provided for in any statute, and except as is herein otherwise provided, Tenant, for itself, also waives any and all right of redemption or re-entry or repossession in case Tenant is dispossessed by a judgment or warrant of any court or judge or in case of re-entry or repossession by Landlord or in case of any expiration or termination of this Lease. The terms "enter," "re-enter," "entry" or "re-entry" as used in this Lease are not restricted to their technical legal meanings. **BECAUSE THE PREMISES ARE LOCATED IN THE STATE OF TEXAS, TENANT EXPRESSLY WAIVES ANY AND ALL RIGHTS AND REMEDIES IT MAY HAVE, AND ANY DUTIES, LIABILITIES OR OBLIGATIONS LANDLORD MAY HAVE, ARISING OUT OF OR IN CONNECTION WITH SECTION 93.002 OF THE TEXAS PROPERTY CODE, AS IT MAY BE AMENDED OR SUPERSEDED FROM TIME TO TIME, PERTAINING TO THE INTERRUPTION OF UTILITIES, REMOVAL OF PROPERTY AND THE EXCLUSION OF A COMMERCIAL TENANT, WHICH STATUTE SHALL BE OF NO FORCE AND EFFECT.**

15.3.6 Notwithstanding anything contained in this Lease to the contrary, Landlord agrees that at any time a Permitted Leasehold Mortgage(s) encumbers the Property, Landlord shall not exercise any of its remedies under the Lease, other than to specifically enforce the Tenant's obligation to comply with Section 5 and Section 7.5 hereof, and the Lease shall not be terminated without the prior written consent of the applicable Permitted Leasehold Mortgagee(s) and Investor Member.

15.3.7 Notwithstanding anything contained in this Lease to the contrary, Landlord agrees that it will not exercise any of its remedies under this Lease, other than to specifically enforce Tenant's obligations to comply with Section 5 and Section 7.5 hereof, at any time that Landlord or any of its affiliates directly or indirectly controls the managing member of Tenant and (i) the managing member wrongfully withdrew or was removed from Tenant as managing member, or (ii) Tenant's managing member is in default under the Operating Agreement.

15.3.8 Notwithstanding anything contained in this Lease to the contrary, Landlord agrees that at any time during the period between the Commencement Date and the later of (i) expiration of the applicable fifteen (15) year tax credit compliance period as set forth in Section

42 of the Code and (ii) the date that the Investor Member is no longer a member of the Tenant, Landlord shall not exercise any of its remedies under the Lease, other than to enforce the Tenant's obligation to comply with Section 5 and Section 7.5 hereof (which remedy in no event shall result in a foreclosure), and the Lease shall not be terminated without the prior written consent of Investor Member.

15.4 Intentionally Omitted.

15.5 Landlord Event of Default. Landlord shall be deemed in default of its obligations under this Lease if Landlord shall fail to perform, in a timely manner in accordance with the terms of this Lease, any obligation under this Lease required to be performed by Landlord, or if any Landlord representation made herein is false in any material respect, or if Landlord is the subject of a bankruptcy action under Section 365(h)(A)(i) of Chapter 11 of the U.S. Bankruptcy Code or its successor statute (each a "**Landlord Event of Default**"). If such Landlord Event of Default shall continue for sixty (60) days after written notice of such failure from Tenant or such additional period as may be reasonably required to cure such failure, if the same may not be reasonably cured within sixty (60) days so long as Landlord commences such cure within thirty (30) days after notice thereof and thereafter diligently prosecutes the same to completion, but in any event such cure must be completed to Tenant's reasonable satisfaction within one hundred twenty (120) days of Tenant's notice to Landlord subject to the parties' mutual agreement to extend such time period and subject to delays caused directly by Force Majeure and matters outside the reasonable control of Landlord so long as Landlord has acted diligently, with dispatch, and in good faith to prevent or shorten any such delays. In no event shall Landlord be entitled to any cure period for any failure to repay the Rent under the terms and conditions set forth in Section 4.1.1 herein. If Landlord fails to complete such cure as provided above, then subject to the provisions of any Permitted Leasehold Mortgage, Tenant shall thereupon be entitled to exercise any and all remedies available to Tenant for such default under this Lease or at law or in equity. Tenant shall not terminate this Lease without the prior written consent of the most senior Permitted Leasehold Mortgagee and Investor Member, and any such termination without the prior written consent of the most senior Permitted Leasehold Mortgagee and Investor Member will be void at the option of the most senior Permitted Leasehold Mortgagee or Investor Member. Without waiving or limiting any other remedies available to Tenant, upon such default by Landlord (and subject to the notice and cure rights of Landlord), Tenant shall be entitled (but not obligated) to perform or cause such obligations to be so performed on behalf of Landlord, and Landlord shall reimburse Tenant for its reasonable third party out-of-pocket costs and expenses incurred by Tenant in doing so, which amount shall be due within sixty (60) days of Landlord's receipt of a written statement of the costs and expenses so incurred by Tenant. In the event Landlord or a creditor thereof files a petition for relief naming Landlord as a debtor under Title 11 of the United States Code, Landlord hereby acknowledges and agrees that Tenant's possessory interest under this Lease and ownership of the Improvements are unique interests and cannot be converted into a cash claim under Section 363 of Title 11 of the United States Code unless Tenant expressly consents to the same.

SECTION 16. ESTOPPEL CERTIFICATE; SHORT FORM.

16.1 Estoppel Certificate. Each party hereto shall, at any time and from time to time within ten (10) days after being requested to do so by the other party, an Investor Member and/or any Permitted Leasehold Mortgagee in writing, execute, acknowledge, and address and deliver to

the requesting party (or, at the latter's request, to any existing or prospective Mortgagee, transferee or other assignee of the requesting party's interest in the Property or under this Lease which acquires such interest in accordance with this Lease) a certificate in recordable form,

16.1.1 certifying (a) that this Lease is unmodified and in full force and effect (or, if there has been any modification thereof, that it is in full force and effect as so modified, stating therein the nature of such modification); (b) that Tenant has accepted possession of the Premises, and the date on which the Term commenced; (c) as to the dates to which Rent and other charges arising hereunder have been paid; (d) as to the amount of any prepaid Rent or any credit due to Tenant hereunder; (e) as to whether, to the best of such party's knowledge, information and belief, the requesting party is then in default in performing any of its obligations hereunder (and, if so, specifying the nature of each such default); and (f) as to any other fact or condition reasonably requested by the requesting party; and

16.1.2 acknowledging and agreeing that any statement contained in such certificate may be relied upon by the requesting party and any such other addressee.

16.2 Short form. The parties hereto shall, at the request of Landlord, Tenant or any Permitted Leasehold Mortgagee, execute, acknowledge and deliver simultaneously with the execution of this Lease or at any time hereafter, in recordable form, a short form thereof (in form and substance satisfactory to each party hereto in its reasonable judgment) for recordation among the said Land Records at the expense of the Person so requesting.

SECTION 17. CONDITION OF TITLE AND PROJECT.

17.1 Limited Warranties. TENANT HEREBY ACKNOWLEDGES THAT IT HAS EXAMINED THE PREMISES, THE TITLE THERETO, ZONING WHICH MAY BE APPLICABLE THERETO, IF ANY, THE MUNICIPAL PARKING ORDINANCE, THE STREETS, SIDEWALKS, PARKING AREAS, CURBS AND ACCESS WAYS ADJOINING THEM, ANY SURFACE AND SUBSURFACE CONDITIONS THEREOF, AND THE PRESENT USES AND NONUSES THEREOF, IF ANY, AND THAT IT ACCEPTS EACH OF THEM IN ITS PRESENT CONDITION OR STATE, WITHOUT RESTRICTION, REPRESENTATION, COVENANT OR (EXCEPT AS IS SET FORTH IN SUBSECTION 17.2) WARRANTY, EXPRESS OR IMPLIED, IN FACT OR AT LAW, BY LANDLORD OR ANY OTHER PERSON, AND WITHOUT RECOURSE TO LANDLORD, AS TO ANY APPURTENANCES THERETO, THE NATURE, CONDITION OR USABILITY THEREOF, OR THE USES TO WHICH ANY OR ALL OF THE PROPERTY MAY BE PUT.

17.2 Quiet Enjoyment. Landlord hereby

17.2.1 represents, warrants, covenants and agrees that, at the time of the execution and delivery of this Lease by the parties hereto, it (a) is, to its knowledge, the owner of the Fee Estate, subject to the operation and effect of and only of the Permitted Encumbrances, and that it has no knowledge of any claim or demand contesting or impairing its interests in the Fee Estate, and (b) has the full right, power and authority to enter into this Lease and thereby to lease the Premises; and

17.2.2 warrants that Tenant will have quiet and peaceful possession of the Premises during the Term, subject to the terms of this Lease, so long as all of Tenant's obligations hereunder are timely performed, except if and to the extent that such possession is terminated pursuant to Sections 12 or 13 or any other provision of this Lease.

17.3 Limitation on Liability. Nothing in this Lease shall be deemed to impose on Landlord any liability on account of any act or failure to act by any Person other than Landlord (or, where expressly so provided herein, Landlord's agents and employees). Notwithstanding anything to the contrary in this Lease, Tenant shall not be liable under this Lease except to the extent of its ownership interest in the Property. All obligations of Landlord hereunder will be construed as covenants, not conditions. The term "**Landlord**" shall mean only the owner, for the time being, of the Land, and if there is a transfer by such owner of its interest in the Land, such owner shall thereupon be released and discharged from all covenants and obligations of the Landlord thereafter accruing, but such covenants and obligations shall be binding during the Term upon each new owner for the duration of such owner's ownership. Notwithstanding any other provisions hereof, if Landlord commits any breach or default in any term or provision of this Lease, Tenant agrees to look solely to the equity or interest then owned by Landlord in the Land (and any improvements thereon owned by Landlord); however, in no event shall any deficiency judgment or any money judgment of any kind be sought or obtained against Landlord. In no event shall Landlord be liable for consequential, punitive, or special damages as a result of a breach or default under this Lease.

17.4 Title to Personal Property. Landlord hereby waives any landlord's lien it might hold, statutory, constitutional, contractual or otherwise, in any personal property owned or leased by Tenant and now or hereafter located in the Premises. If so requested by Tenant, Landlord shall execute a waiver of any right, title or interest or right to seize any of Tenant's personal property on the Premises that may be subject to a lien or security interest in favor of Permitted Leasehold Mortgagee or a seller of Tenant's personal property or creditor holding a security interest in such personal property.

SECTION 18. INTENTIONALLY OMITTED.

SECTION 19. NOTICES. Any notice, demand, consent, approval, request or other communication or document to be provided hereunder to Landlord or Tenant (a) shall be in writing, and (b) shall be deemed to have been provided on the earlier of (i) (1) five (5) business days after being sent as certified mail with the United States Postal Service, postage prepaid, return receipt requested, or (2) the next business day after having been deposited (in time for delivery by such service on such business day) with Federal Express or another national courier service, signature requested upon delivery, in each case to the address of such party set forth in Exhibit C attached hereto or to such other address in the United States of America as such party may designate from time to time by notice to each other party hereto, or (ii) (if such party's receipt thereof is acknowledged in writing) its having been given by hand or other actual delivery to such party.

Any notice required or permitted to be given under this Lease shall be deemed given if provided in accordance with the foregoing paragraph of this Section 19, and addressed as indicated on Exhibit C attached hereto and made a part hereof; provided, however, that any party may change its address for notice purposes by timely notice to the other party.

Landlord shall forward copies of any notices, demands, consents, approvals, requests and other communication and documents (other than Rent and other periodic billing notices) that are sent to Tenant to the Permitted Leasehold Mortgagee, Investor Member and Administrative Member. No notice given by Landlord shall be effective against a Permitted Leasehold Mortgagee or an Investor Member or Administrative Member unless Landlord has given a copy of the notice to such Permitted Leasehold Mortgagee or Investor Member or Administrative Member.

SECTION 20. PURCHASE OPTION.

20.1 Tenant hereby grants Landlord the right (the “**Option**”) to purchase all of the Property owned by the Tenant at the time of purchase, including without limitation Tenant’s Leasehold Estate (collectively, the “**Tenant’s Property**”), (i) on any date thirty (30) days after Landlord delivers written notice to Tenant, Investor Member, Administrative Member and the Permitted Leasehold Mortgagees of Landlord’s intent to exercise the Option (the “**Option Exercise Notice**”), and (ii) upon the Tenant’s receipt of the Purchase Price (as defined below). The “**Purchase Price**” for the Tenant’s Property pursuant to the Option shall be set forth hereinbelow:

(a) Price Formula. An amount, determined by Tenant’s accountants, equal to the greater of (i) the fair market value of the Tenant’s Property as determined in accordance with Section 20.1(b) below, or (ii) an amount sufficient to ensure receipt by Investor Member from the proceeds of the sale of the Property of an amount not less than an amount equal to obligations to which Investor Member is entitled under the Operating Agreement (including, but not limited to, an amount equal to any unpaid loans (and any accrued interest thereon) made to Tenant by Investor Member or its affiliates, any exit taxes, any unpaid credit adjusters pursuant to the Operating Agreement, and any accrued but unpaid Asset Management Fee (as defined in the Operating Agreement)), plus (iii) if the Option is exercised during the Compliance Period, an amount equal to the diminution of economic value to Investor Member as a result of the purchase of the Tenant’s Property by the Landlord during the Compliance Period (the “**IM Diminution**”), which shall include without limitation, (A) the outstanding balance of all loans (and any accrued interest thereon) made to Tenant by Investor Member or its affiliates, which will not otherwise be repaid at the time of the purchase, (B) the amount of any projected tax credits, as described in the Operating Agreement, and depreciation deductions and other federal, state and local tax benefits, which, as a result of the purchase will not be available to Investor Member over the course of the 15-year compliance period applicable to the Project under Section 42 of the Code and the amount of any Tax Credits, as defined in the Operating Agreement, depreciation deductions and other federal, state and local tax benefits which will be recaptured from, or disallowed with respect to, Investor Member as a result of the purchase, (C) all costs and penalties incurred by Investor Member with respect to the tax credits already received (including the costs of any recapture bonds), (D) the present value and the anticipated cash flow payable to Investor Member using a discounted rate of 10% over the course of the 15-year compliance period applicable to the Project under Section 42 of the Code, (E) all capital contributions of the Investor Member under the Operating Agreement plus 10%, and (F) all costs and expenses incurred by or on behalf of Investor Member with respect to (1) its admission to Tenant, (2) its activities with respect to Tenant prior to the Landlord’s purchase of the Tenant’s Property under this Option, and (G) an amount sufficient to enable the Investor Member to pay any and all taxes imposed on the Investor Member as a result of the amounts distributed under this clause (iii); plus (iv) if the

Option is exercised during the Compliance Period, the diminution of economic value to Administrative Member as a result of the purchase of Tenant's Property by Landlord during the Compliance Period (the "**AM Diminution**"), which shall include without limitation (A) all outstanding loans (including accrued interest) made to Tenant by Administrative Member or Guarantor (as defined in the Operating Agreement), including without limitation, any Operating Deficit Loans (as such terms are defined in the Operating Agreement) and any deferred portion of the Development Fee (as defined in the Operating Agreement and that is due to Administrative Member's affiliate that is serving or served as the developer), that is subject to repayment under the terms of the Operating Agreement and which will not be repaid at the time of the purchase, (B) the present value of the anticipated Net Cash Flow (as defined in the Operating Agreement) and fees payable to Administrative Member and its affiliates pursuant to the terms of the Operating Agreement using a 10% discount rate, and (C) all reasonable costs and expenses incurred by or on behalf of Administrative Member with respect to (1) its admission to Tenant, and (2) its activities with respect to Tenant prior to Landlord's purchase of Tenant's Property under this Purchase Option. The calculation of any IM Diminution and AM Diminution shall be determined by the accountants to the Tenant and shall be approved by Investor Member and shall include the value of Administrative Member's interest using the formulas above, if applicable. All payments of IM Diminution and the AM Diminution shall be paid directly by Landlord to Investor Member and Administrative Member, as applicable.

(b) Fair market value of the Tenant's Property for purposes of Section 20.1 shall be calculated as follows: As soon as practicable following the delivery of the Option Exercise Notice, the Landlord and the Tenant shall select a mutually acceptable Independent Appraiser (as defined below). In the event that the parties are unable to agree upon an Independent Appraiser within fifteen (15) business days following the date of delivery of the Option Exercise Notice, the Landlord and the Tenant each shall select an Independent Appraiser within the next succeeding five (5) business days. If either party fails to select an Independent Appraiser within such time period, the determination of the other Independent Appraiser shall control. If the difference between the Appraised Fair Market Values set forth in the two appraisals is not more than ten percent (10%) of the Appraised Fair Market Value set forth in the lower of the two appraisals, the fair market value for purposes of this Section shall be the average of the two appraisals. If the difference between the two appraisals is greater than ten percent (10%) of the lower of the two appraisals, then the two Independent Appraisers shall jointly select a third Independent Appraiser whose determination of Appraised Fair Market Value shall be deemed to be binding on all parties as long as the third determination is between the other two determinations. If the third determination is either lower or higher than both of the other two appraisers, then the average of all three appraisals shall be the Appraised Fair Market Value for purposes of Section 20.1. The Landlord and the Tenant shall each pay one-half of the fees and expenses of any Independent Appraiser(s) selected pursuant to this Section 20.1. For purposes of the foregoing, the term "**Independent Appraiser**" means a firm which is generally qualified to render opinions as to the fair market value of assets such as those owned by the Tenant, which is mutually acceptable to the Landlord and the Tenant and which satisfies the following criteria:

- (i) such firm is not a Partner, or an Affiliate (as such terms are defined in the Operating Agreement) of the Landlord or the Tenant;

(ii) such firm (or a predecessor in interest to the assets and business of such firm) has been in business for at least five (5) years, and at least one of the principals of such firm has been in the active business of appraising substantially similar assets for at least ten (10) years;

(iii) such firm has regularly rendered appraisals of substantially similar assets for at least five (5) years on behalf of a reasonable number of unrelated clients, so as to demonstrate reasonable market acceptance of the valuation opinions of such a firm;

(iv) one or more of the principals or appraisers of such firm are members in good standing of an appropriate professional association or group which establishes and maintains professional standards for its members; and

(v) such firm renders an appraisal to the Tenant only after entering into a contract that specifies the compensation payable for such appraisal.

20.2 Upon determination of the Purchase Price, Tenant and Landlord, shall enter into a written contract for the purchase and sale of the Tenant's Property in accordance with the terms of this Lease and containing such other terms and conditions as are standard and customary for similar commercial transactions in the geographic area in which the Property is located, providing for a closing not later than the date specified in the Option Exercise Notice or thirty (30) days after the Purchase Price has been determined, whichever is later. In the absence of any such contract, this Lease shall be specifically enforceable upon the exercise of the Option. The purchase and sale hereunder shall be closed through a deed-and-money escrow with the title insurer of Tenant's interest in the Property or another mutually acceptable title company. Tenant's right, title, and interest in the Tenant's Property shall be conveyed by an assignment of Lease ("**Ground Lease Assignment**") and a blanket conveyance, bill of sale, an assignment agreement (the "**Bill of Sale**" and together with the Ground Lease Assignment, the "**Conveyance Documents**"). Upon closing, the Tenant shall deliver to Landlord, along with the Conveyance Documents, a Texas form Owner's Title Policy dated as of the close of escrow, in the amount of the Purchase Price, subject to the liens, encumbrances and other exceptions then affecting the title. Landlord shall be responsible for all costs including, but not limited to, transfer taxes, title policy premiums and recording costs. Rents, insurance, taxes, debt service then due and payable and other costs and revenues then prepaid or accrued, as the case may be, shall be apportioned as of midnight of the day preceding the closing of title, except that rents shall be apportioned as of the date of actual collection thereof (which obligation shall survive the closing).

20.3 In consideration of the Option granted hereunder at the Purchase Price specified herein, Landlord hereby agrees that the Ground Lease Assignment granting the Tenant's interest in the Property to Landlord shall contain a covenant running with the land, restricting the use of the Property to low-income housing to the extent required by any document of record. Such covenant shall include a provision requiring Landlord to pay any and all costs, including attorneys' fees, incurred by Tenant and/or Investor Member in enforcing or attempting to enforce such use restrictions, and to pay any and all damages incurred by Tenant and/or Investor Member from any delay in or lack of enforceability of the same. All provisions relating to such use restrictions contained the Ground Lease Assignment and in this Lease (but not the LURA and other pre-

existing restrictions required by any Legal Requirements) shall be subject and subordinate to any third-party liens of Permitted Leasehold Mortgages encumbering the Tenant's Property.

20.4 In the absence of a Ground Lease Assignment conforming to the requirements of this Lease, the provisions of this Lease shall run with the land. In the event that the Option is not exercised, or the sale pursuant thereto is not consummated, then, upon conveyance of the Tenant's Property to anyone other than Landlord, the foregoing provisions shall terminate and have no further force or effect.

20.5 Notwithstanding any term to the contrary contained herein, the Option granted in this Section 20 shall be subordinate, in all respects, to the Mortgages held by the Permitted Leasehold Mortgagees.

SECTION 21. GENERAL.

21.1 Effectiveness. This Lease shall become effective on and only on its execution and delivery by each party hereto.

21.2 Complete Understanding. This Lease represents the complete understanding between the parties hereto as to the subject matter hereof, the Premises, the Units, the rest of the Improvements, the Equipment, or the rest of the Property, and the rights and obligations of the parties hereto as to the same, and supersedes all prior negotiations, representations, guaranties, warranties, promises, statements or agreements, either written or oral, between the parties hereto as to the same. No inducements, representations, understandings or agreements have been made or relied upon in the making of this Lease, except those specifically set forth in this Lease. Neither party hereto has any right to rely on any other prior or contemporaneous representation made by anyone concerning this Lease which is not set forth herein.

21.3 Amendment. This Lease may be amended, modified, restated or supplemented by and only by an instrument executed and delivered by each party hereto, and only with the prior written consent of any Permitted Leasehold Mortgagee, Investor Member, the Managing Member and Administrative Member. Any amendment, modification, change, cancellation, waiver or termination shall not bind Permitted Leasehold Mortgagees or its successors and assigns unless made with such Permitted Leasehold Mortgagee's consent.

21.4 Waiver. No party hereto shall be deemed to have waived the exercise of any right which it holds hereunder unless such waiver is made expressly and in writing (and, without limiting the generality of the foregoing, no delay or omission by any party hereto in exercising any such right shall be deemed a waiver of its future exercise). No such waiver made in any instance involving the exercise of any such right shall be deemed a waiver as to any other such instance, or any other such right. Without limiting the generality of the foregoing, no action taken or not taken by Landlord under this Section or any other provision of this Lease (including but not limited to Landlord's acceptance of the payment of Rent if an Event of Default exists) shall operate as a waiver of any right to be paid a late charge or of any other right or remedy which Landlord would otherwise have against Tenant on account of such Event of Default under this Lease or applicable law (Tenant hereby acknowledging that, in the interest of maintenance of good relations between

Landlord and Tenant, there may be instances in which Landlord chooses not immediately to exercise some or all of its rights if an Event of Default exists).

21.5 Applicable Law. This Lease shall be given effect and construed by application of the law of the State of Texas, and any action or proceeding arising hereunder shall be brought in the courts of the State of Texas; provided, that if any such action or proceeding arises under the Constitution, laws or treaties of the United States of America, or if there is a diversity of citizenship between the parties thereto, so that it is to be brought in a United States District Court, it shall be brought in the United States District Court for the Northern District of Texas, or any successor federal court having original jurisdiction.

21.6 Consent. Except as otherwise herein provided, when a party hereto is required to provide its consent or approval, such consent or approval (or the denial of such consent or approval, as the case may be) shall not be unreasonably withheld or conditioned and shall be given within a reasonable time after its receipt of the request therefor, taking into consideration the circumstances of the request. Any requirement of consent from Administrative Member set forth herein shall only be applicable during such time as Administrative Member has guaranty liability to Investor Member or Permitted Leasehold Mortgagee, and such guaranty liability is related to the Project.

21.7 Time of Essence. Time shall be of the essence of this Lease, except that, whenever the last day for the exercise of any right or the discharge of any obligation hereunder falls on a Saturday, Sunday or statutory holiday, the party having such right or obligation shall have until 5:00 p.m. local time on the next succeeding day which is not a Saturday, Sunday or statutory holiday to exercise such right or discharge such obligation.

21.8 Headings. The headings of the Sections, subsections, paragraphs and subparagraphs hereof are provided herein for and only for convenience of reference, and shall not be considered in construing their contents.

21.9 Construction. As used herein, all references made (a) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, (b) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well, and (c) to any Section, subsection, paragraph or subparagraph shall be deemed, unless otherwise expressly indicated, to have been made to such Section, subsection, paragraph or subparagraph of this Lease. The parties agree that when interpreting this Lease there shall be no presumption against any party on account of the fact that such party caused the drafting of this Lease.

21.10 Exhibits. Each writing or plat referred to herein as being attached hereto as an exhibit or otherwise designated herein as an exhibit hereto is hereby made a part hereof.

21.11 Severability. No determination by any court, governmental or administrative body or agency or otherwise that any provision of this Lease or any amendment hereof is invalid or unenforceable in any instance shall affect the validity or enforceability of (a) any other such provision, or (b) such provision in any circumstance not controlled by such determination. Each such provision shall remain valid and enforceable to the fullest extent allowed by, and shall be construed wherever possible as being consistent with, applicable law.

21.12 Disclaimer of Partnership Status. Nothing in this Lease shall be deemed in any way to create between the parties hereto any relationship of partnership, joint venture or association, and the parties hereto hereby disclaim the existence of any such relationship.

21.13 Commissions. Each party hereto hereby represents and warrants to the other that, in connection with the leasing of the Premises hereunder, the party so representing and warranting has not dealt with any real estate broker, agent or finder, and there is no commission, charge or other compensation due on account thereof. Each party hereto shall defend, indemnify and hold harmless the other against and from any liability, claim of liability or expense arising out of any inaccuracy in such party's representation.

21.14 Prevailing Party. In the event either party hereunder initiates judicial action against the other in order to enforce the terms, covenants and provisions of this Lease, the non-prevailing party in such judicial action shall reimburse the prevailing party in such judicial action for all reasonable expenses, fees, costs, including reasonable attorneys' fees incurred by the prevailing party in connection with such judicial action.

21.15 Limited Third Party Rights. Notwithstanding anything to the contrary set forth elsewhere in this Lease, Investor Member and each Permitted Leasehold Mortgagee shall be deemed a third-party beneficiary of the provisions of this Lease that reference the Investor Member and/or Permitted Leasehold Mortgagees. The foregoing rights of Investor Member and each Permitted Leasehold Mortgagee to be a third-party beneficiary under this Lease shall be the only rights (express or implied) of Investor Member and each Permitted Leasehold Mortgagee to be a third-party beneficiary under this Lease.

21.16 Intentionally Omitted.

21.17 Subleases. Tenant may, without Landlord's consent, sublease the Units to residential subtenants as their dwellings. Landlord shall not disturb the possession, interest, or quiet enjoyment of any subtenant. Any sublease is subordinate to this Lease, the Permitted Leasehold Mortgage and any new lease entered into between the Landlord and Permitted Leasehold Mortgagees. The Landlord agrees to enter into a reasonable non-disturbance agreement with the sub-tenants. In connection with any subletting right, the subtenants will be required to attorn to the Permitted Leasehold Mortgagees if the Permitted Leasehold Mortgagees foreclose and become the owner of the Leasehold Estate.

21.18 Intentionally Omitted.

21.19 Tenant's Rights, Generally. Upon and during the continuation of an event of default under, and subject to, any documents relating to the Property, any Permitted Leasehold Mortgagee, Guarantors, Managing Member, Administrative Member and/or Investor Member may exercise all of Tenant's rights under this Lease, subject to the terms hereof.

21.20 No Personal Liability. No Permitted Leasehold Mortgagee or its designee or affiliate shall have any liability under this Lease for acts or omissions taking place prior to the date it acquires record title to Tenant's interest and becomes Tenant under this Lease. Any liability to Landlord or Landlord's successors and assigns shall be limited to the value of each Permitted Leasehold Mortgagee's or its designee's or affiliate's respective interest in the Leasehold Estate.

If a Permitted Leasehold Mortgagee or its designee or affiliate shall succeed to the interest of the Tenant under the Lease, whether as a purchaser at a foreclosure sale or by the acceptance of a deed-in-lieu of foreclosure, such Permitted Leasehold Mortgagee, designee or affiliate shall (a) not be liable for any act or omission of Tenant and (b) be released from all liability prior to the date such Permitted Leasehold Mortgagee or its designee or affiliate succeeds to the interest of Tenant, such release being automatic with no further action required by any party.

21.21 Memorandum of Ground Lease. The Parties shall execute, for recording purposes, a memorandum of ground lease in conformity with the law and practice of the State of Texas, and the same shall be placed of record at Tenant's expense. If requested by Landlord, Tenant shall, upon termination of this Lease as provided herein, execute and deliver to Landlord an appropriate release, in form proper for recording, of Tenant's interest in the Property.

21.22 Landlord Not Entitled to Proceeds. Landlord shall not be entitled to share in the proceeds of any loan obtained as a result of any financing or refinancing undertaken by Tenant that is secured by a Permitted Leasehold Mortgage.

21.23 No Subordination of Leasehold Estate. Except as otherwise provided in this Lease, at no time shall Tenant's Leasehold Estate, or Tenant's interest in this Lease, be subordinated in any manner to the interest of any Mortgagee with a security interest in the Fee Estate.

21.24 Investor Member Limitation of Liability. Landlord and Tenant acknowledge and agree that Investor Member will not have liability to Landlord or Tenant (or to managing member or administrative member of Tenant) resulting from any action taken with respect to the Lease by Investor Member pursuant to the Operating Agreement, unless Investor Member is as a managing member of the Tenant. Landlord agrees that it will not, in connection with any demand, claim or legal action concerning the Leasehold Interest or the Lease, claim that Investor Member was liable as a managing member as a result of Investor Member allegedly participating in the control of Tenant by reason of any action taken by Investor Member pursuant to its rights as Investor Member under the Operating Agreement.

IN WITNESS WHEREOF, each party hereto has executed this Lease or caused it to be executed on its behalf by its duly authorized representatives, the day and year first above written.

LANDLORD:

AUSTIN HOUSING FINANCE CORPORATION

By: 
Name: Rosie Truelove
Title: Treasurer

TENANT:

VI COLLINA, LLC,
a Texas limited liability company

By: AHFC Vi Collina Non-Profit Corporation,
a Texas nonprofit corporation,
Its: Managing Member

By: 
Name: Rosie Truelove
Title: Vice President

STATE OF TEXAS

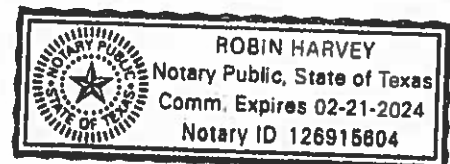
COUNTY OF TRAVIS

I HEREBY CERTIFY that on or about this 17 day of June 2020, before me, a Notary Public for the state aforesaid, personally appeared Rosie Truelove, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing Ground Lease, who acknowledged that she is the Treasurer of Austin Housing Finance Corporation; that she has been duly authorized to execute, and has executed, such instrument on its behalf for the purposes therein set forth; and that the same is its act and deed.

IN WITNESS WHEREOF, I have set my hand and Notarial Seal, the day and year first above written.

Robin Harvey
Notary Public

My commission expires on 2-21-2024.



STATE OF TEXAS

COUNTY OF TRAVIS

I HEREBY CERTIFY that on or about this 17 day of June 2020, before me, a Notary Public for the state aforesaid, personally appeared Rosie Truelove, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing Ground Lease, who acknowledged that she is the Vice President of AHFC Vi Collina Non-Profit Corporation, a Texas nonprofit corporation, the managing member of Vi Collina, LLC, a Texas limited liability company; that he has been duly authorized to execute, and has executed, such instrument on its behalf for the purposes therein set forth; and that the same is its act and deed.

IN WITNESS WHEREOF, I have set my hand and Notarial Seal, the day and year first above written.

Robin Harvey
Notary Public

My commission expires on 2-21-2024.

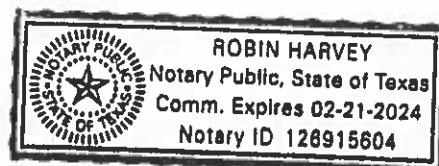


EXHIBIT A

Description of Land

Being all of Lot 1A, Amended Plat of Lots 2, 3, 4, 5, 6, & 7 of Willow Creek Commercial, Section II, an addition to the City of Austin, Travis County, Texas, according to the plat recorded in Document Number 202000076, Official Public records, Travis County, Texas, SAVE AND EXCEPT the part of said Lot 1A particularly described as follows:

BEGINNING at a point in the westernmost north line of said Lot 1A, from which the westernmost north corner thereof bears NORTH 61 degrees 42 minutes 18 seconds WEST, a distance of 25.36 feet;

THENCE with the westernmost north line of said Lot 1A, SOUTH 61 degrees 42 minutes 18 seconds EAST, a distance of 41.43 feet to a point from which the south corner of Lot 1, Willow Creek Commercial Section II (recorded in Volume 87, pages 110B and 110C, Plat Records, Travis County, Texas) bears SOUTH 61 degrees 42 minutes 18 seconds EAST, a distance of 83.21 feet;

THENCE through the interior of said Lot 1A, the following calls:

1. SOUTH 28 degrees 17 minutes 42 seconds WEST, a distance of 27.50 feet;
2. SOUTH 88 degrees 43 minutes 02 seconds WEST, a distance of 21.27 feet
3. NORTH 61 degrees 42 minutes 28 seconds WEST, a distance of 22.93 feet;
4. NORTH 28 degrees 17 minutes 42 seconds EAST, a distance of 38.00 feet, returning to the POINT OF BEGINNING and enclosing 0.034 acres (1,477 square feet) of land, more or less, leaving a net of 4.283 acres remaining.

NOTE: The Company does not represent that the above acreage or square footage calculations are correct.

EXHIBIT B**Schedule of Permitted Encumbrances**

1. Affordability Unlocked Land Use and Restrictions Agreement dated June 15, 2020, between the City of Austin, Texas and Vi Collina, LLC recorded under Document Number _____ in the Official Public Records of Travis County, Texas
2. Regulatory and Land Use Restriction Agreement dated as of June 1, 2020, among Austin Housing Finance Corporation, as Issuer, Wilmington Trust, National Association, as Fiscal Agent, and Vi Collina, LLC, as Owner, recorded as Document Number _____ in the Official Public Records of Travis County, Texas.
3. First Amended and Restated Restrictive Covenant Running with the Land, between Austin Housing Finance Corporation and Vi Collina, LLC, dated June 18, 2020, recorded as Document Number _____ in the Official Public Records of Travis County, Texas.
4. Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated June 1, 2020, by Vi Collina, LLC to Kathy Millhouse, Trustee for Austin Housing Finance Corporation, securing a loan in the original principal amount of \$23,950,000.00, recorded as Document Number _____ in the Official Public Records of Travis County, Texas.
5. First Amended and Restated Deed of Trust and Security Agreement and Financing Statement dated June 18, 2020, by Vi Collina, LLC to Rosie Truelove, Trustee for Austin Housing Finance Corporation, securing a loan in the original principal amount of \$3,500,000.00, recorded as Document Number _____ in the Official Public Records of Travis County, Texas.
6. Assignment of Deed of Trust and Loan Documents dated June 1, 2020 by and among Austin Housing Finance Corporation, Wilmington Trust, National Association, and Citibank, N.A., recorded as Document Number _____ in the Official Public Records of Travis County, Texas.
7. The LURA to be entered into by and between TDHCA and Vi Collina, LLC with respect to the low income tax credits allocated to the Project and approved by TDHCA.
8. Building setback line, 40 feet in width, along the property line abutting East Oltorf Street, as recorded in/under Volume 87, Pages 110B and 110C of the Plat Records of Travis County, Texas, and as shown on survey dated 2/21/2019, last revised 6/10/2020, prepared by John Homer Barton, R.P.L.S. No. 6737. (Lots 2-6)
9. Building setback line, 25 feet in width, along the property line abutting Douglas Street, as recorded in/under Volume 87, Pages 110B and 110C of the Plat Records of Travis County, Texas, and as shown on survey dated 2/21/2019, last revised 6/10/2020, prepared by John Homer Barton, R.P.L.S. No. 6737. (Lot 7)

10. Electric transmission easement granted to the City of Austin by instrument recorded in Volume 649, Page 472, Deed Records of Travis County, Texas, and as shown on survey dated 2/21/2019, last revised 6/10/2020, prepared by John Homer Barton, R.P.L.S. No. 6737. (Lot 7)
11. Sanitary sewer easement granted to the owners of Lot 3, Block A, Willow Creek Section One by instrument recorded in Volume 3909, Page 937, Deed Records of Travis County, Texas, and as shown on survey dated 2/21/2019, last revised 6/10/2020, prepared by John Homer Barton, R.P.L.S. No. 6737. (Lots 6 and 7)
12. Easements as shown and/or described on plat recorded in/under Document Number 202000076, Official Public Records, Travis County, Texas, and as shown on survey dated 2/21/2019, last revised 6/10/2020, prepared by John Homer Barton, R.P.L.S. No. 6737.
13. Electric utility easement granted to the City of Austin by instrument recorded under Document Number 1999044007, Official Public Records of Travis County, Texas, and as shown on survey dated 2/21/2019, last revised 6/10/2020, prepared by John Homer Barton, R.P.L.S. No. 6737. (Lot 7)
14. Easements for access, ingress, egress, and utilities as set out and described in that Memorandum of Lease by and between Cedar Willow Creek, Ltd. and ACC McCaw Cellular of Fresno dba Austin Cellular Telephone Company dated 2/12/1996, recorded in/under Volume 12630, Page 167 of the Real Property Records of Travis County, Texas. As affected by that Memorandum of Second Amendment to Option and Site Lease Agreement recorded under Document Number 2017124583, Official Public Records of Travis County, Texas. (Lot 7)
15. All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges, and immunities relating thereto, appearing in the Public Records whether listed in Schedule B or not. There may be leases, grants, exceptions or reservations of mineral interests that are not listed.
16. All terms, conditions, and provisions of that certain Memorandum of Ground Lease recorded in/under Document No. _____ of the Official Public Records of Travis County, Texas.
17. Subordination and Intercreditor Agreement dated June 1, 2020 by and between Austin Housing Finance Corporation and Citibank, N.A., recorded in Document Number _____ in the Official Public Records, Travis County, Texas.
18. Subsurface Pond Maintenance Plan Restrictive Covenant, recorded in/under Document Number _____ of the Official Public Records of Travis County, Texas.
19. Exclusive Water Lines Vault Easement granted to the City of Austin by instrument recorded under Document Number _____, Official Public Records of Travis County, Texas, together with all terms, conditions, and stipulations therein.

EXHIBIT C

Notice Addresses

Landlord:

Austin Housing Finance Corporation
1000 East 11th Street
Austin, Texas 78702
Attn: Mandy DeMayo
Telephone: (512) 974-3100

With a copy to:

Greenberg Traurig, LLP
2101 L Street, NW
Suite 1000
Washington, DC 20037
Attention: William L. Gehrig
Telephone: (202) 331-3170

Tenant:

Vi Collina, LLC
c/o Vi Collina Saigebrook, LLC (Administrative Member)
5501-A Balcones Drive, #302
Austin, Texas 78731
Attention: Lisa Stephens
Telephone: (830) 330-0762

With a copy to:

AHFC Vi Collina Non-Profit Corporation (Managing Member)
1000 East 11th Street
Suite 200
Austin, TX 78702
Attention: Patrick Russell
Telephone: (512) 974-3100

With a copy to:

Greenberg Traurig, LLP
2101 L Street, NW
Suite 1000
Washington, DC 20037
Attention: William L. Gehrig
Telephone: (202) 331-3170

With a copy to:

Vi Collina O-SDA, LLC (Administrative Member)
5501-A Balcones Drive, #302
Austin, Texas 78731
Attn: Megan Lasch
Telephone: (830) 330-0762

With a copy to:

Shutts & Bowen LLP
200 South Biscayne Boulevard, Suite 4100
Miami, Florida 33131
Attn: Robert Cheng
Telephone: (305) 415-9083

Investor Member:

AHP Housing Fund 261, LLC
10250 Constellation Boulevard, Suite 1270
Los Angeles, California 90067
Attention: Michael L. Fowler

With a copy to:

Kutak Rock LLP
1801 California Street, Suite 3000
Denver, Colorado 80202-5596
Attention: Ellen K. O'Brien

Permitted Leasehold Mortgagee (senior construction loan):

Citibank, N.A.
388 Greenwich Street, Trading 6th Floor
New York, New York 10013
Attention: Transaction and Asset Management Group
Re: Vi Collina Deal ID No. 60000227

With a copy to:

Citibank, N.A.
325 East Hillcrest Drive, Suite 160
Thousand Oaks, California 91360
Attention: Operations Manager/Asset Manager
Re: Vi Collina Deal ID No. 60000227

With a copy to:

Sidley Austin LLP
787 Seventh Avenue
New York, NY 10019
Attention: Aviva Yakren

Permitted Leasehold Mortgagee (senior permanent loan):

Citibank, N.A.
c/o Berkadia Commercial Servicing Department
323 Norristown Road, Suite 300
Ambler, Pennsylvania 19002
Attention: Client Relations Manager
Re: Vi Collina Deal ID No. 60000227

With a copy to:

Sidley Austin LLP
787 Seventh Avenue
New York, NY 10019
Attention: Aviva Yakren

Exhibit E

Assignment

WHEN RECORDED MAIL TO:

Citibank, N.A.
 Transaction and Asset Management Group/Post Closing
 388 Greenwich Street, Trading 6th Floor
 New York, New York 10013
 Attention: Tanya Jimenez
 Re: Vi Collina Deal ID No. 60000227

**ASSIGNMENT OF DEED OF TRUST
AND LOAN DOCUMENTS**

KNOW ALL PERSONS BY THESE PRESENTS:

AUSTIN HOUSING FINANCE CORPORATION, a public, nonprofit corporation and instrumentality of the City of Austin organized under the laws of the State of Texas (“**Assignor**”), pursuant to that certain Funding Loan Agreement, dated as of the date hereof (“**Funding Loan Agreement**”), by and between Assignor, **WILMINGTON TRUST, NATIONAL ASSOCIATION**, as Fiscal Agent (“**Assignee**”), and **CITIBANK, N.A.**, a national banking association (“**Funding Lender**”), for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does by these presents assign to Assignee, for the benefit of Funding Lender, without recourse, all of Assignor’s right, title and interest in and to, subject to the Reserved Rights (as defined in the Funding Loan Agreement), the instruments (“**Assigned Instruments**”) described on Schedule 1 attached hereto.

TOGETHER with the Note described in the Assigned Instruments, and the money due and to become due thereon, with the interest thereon, TO HAVE AND TO HOLD the same unto the said Assignee forever, subject only to all the provisions contained therein, AND the said Assignor hereby constitutes and appoints the Assignee as the Assignor’s true and lawful attorney, irrevocable in law or in equity, in the Assignor’s name, place and stead, but at Assignee’s cost and expense, to have, use and take all lawful ways and means for the recovery of all of the said money and interest; and in case of payment, to discharge the same as fully as the Assignor might or could if these presents were not made.

Overriding Limitations. In no event shall Assignor:

(i) prosecute its action to a lien on the Project, as defined in that certain Borrower Loan Agreement by and between Vi Collina, LLC, a Texas limited liability company (“**Borrower**”), and Assignor (the “**Borrower Loan Agreement**”); or

(ii) 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 Borrower Loan or of causing Borrower to file a petition seeking reorganization, arrangement, adjustment or composition of or in respect of Borrower under any applicable liquidation, insolvency, bankruptcy, rehabilitation, composition, reorganization, conservation or other similar law in effect now or in the future; or

(iii) interfere with the exercise by Assignee or Servicer of any of their rights under the Borrower Loan Documents upon the occurrence of an event of default by Borrower under the Borrower Loan Documents; or

(iv) take any action to accelerate or otherwise enforce payment or seek other remedies with respect to the Borrower Loan.

Definitions. All capitalized terms that are used and are not defined herein shall have the respective meanings ascribed to them in the Borrower Loan Agreement. In all references herein to any parties, persons, entities or corporations the use of any particular gender on the plural or singular number is intended to include the appropriate gender or number as the text of the within instrument may require.


Dated as of the 1st day of June, 2020 (the foregoing date is for reference purposes only and this Assignment shall not be effective until the Closing Date, as defined in the Borrower Loan Agreement).

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Assignment of Deed of Trust and Loan Documents or caused this Assignment of Deed of Trust and Loan Documents to be duly executed and delivered by its authorized representative as of the date first set forth above.

ASSIGNOR:

**AUSTIN HOUSING FINANCE
CORPORATION**

By: 
Name: Rosie Truelove
Title: Treasurer

STATE OF TEXAS)
)
COUNTY OF TRAVIS)

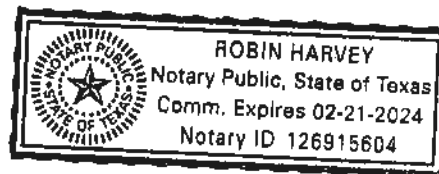
On this 10 day of June, 2020, before me, Robin Harvey, personally appeared Rosie Truelove, known to me or proven on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged to me that he/she executed the same in his/her authorized capacity as the Treasurer of the Austin Housing Finance Corporation, and that by his/her signature on the instrument the entity on behalf of which he/she acted executed the instrument.

WITNESS my hand and official seal.

Robin Hawley
Notary

My Commission expires: 2-21-2024

(SEAL)



**SCHEDULE 1
TO
ASSIGNMENT OF DEED OF TRUST
AND LOAN DOCUMENTS**

ASSIGNEE:

Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 550
Dallas, Texas 75284
Attention: Corporate Trust

ASSIGNED INSTRUMENTS:

1. Multifamily Note (Tranche A) by Vi Collina, LLC, a Texas limited liability company (“**Borrower**”), to Assignor, dated as of the Closing Date, in the original principal amount of up to \$20,450,000.
2. Multifamily Note (Tranche B) by Borrower to Assignor, dated as of the Closing Date, in the original principal amount of up to \$3,500,000.
3. Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of the date hereof, executed by Borrower for the benefit of Assignor securing the principal amount of up to \$23,950,000, which is being recorded immediately prior hereto in the Recorder’s Office of Travis County, Texas, and encumbers Borrower’s leasehold interest in the real property (and Borrower’s interest in the improvements thereon) that is more particularly described on **Exhibit A**.

EXHIBIT A**LEGAL DESCRIPTION**

BEING all of Lot 1A, Amended Plat of First Amendment to Lots 2, 3, 4, 5, 6 & 7 Willow Creek Commercial, Section II, an addition in the City of Austin, Travis County, Texas, according to the plat recorded in Document Number 202000076, Official Public records, Travis County, Texas, SAVE AND EXCEPT the part of said Lot 1A particularly described as follows:

BEGINNING at a point in the westernmost north line of said Lot 1A, from which the westernmost north corner thereof bears NORTH 61 degrees 42 minutes 18 seconds WEST, a distance of 25.36 feet;

THENCE with the westernmost north line of said Lot 1A, SOUTH 61 degrees 42 minutes 18 seconds EAST, a distance of 41.43 feet to a point from which the south corner of Lot 1, Willow Creek Commercial Section II (recorded in Volume 87, pages 110B and 110C, Plat Records, Travis County, Texas) bears SOUTH 61 degrees 42 minutes 18 seconds EAST, a distance of 83.21 feet;

THENCE through the interior of said Lot 1A, the following calls:

1. SOUTH 28 degrees 17 minutes 42 seconds WEST, a distance of 27.50 feet;
2. SOUTH 88 degrees 43 minutes 02 seconds WEST, a distance of 21.27 feet;
3. NORTH 61 degrees 42 minutes 28 seconds WEST, a distance of 22.93 feet;
4. NORTH 28 degrees 17 minutes 42 seconds EAST, a distance of 38.00 feet, returning to the **POINT OF BEGINNING** and enclosing 0.034 acres (1,477 square feet) of land, more or less, leaving a net of 4.283 acres remaining.