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**MULTIFAMILY LEASEHOLD DEED OF TRUST,
ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT
AND FIXTURE FILING**

(TEXAS)

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

**MULTIFAMILY LEASEHOLD DEED OF TRUST,
ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT
AND FIXTURE FILING**

This MULTIFAMILY LEASEHOLD DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (as amended, restated, replaced, supplemented, or otherwise modified from time to time, the “**Security Instrument**”) dated as of [December], 2024, is executed by **LDG WALNUT SPRINGS, LP**, a limited partnership organized and existing under the laws of the State of Texas, as grantor (“**Borrower**”) to [], having an address at [], as trustee (“**Trustee**”), for the benefit of the **TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**, a public and official agency organized and existing under the laws of the State of Texas, as beneficiary (“**TDHCA**” or “**Lender**”).

RECITALS

Borrower has applied to Lender for financing for the construction of a multifamily rental housing facility to be located on the Land at 2551 N. Guadalupe Street, Seguin, Texas and the Lender has determined to provide such financing.

Borrower, in consideration of Lender’s (i) issuance of its Multifamily Housing Revenue Bonds (Walnut Springs Apartments) Series 2024A-1 in the maximum principal amount of \$[SERIES A-1 PRINCIPAL] (the “**Series A-1 Bonds**”), and its Multifamily Housing Revenue Bonds (Walnut Springs Apartments) Series 2024A-2 in the maximum principal amount of \$[SERIES A-2 PRINCIPAL] (the “**Series A-2 Bonds**” and together with the Series A-1 Bonds, the “**Bonds**”) issued pursuant to the Indenture of Trust dated as of [December] 1, 2024 (as amended, restated, replaced, supplemented or otherwise modified from time to time, the “**Indenture**”) between the Lender, as issuer, and BOKF, NA, a national banking association, as bond trustee, and (ii) making a loan to Borrower (the “**Mortgage Loan**”) funded by the proceeds of the Bonds as evidenced by those certain promissory notes dated as of the date of issuance of the Bonds (as amended, modified or supplemented from time to time, collectively, the “**Note**”) pursuant to that certain Loan Agreement (as amended, restated, replaced, supplemented or otherwise modified from time to time, the “**Loan Agreement**”) dated as of [December] 1, 2024, executed by and between Borrower and Lender, and to secure to Lender the repayment of the Indebtedness (as defined in this Security Instrument), and all renewals, extensions and

modifications thereof, and the performance of the covenants and agreements of Borrower contained in the Bond Documents (as defined in the Indenture), excluding the Environmental Indemnity Agreement (as defined in this Security Instrument), irrevocably and unconditionally mortgages, grants, warrants, conveys, bargains, sells, and assigns to Trustee, in trust, for benefit of Lender, with power of sale and right of entry and possession, the Mortgaged Property (as defined in this Security Instrument), including a leasehold estate in the real property located in Guadalupe County, State of Texas, and described in Exhibit A attached to this Security Instrument and incorporated by reference and the Improvements located thereon, to have and to hold such Mortgaged Property unto Trustee and Trustee's successors and assigns, forever; Borrower hereby releasing, relinquishing and waiving, to the fullest extent allowed by law, all rights and benefits, if any, under and by virtue of the homestead exemption laws of the Property Jurisdiction (as defined in this Security Instrument), if applicable.

Borrower represents and warrants that Borrower is lawfully seized of the Mortgaged Property and has the right, power and authority to mortgage, grant, warrant, convey, bargain, sell, and assign the Mortgaged Property, and that the Mortgaged Property is not encumbered by any Lien (as defined in this Security Instrument) other than Permitted Encumbrances (as defined in this Security Instrument). Borrower covenants that Borrower will warrant and defend the title to the Mortgaged Property against all claims and demands other than Permitted Encumbrances.

Borrower, and by their acceptance hereof, each of Trustee and Lender covenants and agrees as follows:

1. Defined Terms.

Capitalized terms used and not specifically defined herein have the meanings given to such terms in the Indenture. All terms used and not specifically defined herein, but which are otherwise defined by the UCC, shall have the meanings assigned to them by the UCC. The following terms, when used in this Security Instrument, shall have the following meanings:

“**Accounts**” means all money, funds, investment property, accounts, general intangibles, deposit accounts, chattel paper, documents, instruments, judgments, claims, settlements of claims, causes of action, refunds, rebates, reimbursements, reserves, deposits, subsidies, proceeds, products, Rents, and profits, now or hereafter arising, received or receivable, from or on account of the ownership, management and operation of the Mortgaged Property.

“**Bond Documents**” has the meaning given to such term in the Indenture.

“**Bond Regulatory Agreement**” means the Regulatory Agreement as defined in the Indenture, as the same may be amended, restated, replaced, supplemented, or otherwise modified from time to time.

“**Condemnation Action**” means any action or proceeding, however characterized or named, relating to any condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Mortgaged Property, whether direct or indirect.

“**Controlling Person**” has the meaning given to such term in the Indenture.

“**Enforcement Costs**” means all expenses and costs, including reasonable attorneys’ fees and expenses, fees and out-of-pocket expenses of expert witnesses and costs of investigation, incurred by Lender as a result of any Event of Default under the Loan Agreement or in connection with efforts to collect any amount due under the Bond Documents, or to enforce the provisions of the Loan Agreement or any of the other Bond Documents, including those incurred in post-judgment collection efforts and in any bankruptcy or insolvency proceeding (including any action for relief from the automatic stay of any bankruptcy proceeding or Foreclosure Event) or judicial or non-judicial foreclosure proceeding, to the extent permitted by law.

“**Environmental Indemnity Agreement**” means the Environmental Indemnity as defined in the Indenture, as the same may be amended, restated, replaced, supplemented, or otherwise modified from time to time.

“**Environmental Laws**” has the meaning set forth in the Indenture.

“**Event of Default**” has the meaning set forth in the Loan Agreement.

“**Extended Use Agreement**” means any extended low income housing commitment (as such term is defined in Section 42(h)(6)(B) of the Internal Revenue Code) recorded against the Mortgaged Property.

“**Fee Estate**” means Ground Lessor’s: (a) fee simple ownership of the Land, reversionary or otherwise, under the Ground Lease, and (b) right, title and interest in, under, and to the Ground Lease, including (1) all options, privileges and rights under the Ground Lease and all appurtenances with respect to the Ground Lease, and (2) all amounts paid to, or deposited by Borrower with, Ground Lessor under the Ground Lease.

“**Fixtures**” means all Goods that are so attached or affixed to the Land or the Improvements as to constitute a fixture under the laws of the Property Jurisdiction.

“**Foreclosure Event**” means:

- (a) foreclosure under the Security Instrument;
- (b) any other exercise by Lender of rights and remedies (whether under the Security Instrument or under applicable law, including Insolvency Laws) as holder of the Mortgage Loan and/or the Security Instrument, as a result of which Lender (or its designee or nominee) or a third-party purchaser becomes owner of the Mortgaged Property; or
- (c) delivery by Borrower to Lender (or its designee or nominee) of a deed or other conveyance of Borrower’s interest in the Mortgaged Property in lieu of any of the foregoing.

“Goods” means all goods which are used now or in the future in connection with the ownership, management, or operation of the Land or the Improvements or are located on the Land or in the Improvements, including inventory; furniture; furnishings; machinery, equipment, engines, boilers, incinerators, and installed building materials; systems and equipment for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air, or light; antennas, cable, wiring, and conduits used in connection with radio, television, security, fire prevention, or fire detection, or otherwise used to carry electronic signals; telephone systems and equipment; elevators and related machinery and equipment; fire detection, prevention and extinguishing systems and apparatus; security and access control systems and apparatus; plumbing systems; water heaters, ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers, and other appliances; light fixtures, awnings, storm windows, and storm doors; pictures, screens, blinds, shades, curtains, and curtain rods; mirrors, cabinets, paneling, rugs, and floor and wall coverings; fences, trees, and plants; swimming pools; exercise equipment; supplies; tools; books and records (whether in written or electronic form); websites, URLs, blogs, and social network pages; computer equipment (hardware and software); and other tangible personal property which is used now or in the future in connection with the ownership, management, or operation of the Land or the Improvements or are located on the Land or in the Improvements.

“Ground Lease” means the lease described in Schedule 1 attached hereto by and between Ground Lessor, as lessor, and Borrower, as lessee, as such lease may from time to time be amended, modified, supplemented, renewed and extended.

“Ground Lessee Default” means (a) a default by Borrower in making any payment of rent, additional rent or other sum of money payable by Borrower to Ground Lessor under the Ground Lease on the date such payment is due and payable, or (b) a default by Borrower in performing or observing any of the terms, covenants or conditions of the Ground Lease (other than the payments referred to in clause (a)) required to be performed or observed by Borrower.

“Ground Lessor” means the lessor from time to time under the Ground Lease.

“Ground Lessor Bankruptcy Event” means any one or more of the following:

- (a) the commencement of a voluntary case under one or more of the Insolvency Laws by Ground Lessor;
- (b) the acknowledgment in writing by Ground Lessor that it is unable to pay its debts generally as they mature;
- (c) the making of a general assignment for the benefit of creditors by Ground Lessor;
- (d) the filing of an involuntary case under one or more Insolvency Laws against Ground Lessor; or

- (e) the appointment of a receiver, liquidator, custodian, sequestrator, trustee or other similar officer who exercises control over Ground Lessor or any substantial part of the assets of Ground Lessor;

provided, however, that any proceeding or case under (d) or (e) above shall not be a Ground Lessor Bankruptcy Event until the ninetieth day after filing (if not earlier dismissed) so long as such proceeding or case occurred without the consent, encouragement or active participation of (1) Ground Lessor, (2) any Person Controlling Ground Lessor or (3) any Person Controlled by or under common Control with Ground Lessor (in which event such case or proceeding shall be a Ground Lessor Bankruptcy Event immediately).

“Ground Lessor Default” means a default by Ground Lessor in performing or observing any of the terms, covenants or conditions of the Ground Lease required to be performed or observed by Ground Lessor.

“Ground Lessor’s Estate” means the Fee Estate and all of Ground Lessor’s right, title and interest in the Mortgaged Property.

“Ground Rent” means the base or minimum rent payable in fixed monthly or other periodic installments under the Ground Lease.

“Imposition Deposits” means deposits in an amount sufficient to accumulate with Lender the entire sum required to pay the Impositions when due.

“Impositions” means

- (a) any water and sewer charges which, if not paid, may result in a lien on all or any part of the Mortgaged Property;

- (b) the premiums for fire and other casualty insurance, liability insurance, rent loss insurance and such other insurance as Lender may require under the Loan Agreement;

- (c) Taxes;

- (d) monthly payments to assure that sufficient funds are on deposit to cover all required Ground Rent payments; and

- (e) amounts for other charges and expenses assessed against the Mortgaged Property which Lender at any time reasonably deems necessary to protect the Mortgaged Property, to prevent the imposition of liens on the Mortgaged Property, or otherwise to protect Lender’s interests, all as reasonably determined from time to time by Lender.

“Improvements” means the buildings, structures, improvements, and alterations now constructed or at any time in the future constructed or placed upon the Land, including any future replacements, facilities, and additions and other construction on the Land.

“Indebtedness” means the principal of, interest on, and all other amounts due at any time under the Note, the Loan Agreement, this Security Instrument or any other Bond Document (other than the Environmental Indemnity Agreement and Guaranty), including Prepayment Premiums, late charges, interest charged at the Default Rate, and accrued interest as provided in the Loan Agreement and this Security Instrument, advances, costs and expenses to perform the obligations of Borrower or to protect the Mortgaged Property or the security of this Security Instrument, all other monetary obligations of Borrower under the Bond Documents (other than the Environmental Indemnity Agreement), including amounts due as a result of any indemnification obligations, and any Enforcement Costs and any fees, costs, charges, or expenses (including the reasonable fees and expenses of attorneys, accountants, and other experts) incurred by Lender, including amounts paid by Lender to cure any default under the Bond Regulatory Agreement.

“Indenture” has the meaning set forth in the recitals.

“Insolvency Laws” means the United States Bankruptcy Code, 11 U.S.C. Section 101, et seq., together with any other federal or state law affecting debtor and creditor rights or relating to the bankruptcy, insolvency, reorganization, arrangement, moratorium, readjustment of debt, dissolution, liquidation or similar laws, proceedings, or equitable principles affecting the enforcement of creditors’ rights, as amended from time to time.

“Joinder and Consent” means the Ground Lessor Joinder and Consent at Exhibit B.

“Land” means the real property described in Exhibit A.

“Leasehold Estate” means Borrower’s right, title and leasehold interest in the Land pursuant to the Ground Lease, and in and to the Ground Lease, including (a) all rights of Borrower to renew or extend the term of the Ground Lease, (b) all amounts deposited by Borrower with Ground Lessor under the Ground Lease, (c) Borrower’s right or privilege to terminate, cancel, surrender, modify or amend the Ground Lease, and (d) all other options, privileges and rights granted and demised to Borrower under the Ground Lease and all appurtenances with respect to the Ground Lease.

“Leases” means all present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Mortgaged Property, or any portion of the Mortgaged Property (including proprietary leases or occupancy agreements if Borrower is a cooperative housing corporation), and all modifications, extensions or renewals thereof.

“Lender’s Assumption Notice to Borrower” means a notice from Lender to Borrower in which (a) Lender demands that Borrower assume the Ground Lease and assign the Ground Lease to Lender, or its designee, in accordance with the applicable Insolvency Laws, and (b) Lender agrees to cure or provide adequate assurance of prompt cure of all Ground Lessee Defaults reasonably susceptible of being cured by Lender and of future performance under the Ground Lease.

“Lender’s Assumption Notice to Ground Lessor” means a notice from Lender to Ground Lessor in which (a) Lender demands that Ground Lessor assume the Ground Lease and assign the Ground Lease to Lender, or its designee, in accordance with the applicable Insolvency Laws, and (b) Lender agrees to cure or provide adequate assurance of prompt cure of all Ground Lessor Defaults reasonably susceptible of being cured by Lender and of future performance under the Ground Lease.

“Lien” means any claim or charge against property for payment of a debt or an amount owed for services rendered, including any mortgage, deed of trust, deed to secure debt, security interest, tax lien, any materialman’s or mechanic’s lien, or any lien of a Governmental Authority, including any lien in connection with the payment of utilities, or any other encumbrance.

“Mortgaged Property” means all of Borrower’s and Ground Lessor’s present and hereafter acquired right, title and interest, if any, in and to all of the following:

- (a) the Leasehold Estate;
- (b) the Fee Estate;
- (c) the Improvements;
- (d) the Personalty;
- (e) current and future rights, including air rights, development rights, zoning rights and other similar rights or interests, easements, tenements, rights-of-way, strips and gores of land, streets, alleys, roads, sewer rights, waters, watercourses, and appurtenances related to or benefitting the Land or the Improvements, or both, and all rights-of-way, streets, alleys and roads which may have been or may in the future be vacated;
- (f) insurance policies relating to the Mortgaged Property (and any unearned premiums) and all proceeds paid or to be paid by any insurer of the Land, the Improvements, the Personalty or any other part of the Mortgaged Property, whether or not Borrower obtained the insurance pursuant to Lender’s requirements;
- (g) awards, payments and other compensation made or to be made by any municipal, state or federal authority with respect to the Land, the Improvements, the Personalty or any other part of the Mortgaged Property, including any awards or settlements resulting from (1) Condemnation Actions, (2) any damage to the Mortgaged Property caused by governmental action that does not result in a Condemnation Action, or (3) the total or partial taking of the Land, the Improvements, the Personalty or any other part of the Mortgaged Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof;
- (h) contracts, options and other agreements for the sale of the Land, the Improvements, the Personalty or any other part of the Mortgaged Property entered into by Borrower now or in the future, including cash or securities deposited to secure performance by parties of their obligations;

(i) Leases and Lease guaranties, letters of credit and any other supporting obligation for any of the Leases given in connection with any of the Leases, and all Rents;

(j) earnings, royalties, accounts receivable, issues and profits from the Land, the Improvements or any other part of the Mortgaged Property, and all undisbursed proceeds of the Mortgage Loan and, if Borrower is a cooperative housing corporation, maintenance charges or assessments payable by shareholders or residents;

(k) Imposition Deposits;

(l) refunds or rebates of Impositions by any municipal, state or federal authority or insurance company (other than refunds applicable to periods before the real property tax year in which this Security Instrument is dated);

(m) tenant security deposits;

(n) names under or by which any of the above Mortgaged Property may be operated or known, and all trademarks, trade names and goodwill relating to any of the Mortgaged Property;

(o) Collateral Accounts and all Collateral Account Funds;

(p) products, and all cash and non-cash proceeds from the conversion, voluntary or involuntary, of any of the above into cash or liquidated claims, and the right to collect such proceeds; and

(q) all oil, gas, minerals, mineral interests, royalties, overriding royalties, production payments, net profit interests and other interests and estates in, under and on the Mortgaged Property and other oil, gas, minerals and mineral interests with which any of the foregoing interests or estates are pooled or unitized.

“Permitted Encumbrance” means only the easements, restrictions and other matters listed in a schedule of exceptions to coverage in the Title Policy, Permitted Encumbrances (as defined in the Indenture) and Taxes for the current tax year that are not yet due and payable.

“Personalty” means all Goods, Accounts, choses in action, chattel paper, documents, general intangibles (including Software), payment intangibles, instruments, investment property, letter of credit rights, supporting obligations, computer information, source codes, object codes, records and data, all telephone numbers or listings, claims (including claims for indemnity or breach of warranty), deposit accounts and other property or assets of any kind or nature related to the Land or the Improvements now or in the future, including operating agreements, surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Land or the Improvements, and all other intangible property and rights relating to the operation of, or used in connection with, the Land or the Improvements, including all governmental permits relating to any activities on the Land.

“**Prepayment Premium**” means the premium amount payable by Borrower in connection with a prepayment of the Mortgage Loan, if any.

“**Property Jurisdiction**” means the jurisdiction in which the Land is located.

“**Regulatory Agreements**” means:

- (a) the Bond Regulatory Agreement;
- (b) the Extended Use Agreement; and
- (c) that certain [Land Use Restriction Agreement] dated as of [_____], 2024, by and between Borrower and TDHCA, in its capacity as TCAP RF Multifamily Direct Loan Program lender.

“**Rents**” means all rents (whether from residential or non-residential space), revenues and other income from the Land or the Improvements, including subsidy payments received from any sources, including payments under any “Housing Assistance Payments Contract” or other rental subsidy agreement (if any), parking fees, laundry and vending machine income and fees and charges for food, health care and other services provided at the Mortgaged Property, whether now due, past due, or to become due, and tenant security deposits.

“**Software**” means a computer program and any supporting information provided in connection with a transaction relating to the program. The term does not include any computer program that is included in the definition of Goods.

“**State**” or “**state**” means the State of Texas.

“**Taxes**” means all taxes, assessments, vault rentals and other charges, if any, general, special or otherwise, including assessments for schools, public betterments and general or local improvements, which are levied, assessed or imposed by any public authority or quasi-public authority, and which, if not paid, may become a lien, on the Land or the Improvements or any taxes upon any Bond Document.

“**Subordinate Instrument**” means that certain [TCAP DEED OF TRUST] dated as of [_____], 2024 encumbering the Mortgaged Property and securing the TCAP Subordinate Note.

“**Subordinate Note**” means:

- (a) the TCAP Subordinate Note; and
- (b) the Promissory Note dated [_____], 2024 in the original principal amount of \$750,000 made by Borrower and payable to the order of [Rickhaus Design, LLC, a Kentucky limited liability company].

“**Tax Abatement**” means that property tax exemption granted to Borrower, the Mortgaged Property, or both pursuant to the [Tax Abatement Code].

“**Tax Abatement Loss Event**” means any termination, substantial reduction, or material modification of the Tax Abatement that would become effective prior to the date that is five (5) years after the Maturity Date.

“**TCAP Subordinate Note**” means the [TCAP NOTE] dated as of [_____, 2024] in the original principal amount of \$[10,000,000] made by Borrower and payable to the order of TDHCA, in its capacity as TCAP lender.

“**Title Policy**” has the meaning set forth in the Indenture.

“**UCC**” means the Uniform Commercial Code in effect in the State of Texas, as amended from time to time.

“**UCC Collateral**” means any or all of that portion of the Mortgaged Property in which a security interest may be granted under the UCC and in which Borrower has any present or hereafter acquired right, title or interest.

2. Security Agreement; Fixture Filing.

(a) To secure to Lender, the repayment of the Indebtedness, and all renewals, extensions and modifications thereof, and the performance of the covenants and agreements of Borrower contained in the Bond Documents, Borrower hereby pledges, assigns, and grants to Lender a continuing security interest in the UCC Collateral. This Security Instrument constitutes a security agreement and a financing statement under the UCC. This Security Instrument also constitutes a financing statement pursuant to the terms of the UCC with respect to any part of the Mortgaged Property that is or may become a Fixture under applicable law, and will be recorded as a “fixture filing” in accordance with the UCC. Borrower hereby authorizes Lender to file financing statements, continuation statements and financing statement amendments in such form as Lender may require to perfect or continue the perfection of this security interest without the signature of Borrower. If an Event of Default has occurred and is continuing, Lender shall have the remedies of a secured party under the UCC or otherwise provided at law or in equity, in addition to all remedies provided by this Security Instrument and in any Bond Document. Lender may exercise any or all of its remedies against the UCC Collateral separately or together, and in any order, without in any way affecting the availability or validity of Lender’s other remedies. For purposes of the UCC, the debtor is Borrower and the secured party is Lender. The name and address of the debtor and secured party are set forth after Borrower’s signature below which are the addresses from which information on the security interest may be obtained.

(b) Borrower represents and warrants that: (1) Borrower maintains its chief executive office at the location set forth after Borrower’s signature below, and Borrower will notify Lender in writing of any change in its chief executive office within five (5) days of such change;

(2) Borrower is the record owner of the Mortgaged Property; (3) Borrower's state of incorporation, organization, or formation, if applicable, is as set forth on Page 1 of this Security Instrument; (4) Borrower's exact legal name is as set forth on Page 1 of this Security Instrument; (5) Borrower's organizational identification number, if applicable, is as set forth after Borrower's signature below; (6) Borrower is the owner of the UCC Collateral subject to no liens, charges or encumbrances other than the lien hereof and Permitted Encumbrances; (7) except as expressly provided in the Loan Agreement, the UCC Collateral will not be removed from the Mortgaged Property without the consent of Lender (upon the written direction of the Controlling Person); and (8) no financing statement covering any of the UCC Collateral or any proceeds thereof is on file in any public office except pursuant hereto.

(c) All property of every kind acquired by Borrower after the date of this Security Instrument which by the terms of this Security Instrument shall be subject to the lien and the security interest created hereby, shall immediately upon the acquisition thereof by Borrower and without further conveyance or assignment become subject to the lien and security interest created by this Security Instrument. Nevertheless, Borrower shall execute, acknowledge, deliver and record or file, as appropriate, all and every such further deeds of trust, mortgages, deeds to secure debt, security agreements, financing statements, assignments and assurances as Lender shall require for accomplishing the purposes of this Security Instrument and to comply with the rerecording requirements of the UCC.

3. Assignment of Leases and Rents; Appointment of Receiver; Lender in Possession.

(a) As part of the consideration for the Indebtedness, Borrower absolutely and unconditionally assigns and transfers to Lender all Leases and Rents. It is the intention of Borrower to establish present, absolute and irrevocable transfers and assignments to Lender of all Leases and Rents and to authorize and empower Lender to collect and receive all Rents without the necessity of further action on the part of Borrower. Borrower and Lender intend the assignments of Leases and Rents to be effective immediately and to constitute absolute present assignments, and not assignments for additional security only. Only for purposes of giving effect to these absolute assignments of Leases and Rents, and for no other purpose, the Leases and Rents shall not be deemed to be a part of the Mortgaged Property. However, if these present, absolute and unconditional assignments of Leases and Rents are not enforceable by their terms under the laws of the Property Jurisdiction, then each of the Leases and Rents shall be included as part of the Mortgaged Property, and it is the intention of Borrower, in such circumstance, that this Security Instrument create and perfect a lien on each of the Leases and Rents in favor of Lender, which liens shall be effective as of the date of this Security Instrument.

(b) Until an Event of Default has occurred and is continuing, but subject to the limitations set forth in the Bond Documents, Borrower shall have a revocable license to exercise all rights, power and authority granted to Borrower under the Leases (including the right, power and authority to modify the terms of any Lease, extend or terminate any Lease, or enter into new Leases, subject to the limitations set forth in the Bond Documents), and to collect and receive all Rents, to hold all Rents in trust for the benefit of Lender, and to apply all Rents to pay the debt

service payments on the Mortgage Loan and the other amounts then due and payable under the other Bond Documents, including Imposition Deposits, and to pay the current costs and expenses of managing, operating and maintaining the Mortgaged Property, including utilities and Impositions (to the extent not included in Imposition Deposits), tenant improvements and other capital expenditures. So long as no Event of Default has occurred and is continuing (and no event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default has occurred and is continuing), the Rents remaining after application pursuant to the preceding sentence may be retained and distributed by Borrower free and clear of, and released from, Lender's rights with respect to Rents under this Security Instrument.

(c) If an Event of Default has occurred and is continuing, without the necessity of Lender entering upon and taking and maintaining control of the Mortgaged Property directly, by a receiver, or by any other manner or proceeding permitted by the laws of the Property Jurisdiction, the revocable license granted to Borrower pursuant to Section 3(b) shall automatically terminate, and Lender shall immediately have all rights, powers and authority granted to Borrower under any Lease (including the right, power and authority to modify the terms of any such Lease, or extend or terminate any such Lease) and, without notice, Lender shall be entitled to all Rents as they become due and payable, including Rents then due and unpaid. During the continuance of an Event of Default, Borrower authorizes Lender to collect, sue for and compromise Rents and directs each tenant of the Mortgaged Property to pay all Rents to, or as directed by, Lender, and Borrower shall, upon Borrower's receipt of any Rents from any sources, pay the total amount of such receipts to Lender. Although the foregoing rights of Lender are self-effecting, at any time during the continuance of an Event of Default, Lender may make demand for all Rents, and Lender may give, and Borrower hereby irrevocably authorizes Lender to give, notice to all tenants of the Mortgaged Property instructing them to pay all Rents to Lender. No tenant shall be obligated to inquire further as to the occurrence or continuance of an Event of Default, and no tenant shall be obligated to pay to Borrower any amounts that are actually paid to Lender in response to such a notice. Any such notice by Lender shall be delivered to each tenant personally, by mail or by delivering such demand to each rental unit.

(d) If an Event of Default has occurred and is continuing, Lender may, regardless of the adequacy of Lender's security or the solvency of Borrower, and even in the absence of waste, enter upon, take and maintain full control of the Mortgaged Property, and may exclude Borrower and its agents and employees therefrom, in order to perform all acts that Lender, in its discretion, determines to be necessary or desirable for the operation and maintenance of the Mortgaged Property, including the execution, cancellation or modification of Leases, the collection of all Rents (including through use of a lockbox, at Lender's election), the making of repairs to the Mortgaged Property and the execution or termination of contracts providing for the management, operation or maintenance of the Mortgaged Property, for the purposes of enforcing this assignment of Rents, protecting the Mortgaged Property or the security of this Security Instrument and the Mortgage Loan, or for such other purposes as Lender in its discretion may deem necessary or desirable.

(e) Notwithstanding any other right provided Lender under this Security Instrument or any other Bond Document, if an Event of Default has occurred and is continuing, and regardless of the adequacy of Lender's security or Borrower's solvency, and without the necessity of giving prior notice (oral or written) to Borrower, Lender may apply to any court having jurisdiction for the appointment of a receiver for the Mortgaged Property to take any or all of the actions set forth in Section 3. If Lender elects to seek the appointment of a receiver for the Mortgaged Property at any time after an Event of Default has occurred and is continuing, Borrower, by its execution of this Security Instrument, expressly consents to the appointment of such receiver, including the appointment of a receiver *ex parte*, if permitted by applicable law. Borrower consents to shortened time consideration of a motion to appoint a receiver. Lender or the receiver, as applicable, shall be entitled to receive a reasonable fee for managing the Mortgaged Property and such fee shall become an additional part of the Indebtedness. Immediately upon appointment of a receiver or Lender's entry upon and taking possession and control of the Mortgaged Property, possession of the Mortgaged Property and all documents, records (including records on electronic or magnetic media), accounts, surveys, plans, and specifications relating to the Mortgaged Property, and all security deposits and prepaid Rents, shall be surrendered to Lender or the receiver, as applicable. If Lender or receiver takes possession and control of the Mortgaged Property, Lender or receiver may exclude Borrower and its representatives from the Mortgaged Property.

(f) The acceptance by Lender of the assignments of the Leases and Rents pursuant to this Section 3 shall not at any time or in any event obligate Lender to take any action under any Bond Document or to expend any money or to incur any expense. Lender shall not be liable in any way for any injury or damage to person or property sustained by any Person in, on or about the Mortgaged Property. Prior to Lender's actual entry upon and taking possession and control of the Land and Improvements, Lender shall not be:

- (1) obligated to perform any of the terms, covenants and conditions contained in any Lease (or otherwise have any obligation with respect to any Lease);
- (2) obligated to appear in or defend any action or proceeding relating to any Lease or the Mortgaged Property; or
- (3) responsible for the operation, control, care, management or repair of the Mortgaged Property or any portion of the Mortgaged Property.

The execution of this Security Instrument shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Mortgaged Property is and shall be that of Borrower, prior to such actual entry and taking possession and control by Lender of the Land and Improvements.

(g) Lender shall be liable to account only to Borrower and only for Rents actually received by Lender. Lender shall not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Mortgaged Property by reason of any act or omission of Lender under this Section 3, and Borrower hereby releases and discharges Lender from any such liability to the fullest extent permitted by law, provided that Lender shall not be released from

liability that occurs as a result of Lender's gross negligence or willful misconduct as determined by a court of competent jurisdiction pursuant to a final, non-appealable court order. If the Rents are not sufficient to meet the costs of taking control of and managing the Mortgaged Property and collecting the Rents, any funds expended by Lender for such purposes shall be added to, and become a part of, the principal balance of the Indebtedness, be immediately due and payable, and bear interest at the Default Rate from the date of disbursement until fully paid. Any entering upon and taking control of the Mortgaged Property by Lender or the receiver, and any application of Rents as provided in this Security Instrument, shall not cure or waive any Event of Default or invalidate any other right or remedy of Lender under applicable law or provided for in this Security Instrument or any Bond Document.

(h) Notwithstanding anything to the contrary contained herein, Lender is entitled to all the rights and remedies of an assignee set forth in Chapter 64 of the Texas Property Code, the Texas Assignment of Rents Act ("TARA"). This Security Instrument shall constitute and serve as a security instrument under TARA. Lender shall have the ability to exercise its rights related to the Leases and Rents, in Lender's sole discretion and without prejudice to any other remedy available, as provided in this Security Instrument or as otherwise allowed by applicable law, including, without limitation, TARA.

4. Protection of Lender's Security.

If Borrower fails to perform any of its obligations under this Security Instrument or any other Bond Document, or any action or proceeding is commenced that purports to affect the Mortgaged Property, Lender's security, rights or interests under this Security Instrument or any Bond Document (including eminent domain, insolvency, code enforcement, civil or criminal forfeiture, enforcement of Environmental Laws, fraudulent conveyance or reorganizations or proceedings involving a debtor or decedent), Lender may, at its option, make such appearances, disburse or pay such sums and take such actions, whether before or after an Event of Default or whether directly or to any receiver for the Mortgaged Property, as Lender reasonably deems necessary to perform such obligations of Borrower and to protect the Mortgaged Property or Lender's security, rights or interests in the Mortgaged Property or the Mortgage Loan, including:

- (a) paying fees and out-of-pocket expenses of attorneys, accountants, inspectors and consultants;
- (b) entering upon the Mortgaged Property to make repairs or secure the Mortgaged Property;
- (c) obtaining (or force-placing) the insurance required by the Bond Documents; and
- (d) paying any amounts required under any of the Bond Documents that Borrower has failed to pay.

Any amounts so disbursed or paid by Lender shall be added to, and become part of, the principal balance of the Indebtedness, be immediately due and payable and bear interest at the Default Rate

from the date of disbursement until fully paid. The provisions of this Section 4 shall not be deemed to obligate or require Lender to incur any expense or take any action.

5. Restoration Following Casualty.

(a) If all or any part of the Mortgaged Property shall be damaged or destroyed by a casualty, Borrower shall promptly give written notice thereof to Lender and the appropriate insurer, and Lender is authorized and empowered (but not obligated or required) to make proof of loss and to settle, adjust or compromise any claims for loss, damage or destruction under any policies of insurance required under this Security Instrument; provided, however, neither Borrower nor Lender shall settle, adjust or compromise any such claim without the prior written approval of the other, not to be unreasonably withheld, delayed or conditioned (and subject with respect to Lender to the written direction of the Controlling Person). All proceeds of insurance, shall be paid to Lender for deposit to the Project Fund established and maintained under the Indenture and shall be applied first to the payment of all costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred by Lender in obtaining such proceeds, and second, at the option of Lender, but subject to Section 7 below, either to the payment of the Indebtedness whether or not due, in such order as Lender may elect, or to the restoration, repair, or replacement of the Mortgaged Property. If Lender elects to apply the insurance proceeds to the restoration, repair or replacement of the Mortgaged Property, such proceeds shall be disbursed to Borrower as work progresses pursuant to a construction and disbursing agreement in form and content satisfactory to Lender in its reasonable discretion, and Borrower shall promptly and diligently, regardless of whether there shall be sufficient insurance proceeds therefor, restore, repair and rebuild the Mortgaged Property to the equivalent of its condition immediately prior to the casualty. During the period of restoration and repair, Borrower shall continue to duly and promptly pay, perform, observe and comply with all of the Indebtedness. The election by Lender to apply the insurance proceeds to the restoration, repair or replacement of the Mortgaged Property shall not affect the lien of this Security Instrument or affect or reduce the Indebtedness.

(b) If all or any of the Mortgaged Property shall be damaged or destroyed by a casualty not covered by insurance or, if so covered, the insurer fails or refuses to pay the claim, Borrower shall immediately give written notice thereof to Lender.

(c) If any work required to be performed under Subsections (a) or (b) above, or both, shall involve an estimated expenditure of more than \$250,000, no such work shall be undertaken until plans and specifications therefor, prepared by an architect reasonably satisfactory to Lender, have been submitted to and approved by Lender in the exercise of its reasonable discretion.

6. Condemnation.

(a) Borrower shall promptly notify Lender upon obtaining any knowledge of the institution of any Condemnation Action.

(b) If all or any substantial part of the Mortgaged Property shall be damaged or taken through condemnation (which term when used in this Security Instrument shall include any damage or taking by any Governmental Authority and any transfer by private sale in lieu thereof, either

temporarily or permanently), Lender at its option may, but only if such condemnation is not “de minimus” as defined in Section 7 below, declare all of the unpaid Indebtedness to be immediately due and payable, and upon thirty (30) days written notice from Lender to Borrower all such Indebtedness shall immediately become due and payable as fully and to the same effect as if such date were the date originally specified for the final payment or maturity thereof. The Lender shall be entitled to all compensation, awards and other payments resulting from such condemnation and is hereby authorized, at its option, to commence, appear in and prosecute, in its own or in Borrower’s name, any action or proceeding relating to any condemnation, and to settle or compromise any claim in connection therewith, provided, however, neither Borrower nor Lender shall settle, adjust or compromise any such claim without the prior written approval of the other, not to be unreasonably withheld, delayed or conditioned (and subject with respect to Lender to the written direction of the Controlling Person). All such compensation, awards, damages, claims, rights of action and proceeds and the right thereto are hereby assigned by Borrower to Lender and shall, be deposited in the Project Fund established and maintained under the Indenture and applied first to the payment of all costs and expenses (including, without limitation, reasonable attorneys’ fees and expenses) incurred by Lender in connection with any action or proceeding under this Section 6, and second (subject to the provisions of Section 7 below), at the option of Lender, either to the payment of the Indebtedness whether or not due, in such order as Lender may elect, or to the restoration, repair or alteration of the Mortgaged Property. If Lender elects to apply the condemnation awards to the restoration, repair or alteration of the Mortgaged Property, such awards shall be disbursed to Borrower as work progresses pursuant to a construction and disbursing agreement in form and content reasonably satisfactory to Lender, and Borrower shall promptly and diligently, regardless of whether there shall be sufficient condemnation awards therefor, restore, repair and alter the Mortgaged Property in a manner satisfactory to Lender. During the period of restoration, repair and alteration, the Borrower shall continue to duly and promptly pay, perform, observe and comply with all of the Indebtedness. The election by Lender to apply the condemnation awards to the restoration, repair or alteration of the Mortgaged Property shall not affect the lien of this Security Instrument or affect or reduce the Indebtedness. If any restoration, repair or alteration of the Mortgaged Property shall involve an estimated expenditure of more than \$250,000.00, same shall not be commenced until plans and specifications therefor, prepared by an architect reasonably satisfactory to Lender, have been submitted to and approved by Lender, in the exercise of its reasonable discretion.

7. Borrower’s Right to Rebuild the Mortgaged Property.

(a) Notwithstanding the provisions of Sections 5 and 6 hereof to the contrary, in the event that any portion or portions of the Mortgaged Property are damaged or destroyed by fire or by any other casualty, or are the subject of a “de minimis” condemnation (for purposes of this Security Instrument, the term “de minimis” shall mean less than 50% of the square footage of the Improvements), and such damage, destruction, or condemnation results in the need for repair, rebuilding, or restoration work to be performed on the Mortgaged Property (such repair, rebuilding, or restoration is referred to herein as the “**Work**”), Lender shall allow Borrower, at the election of Borrower, to use the amount by which the proceeds of all insurance policies, judgments, settlements, or awards collected with respect to such damage, destruction, or condemnation (except such amounts as are attributable to a loss of rents) exceed the cost, if any, to Lender for the recovery of such proceeds

(said net amount is defined herein as the “**Reconstruction Funds**”), to perform the Work, so long as the following conditions have been met:

(1) No Event of Default other than an Event of Default that will be cured by performance of the Work exists hereunder, under the Note, or under any other of the Bond Documents;

(2) Borrower shall have delivered evidence satisfactory to Lender that the Improvements may be reconstructed in accordance with all applicable zoning and building codes, and all rules, regulations, and ordinances of Governmental Authorities and that, upon completion of the Work, the condition of the Improvements will be at least equal in value and general utility to that which existed immediately prior to such casualty or condemnation;

(3) Borrower shall have delivered evidence reasonably satisfactory to Lender that sufficient funds, including the Reconstruction Funds, are available to perform the Work and that the Work is capable of completion prior to the then effective maturity date of the Note;

(4) Borrower shall have delivered evidence reasonably satisfactory to Lender that business interruption or income insurance proceeds payable to Borrower as a result of the damage or destruction or income from the Improvements, or that sources other than the Reconstruction Funds are sufficient to cover payments of debt service, costs, and expenses on the Note during the period the Work is to be performed. The balance of any proceeds, assuming income from the Improvements, business interruption or income insurance, and other sources equals or exceeds debt service under the Note plus monthly expenses of the Mortgaged Property, shall be paid to Borrower;

(5) Lender shall be satisfied, in its reasonable discretion, that the Work can be completed and the Improvements can be ready for occupancy at least three (3) months prior to the maturity of the Loan;

(6) All parties having operating, management, or franchise interest in, and arrangement concerning the Property agree that they will continue their interest and arrangements for the contract terms then in effect following the Work, or Borrower finds replacements reasonably acceptable to Lender; and

(7) Lender shall be reasonably satisfied that it will not incur any liability to any other person as a result of such use or release of insurance or condemnation proceeds.

(b) In the event that the conditions set forth in Section 7(a) above are satisfied, Lender shall make the Reconstruction Funds available to Borrower for the Work only under the following procedures, terms, and conditions:

(1) Borrower shall execute and deliver to Lender a copy of a contract with a licensed contractor reasonably acceptable to Lender setting forth a fixed price for the Work and a completion date reasonably acceptable to Lender;

(2) Borrower shall demonstrate to Lender that the Reconstruction Funds are at least equal to the fixed price of the Work as set forth in said contract or shall deposit with Lender funds in the amount by which such fixed price exceeds the Reconstruction Funds;

(3) The Work shall be supervised by an architect or engineer and performed in accordance with plans and specifications prepared by such architect or engineer and approved by Lender, in its reasonable discretion;

(4) The Reconstruction Funds, plus any additional funds deposited by Borrower, shall be received and held by Lender and disbursed in accordance with the terms and conditions used by - Lender in connection with the disbursing agreement to be prepared by Lender at Borrower's expense, and Borrower shall reimburse Lender for reasonable costs and expenses incurred in connection with such disbursements;

(5) Upon completion of and final payment for the Work, any remaining Reconstruction Funds shall, at the option of Lender, be applied to the Indebtedness in such order as Lender shall elect or paid over to Borrower; provided, however, that in either event, any remaining additional funds deposited by Borrower for excess costs shall be refunded to Borrower; and

(6) Borrower shall otherwise comply with the terms and conditions of this Security Instrument and the other Bond Documents during the performance of the Work.

(c) In the event any one or more of the conditions set forth in Subsection 7(a) and 7(b) is not satisfied, Lender may elect, in its sole discretion, to apply the Reconstruction Funds against the balance of the Indebtedness, whether or not due, in such manner as Lender shall elect.

(d) If an Event of Default shall occur hereunder, or if Borrower shall fail diligently to pursue and complete the Work, within thirty (30) days following written notice of such failure from Lender, Lender may, in its sole discretion, apply any undisbursed Reconstruction Funds and any of Borrower's deposits against the balance of the Indebtedness, whether or not due, in such manner as Lender shall elect.

8. Repair. Borrower shall keep the Mortgaged Property in good order and condition and make all necessary or appropriate repairs and replacements thereof and betterments and improvements thereto, ordinary and extraordinary, foreseen and unforeseen, and use reasonable efforts to prevent any act that might impair the value or usefulness of the Mortgaged Property.

9. Inspection. Upon reasonable prior notice, except in the event of an emergency in which case no notice is required, Borrower shall permit Lender and its agents to inspect the Mortgaged Property at any time during normal business hours and at all other reasonable times. Such access shall not be exercised in a manner which would materially and adversely affect the operation of the Mortgaged Property, and shall be exercised in a manner so as to use reasonable efforts to minimize the disturbance of the tenants in the Mortgaged Property.

10. Contest of Tax Assessments, Etc. After prior written notice to Lender, Borrower, at its own expense, may contest by appropriate legal proceedings, promptly initiated and conducted in good faith and with due diligence, the amount, validity or application, in whole or in part, of (a) any law, rule and regulation now existing or hereafter adopted by any Governmental Authority that may be applicable to Borrower or to the Mortgaged Property or to the use or manner of use, occupancy, possession, operation, maintenance, alteration, repair or reconstruction of the Mortgaged Property, whether or not such law or rule or regulation shall necessitate structural changes or improvements or interfere with the use or enjoyment of the Mortgaged Property, or (b) any Imposition; provided that: (i) in the case of any unpaid Imposition, such proceedings shall suspend the collection thereof from Borrower and from the Mortgaged Property, (ii) the Mortgaged Property or any part thereof will not be in danger of being sold, forfeited, terminated, canceled or lost, (iii) the use of the Mortgaged Property or any part thereof for its present or future intended purpose or purposes will not be interrupted, lost or terminated, (iv) Borrower shall have set aside adequate reserves with respect thereto, and (v) Borrower shall have furnished such security as may be required in the proceedings or as may be reasonably requested by Lender.

11. Default; Acceleration; Remedies.

(a) If an Event of Default has occurred and is continuing, Lender, at its option, may declare the Indebtedness to be immediately due and payable without further demand, and subject to the notice and opportunity to cure provision contained in Section 51.002 of the Texas Property Code as may be in effect from time to time (the “**Texas Property Code**”), Lender may either with or without entry or taking possession as herein provided or otherwise, proceed by suit or suits at law or in equity or any other appropriate proceeding or remedy (1) to enforce payment of the Mortgage Loan; (2) to foreclose this Security Instrument judicially or non-judicially by the power of sale granted herein; (3) to enforce or exercise any right under any Bond Document; and (4) to pursue any one (1) or more other remedies provided in this Security Instrument or in any other Bond Document or otherwise afforded by applicable law. Each right and remedy provided in this Security Instrument or any other Bond Document is distinct from all other rights or remedies under this Security Instrument or any other Bond Document or otherwise afforded by applicable law, and each shall be cumulative and may be exercised concurrently, independently, or successively, in any order. Borrower has the right to bring an action to assert the nonexistence of an Event of Default or any other defense of Borrower to acceleration and sale.

(b) Borrower acknowledges that the power of sale granted in this Security Instrument may be exercised or directed by Lender without prior judicial hearing. In the event Lender invokes the power of sale:

(1) Lender may, by and through the Trustee, or otherwise, sell or offer for sale the Mortgaged Property in such portions, order and parcels as Lender may determine, with or without having first taken possession of the Mortgaged Property, to the highest bidder for cash at public auction. Such sale shall be made at the area officially designated by the county commissioners (or if the county commissioners have not designated an area, then the area selected by Lender or Trustee) for holding such sales at the courthouse of the county in which all or any part of the Mortgaged Property to be sold is situated (whether the parts or parcel, if any, situated in different counties are contiguous or not, and without the necessity of having any Personalty present at such sale) on the first Tuesday of any month between the hours of 10:00 a.m. and 4:00 p.m. (or, if the first Tuesday of a month occurs on January 1 or July 4, between 10:00 a.m. and 4:00 p.m. on the first Wednesday of the month; provided, however, that a sale conducted by means of a public auction using online bidding and sale shall be conducted in accordance with applicable law), after advertising the time, place and terms of sale and that portion of the Mortgaged Property to be sold by posting or causing to be posted written or printed notice of sale at least twenty-one (21) days before the date of the sale at the courthouse door of the county in which the sale is to be made and at the courthouse door of any other county in which a portion of the Mortgaged Property may be situated, and by filing such notice with the County Clerk(s) of the county(s) in which all or a portion of the Mortgaged Property may be situated, which notice may be posted and filed by the Trustee acting, or by any person acting for the Trustee, and Lender has, at least twenty-one (21) days before the date of the sale, served written or printed notice of the proposed sale by certified mail on each debtor obligated to pay the Indebtedness according to Lender's records by the deposit of such notice, enclosed in a postpaid wrapper, properly addressed to such debtor at debtor's most recent address as shown by Lender's records, in a post office or official depository under the care and custody of the United States Postal Service. If the courthouse or county clerk's office is closed because of inclement weather, natural disaster, or other act of God, a notice required to be posted at the courthouse under applicable law or filed with the county clerk under applicable law may be posted or filed, as appropriate, up to forty-eight (48) hours after the courthouse or county clerk's office reopens for business, as applicable. The affidavit of any person having knowledge of the facts to the effect that such service was completed shall be prima facie evidence of the fact of service. The provisions hereof with respect to posting and giving notices of sale are intended to comply with the provisions of Section 51.002 of the Texas Property Code, and, in the event the requirement for any notice under such Section 51.002 shall be eliminated or the prescribed manner of giving the same shall be modified by future amendment to or adoption of any statute superseding such Section 51.002, the requirement for such particular notice shall be deemed stricken from or modified in this Security Instrument in conformity with such amendment or superseding statute, effective as of the effective date of the same;

(2) Trustee shall deliver to the purchaser at the sale, within a reasonable time after the sale, a deed conveying the Mortgaged Property so sold in fee simple with covenants of general warranty. Borrower covenants and agrees to defend generally the purchaser's title to the Mortgaged Property against all claims and demands. The recitals

in Trustee's deed shall be prima facie evidence of the truth of the statements contained in those recitals;

(3) Trustee shall be entitled to receive fees and expenses from such sale not to exceed the amount permitted by applicable law; and

(4) Lender shall have the right to become the purchaser at any sale made under or by virtue of this Security Instrument and Lender so purchasing at any such sale shall have the right to be credited upon the amount of the bid made therefor by Lender with the amount payable to Lender out of the net proceeds of such sale. In the event of any such sale, the outstanding principal amount of the Mortgage Loan and the other Indebtedness, if not previously due, shall be and become immediately due and payable without demand or notice of any kind. If the Mortgaged Property is sold for an amount less than the amount outstanding under the Indebtedness, the deficiency shall be determined by the purchase price at the sale or sales. Borrower waives all rights, claims, and defenses with respect to Lender's ability to obtain a deficiency judgment.

(c) Borrower acknowledges and agrees that the proceeds of any sale shall be applied as determined by Lender unless otherwise required by applicable law.

(d) In connection with the exercise of Lender's rights and remedies under this Security Instrument and any other Bond Document, there shall be allowed and included as Indebtedness: (1) all expenditures and expenses authorized by applicable law and all other expenditures and expenses which may be paid or incurred by or on behalf of Lender for reasonable legal fees, appraisal fees, outlays for documentary and expert evidence, stenographic charges and publication costs; (2) all expenses of any environmental site assessments, environmental audits, environmental remediation costs, appraisals, surveys, engineering studies, wetlands delineations, flood plain studies, and any other similar testing or investigation deemed necessary or advisable by Lender incurred in preparation for, contemplation of or in connection with the exercise of Lender's rights and remedies under the Bond Documents; and (3) costs (which may be reasonably estimated as to items to be expended in connection with the exercise of Lender's rights and remedies under the Bond Documents) of procuring all abstracts of title, title searches and examinations, title insurance policies, and similar data and assurance with respect to title as Lender may deem reasonably necessary either to prosecute any suit or to evidence the true conditions of the title to or the value of the Mortgaged Property to bidders at any sale which may be held in connection with the exercise of Lender's rights and remedies under the Bond Documents. All expenditures and expenses of the nature mentioned in this Section 11, and such other expenses and fees as may be incurred in the protection of the Mortgaged Property and rents and income therefrom and the maintenance of the lien of this Security Instrument, including the fees of any attorney employed by Lender in any litigation or proceedings affecting this Security Instrument, the Note, the other Bond Documents, or the Mortgaged Property, including bankruptcy proceedings, any Foreclosure Event, or in preparation of the commencement or defense of any proceedings or threatened suit or proceeding, or otherwise in dealing specifically therewith, shall be so much additional Indebtedness and shall be immediately due and payable by Borrower, with interest thereon at the Default Rate until paid.

(e) If all or any part of the Mortgaged Property is sold pursuant to this Section 11, Borrower will be divested of any and all interest and claim to the Mortgaged Property, including any interest or claim to all insurance policies, utility deposits, bonds, loan commitments and other intangible property included as a part of the Mortgaged Property. Additionally, after a sale of all or any part of the Land, Improvements, Fixtures and Personalty, Borrower will be considered a tenant at sufferance of the purchaser of the same, and the purchaser shall be entitled to immediate possession of such property. If Borrower shall fail to vacate the Mortgaged Property immediately, the purchaser may and shall have the right, without further notice to Borrower, to go into any justice court in any precinct or county in which the Mortgaged Property is located and file an action in forcible entry and detainer, which action shall lie against Borrower or its assigns or legal representatives, as a tenant at sufferance. This remedy is cumulative of any and all remedies the purchaser may have under this Security Instrument or otherwise.

(f) In any action for a deficiency after a foreclosure under this Security Instrument, if any person against whom recovery is sought requests the court in which the action is pending to determine the fair market value of the Mortgaged Property, as of the date of the foreclosure sale, the following shall be the basis of the court's determination of fair market value; provided that Borrower and any guarantor hereby waive any rights to contest the amount of the deficiency claim afforded to Borrower and such guarantor under Texas Property Code Sections 51.003; 51.004 and 51.005; in the event the waiver of such provision is held invalid, that the valuation method as currently set forth below shall be used;

(1) the Mortgaged Property shall be valued "as is" and in its condition as of the date of foreclosure, and no assumption of increased value because of post-foreclosure repairs, refurbishment, restorations or improvements shall be made;

(2) any adverse effect on the marketability of title because of the foreclosure or because of any other title condition not existing as of the date of this Security Instrument shall be considered;

(3) the valuation of the Mortgaged Property shall be based upon an assumption that the foreclosure purchaser desires a prompt resale of the Mortgaged Property for cash within a six (6) month period after foreclosure;

(4) although the Mortgaged Property may be disposed of more quickly by the foreclosure purchaser, the gross valuation of the Mortgaged Property as of the date of foreclosure shall be discounted for a hypothetical reasonable holding period (not to exceed six (6) months) at a monthly rate equal to the average monthly interest rate on the Note for the twelve (12) months before the date of foreclosure;

(5) the gross valuation of the Mortgaged Property as of the date of foreclosure shall be further discounted and reduced by reasonable estimated costs of disposition, including brokerage commissions, title policy premiums, environmental assessment and clean-up costs, tax and assessment, prorations, costs to comply with legal requirements, and attorneys' fees;

(6) expert opinion testimony shall be considered only from a licensed appraiser certified by the State of Texas and, to the extent permitted under Texas law, a member of the Appraisal Institute, having at least five (5) years' experience in appraising property similar to the Mortgaged Property in the county where the Mortgaged Property is located, and who has conducted and prepared a complete written appraisal of the Mortgaged Property taking into considerations the factors set forth in this Security Instrument; no expert opinion testimony shall be considered without such written appraisal;

(7) evidence of comparable sales shall be considered only if also included in the expert opinion testimony and written appraisal referred to in the preceding paragraph; and

(8) an affidavit executed by Lender to the effect that the foreclosure bid accepted by Trustee was equal to or greater than the value of the Mortgaged Property determined by Lender based upon the factors and methods set forth in subparagraphs (1) through (7) above before the foreclosure shall constitute prima facie evidence that the foreclosure bid was equal to or greater than the fair market value of the Mortgaged Property on the foreclosure date.

(g) Lender may, at Lender's option, comply with these provisions in the manner permitted or required by Title 5, Section 51.002 of the Texas Property Code (relating to the sale of real estate) or by Chapter 9 of the Texas Business and Commerce Code (relating to the sale of collateral after default by a debtor), as those titles and chapters now exist or may be amended or succeeded in the future, or by any other present or future articles or enactments relating to same subject. Unless expressly excluded, the Mortgaged Property shall include Rents collected before a foreclosure sale, but attributable to the period following the foreclosure sale, and Borrower shall pay such Rents to the purchaser at such sale. At any such sale:

(1) whether made under the power contained in this Security Instrument, Section 51.002 of the Texas Property Code, the Texas Business and Commerce Code, any other legal requirement or by virtue of any judicial proceedings or any other legal right, remedy or recourse, it shall not be necessary for Trustee to have physically present, or to have constructive possession of, the Mortgaged Property (Borrower shall deliver to Trustee any portion of the Mortgaged Property not actually or constructively possessed by Trustee immediately upon demand by Trustee) and the title to and right of possession of any such Mortgaged Property shall pass to the purchaser as completely as if the Mortgaged Property had been actually present and delivered to the purchaser at the sale;

(2) each instrument of conveyance executed by Trustee shall contain a general warranty of title, binding upon Borrower;

(3) the recitals contained in any instrument of conveyance made by Trustee shall conclusively establish the truth and accuracy of the matters recited in the Instrument, including nonpayment of the Indebtedness and the advertisement and conduct of the sale

in the manner provided in this Security Instrument and otherwise by law and the appointment of any successor Trustee;

(4) all prerequisites to the validity of the sale shall be conclusively presumed to have been satisfied;

(5) the receipt of Trustee or of such other party or officer making the sale shall be sufficient to discharge to the purchaser or purchasers for such purchaser(s)' purchase money, and no such purchaser or purchasers, or such purchaser(s)' assigns or personal representatives, shall thereafter be obligated to see to the application of such purchase money or be in any way answerable for any loss, misapplication or nonapplication of such purchase money; and

(6) to the fullest extent permitted by law, Borrower shall be completely and irrevocably divested of all of Borrower's right, title, interest, claim and demand whatsoever, either at law or in equity, in and to the Mortgaged Property sold, and such sale shall be a perpetual bar to any claim to all or any part of the Mortgaged Property sold, both at law and in equity, against Borrower and against any person claiming by, through or under Borrower.

(h) Any action taken by Trustee or Lender pursuant to the provisions of this Section 11 shall comply with the laws of the Property Jurisdiction. Such applicable laws shall take precedence over the provisions of this Section 11, but shall not invalidate or render unenforceable any other provision of any Bond Document that can be construed in a manner consistent with any such applicable laws. If any provision of this Security Instrument shall grant to Lender (including Lender acting as a mortgagee-in-possession), Trustee or a receiver appointed pursuant to the provisions of this Security Instrument any powers, rights or remedies prior to, upon, during the continuance of or following an Event of Default that are more limited than the powers, rights, or remedies that would otherwise be vested in such party under any applicable law in the absence of said provision, such party shall be vested with the powers, rights, and remedies granted in such applicable law to the full extent permitted by law.

12. Waiver of Statute of Limitations and Marshaling.

Borrower hereby waives the right to assert any statute of limitations as a bar to the enforcement of the lien of this Security Instrument or to any action brought to enforce any Bond Document. Notwithstanding the existence of any other security interests in the Mortgaged Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Mortgaged Property shall be subjected to the remedies provided in this Security Instrument and/or any other Bond Document or by applicable law. Lender shall have the right to determine the order in which any or all portions of the Indebtedness are satisfied from the proceeds realized upon the exercise of such remedies. Borrower, for itself and all who may claim by, through, or under it, and any party who now or in the future acquires a security interest in the Mortgaged Property and who has actual or constructive notice of this Security Instrument waives any and all right to require the marshaling of assets or to require that any of the Mortgaged Property

be sold in the inverse order of alienation or that any of the Mortgaged Property be sold in parcels (at the same time or different times) in connection with the exercise of any of the remedies provided in this Security Instrument or any other Bond Document, or afforded by applicable law.

13. Waiver of Redemption; Rights of Tenants.

(a) Borrower hereby covenants and agrees that it will not at any time apply for, insist upon, plead, avail itself, or in any manner claim or take any advantage of, any appraisement, stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter enacted or in force in order to prevent or hinder the enforcement or foreclosure of this Security Instrument. Without limiting the foregoing:

(1) Borrower for itself and all Persons who may claim by, through, or under Borrower, hereby expressly waives any so-called "Moratorium Law" and any and all rights of reinstatement and redemption, if any, under any order or decree of foreclosure of this Security Instrument, it being the intent hereof that any and all such "Moratorium Laws," and all rights of reinstatement and redemption of Borrower and of all other Persons claiming by, through, or under Borrower are and shall be deemed to be hereby waived to the fullest extent permitted by applicable law;

(2) Borrower shall not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any right, power or remedy herein or otherwise granted or delegated to Lender but will suffer and permit the execution of every such right, power and remedy as though no such law or laws had been made or enacted; and

(3) if Borrower is a trust, Borrower represents that the provisions of this Section 13 (including the waiver of reinstatement and redemption rights) were made at the express direction of Borrower's beneficiaries and the persons having the power of direction over Borrower, and are made on behalf of the trust estate of Borrower and all beneficiaries of Borrower, as well as all other persons mentioned above.

(b) Lender shall have the right to foreclose subject to the rights of any tenant or tenants of the Mortgaged Property having an interest in the Mortgaged Property prior to that of Lender. The failure to join any such tenant or tenants of the Mortgaged Property as party defendant or defendants in any such civil action or the failure of any decree of foreclosure and sale to foreclose their rights shall not be asserted by Borrower as a defense in any civil action instituted to collect the Indebtedness, or any part thereof or any deficiency remaining unpaid after foreclosure and sale of the Mortgaged Property, any statute or rule of law at any time existing to the contrary notwithstanding.

14. Notice.

(a) All notices under this Security Instrument shall be:

(1) in writing, and shall be (A) delivered, in person, (B) mailed, postage prepaid, either by registered or certified delivery, return receipt requested, or (C) sent by overnight express courier;

(2) addressed to the intended recipient at its respective address set forth at the end of this Security Instrument with copies to the Investor Member and its counsel at their respective addresses set forth in the Indenture; and

(3) deemed given on the earlier to occur of:

(A) the date when the notice is received by the addressee; or

(B) if the recipient refuses or rejects delivery, the date on which the notice is so refused or rejected, as conclusively established by the records of the United States Postal Service or such express courier service.

(b) Any party to this Security Instrument may change the address to which notices intended for it are to be directed by means of notice given to the other party in accordance with this Section 14.

(c) Any required notice under this Security Instrument which does not specify how notices are to be given shall be given in accordance with this Section 14.

15. Mortgagee-in-Possession.

Borrower acknowledges and agrees that the exercise by Lender of any of the rights conferred in this Security Instrument shall not be construed to make Lender a mortgagee-in-possession of the Mortgaged Property so long as Lender has not itself entered into actual possession of the Land and Improvements.

16. Release.

Upon payment in full of the Indebtedness, Lender shall cause the release of this Security Instrument and Borrower shall pay Lender's costs incurred in connection with such release.

17. Trustee.

(a) Trustee may resign by giving of notice of such resignation in writing to Lender. If Trustee shall die, resign or become disqualified from acting under this Security Instrument or shall fail or refuse to act in accordance with this Security Instrument when requested by Lender or if for any reason and without cause Lender shall prefer to appoint a substitute trustee to act instead of the original Trustee named in this Security Instrument or any prior successor or substitute trustee, Lender shall have full power to appoint a substitute trustee and, if preferred, several substitute trustees in succession who shall succeed to all the estate, rights, powers and duties of the original Trustee named in this Security Instrument. Such appointment may be executed by an authorized officer, agent or attorney-in-fact of Lender (whether acting pursuant to a power of attorney or

otherwise), and such appointment shall be conclusively presumed to be executed with authority and shall be valid and sufficient without proof of any action by Lender.

(b) Any successor Trustee appointed pursuant to this Section 17 shall, without any further act, deed or conveyance, become vested with all the estates, properties, rights, powers and trusts of the predecessor Trustee with like effect as if originally named as Trustee in this Security Instrument; but, nevertheless, upon the written request of Lender or such successor Trustee, the Trustee ceasing to act shall execute and deliver an instrument transferring to such successor Trustee, all the estates, properties, rights, powers and trusts of the Trustee so ceasing to act, and shall duly assign, transfer and deliver any of the Mortgaged Property and monies held by the Trustee ceasing to act to the successor Trustee.

(c) Trustee may authorize one (1) or more parties to act on Trustee's behalf to perform the ministerial functions required of Trustee under this Security Instrument, including the transmittal and posting of any notices.

18. No Fiduciary Duty.

Lender owes no fiduciary or other special duty to Borrower.

19. Additional Provisions Regarding Assignment of Leases and Rents.

In no event shall the assignment of Rents or Leases in Section 3 cause the Indebtedness to be reduced by an amount greater than the Rents actually received by Lender and applied by Lender to the Indebtedness, whether before, during or after (a) an Event of Default, or (b) a suspension or revocation of the license granted to Borrower in Section 3 with regard to the Rents. Borrower and Lender specifically intend that the assignment of Rents and Leases in Section 3 is not intended to result in a pro tanto reduction of the Indebtedness. The assignment of Rents and Leases in Section 3 is not intended to constitute a payment of, or with respect to, the Indebtedness and, therefore, Borrower and Lender specifically intend that the Indebtedness shall not be reduced by the value of the Rents and Leases assigned. Such reduction shall occur only if, and to the extent that, Lender actually receives Rents pursuant to Section 3 and applies such Rents to the Indebtedness. Borrower agrees that the value of the license granted with regard to the Rents equals the value of the absolute assignment of Rents to Lender. The assignment of Rents contained in Section 3 shall terminate upon the release of this Security Instrument.

20. Loan Charges.

Borrower agrees to pay an effective rate of interest equal to the sum of the Interest Rate and any additional rate of interest resulting from any other charges of interest or in the nature of interest paid or to be paid in connection with the Mortgage Loan and any other fees or amounts to be paid by Borrower pursuant to any of the other Bond Documents. Neither this Security Instrument, the Note, the Loan Agreement, nor any of the other Bond Documents shall be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate greater than the maximum interest rate permitted to be charged under applicable

law. It is expressly stipulated and agreed to be the intent of Borrower and Lender at all times to comply with all applicable laws governing the maximum rate or amount of interest payable on the indebtedness evidenced by this Security Instrument, the Note and the other Bond Documents. If any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower is interpreted so that any interest or other charge or amount provided for in any Bond Document, whether considered separately or together with other charges or amounts provided for in any other Bond Document, or otherwise charged, taken, reserved or received in connection with the Mortgage Loan, or on acceleration of the maturity of the Mortgage Loan or as a result of any prepayment by Borrower or otherwise, violates that law, and Borrower is entitled to the benefit of that law, that interest or charge is hereby reduced to the extent necessary to eliminate any such violation. Amounts, if any, previously paid to Lender in excess of the permitted amounts shall be applied by Lender to reduce the unpaid principal balance of the Mortgage Loan without the payment of any Prepayment Premium (or, if the Mortgage Loan has been or would thereby be paid in full, shall be refunded to Borrower), and the provisions of the Indenture and any other Bond Documents immediately shall be deemed reformed and the amounts thereafter collectible under the Loan Agreement and any other Bond 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 Bond Documents. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all Indebtedness that constitutes interest, as well as all other charges made in connection with the Indebtedness that constitute interest, and any amount paid or agreed to be paid to Lender for the use, forbearance or detention of the Indebtedness, shall be deemed to be allocated and spread ratably over the stated term of the Mortgage Loan. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest so computed is uniform throughout the stated term of the Mortgage Loan.

21. ENTIRE AGREEMENT.

THIS SECURITY INSTRUMENT, THE NOTE, THE LOAN AGREEMENT, AND THE OTHER BOND DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

22. Governing Law; Consent to Jurisdiction and Venue.

(a) The validity, enforceability, interpretation, and performance of this Security Instrument shall be governed by State law without giving effect to any conflict of law or choice of law rules that would result in the application of the laws of another jurisdiction.

(b) In the administration or litigation of a controversy arising under or in relation to this Security Instrument or the security for the Indebtedness, Borrower consents to the exercise of personal jurisdiction by State court or federal court in such State. Borrower agrees that the State courts have subject matter jurisdiction over such controversies. If Lender elects to sue in State

court, Borrower waives any right to remove to federal court or to contest the State court's jurisdiction. Borrower waives any objection to venue in any State court or federal court in such State, and covenants and agrees not to assert any objection to venue, whether based on inconvenience, domicile, habitual residence, or other ground.

23. Texas Specific Provisions.

(a) **BORROWER ACKNOWLEDGES THAT EVERY RELEASE AND INDEMNITY PROVISION PROVIDED IN ANY BOND DOCUMENT FOR THE BENEFIT OF LENDER, INCLUDING THE INDEMNITIES SET FORTH IN SECTION 2.05 OF THE LOAN AGREEMENT AND SECTION 3 OF THE ENVIRONMENTAL INDEMNITY AGREEMENT, WILL APPLY EVEN IF AND WHEN THE SUBJECT MATTER OF THE INDEMNITY OR RELEASE ARISES OUT OF OR RESULTS FROM THE NEGLIGENCE OR STRICT LIABILITY OF LENDER, BUT WILL NOT APPLY TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LENDER.**

(b) **TEXAS FINANCE CODE SECTION 307.052 COLLATERAL PROTECTION INSURANCE NOTICE: (1) BORROWER IS REQUIRED TO: (A) KEEP THE MORTGAGED PROPERTY INSURED AGAINST DAMAGE IN THE AMOUNT LENDER SPECIFIES; (B) PURCHASE THE INSURANCE FROM AN INSURER THAT IS AUTHORIZED TO DO BUSINESS IN THE STATE OF TEXAS OR AN ELIGIBLE SURPLUS LINES INSURER; AND (C) NAME LENDER AS THE PERSON TO BE PAID UNDER THE POLICY IN THE EVENT OF A LOSS; (2) BORROWER MUST, IF REQUIRED BY LENDER, DELIVER TO LENDER A COPY OF THE POLICY AND PROOF OF THE PAYMENT OF PREMIUMS; AND (3) IF BORROWER FAILS TO MEET ANY REQUIREMENT LISTED IN CLAUSE (1) OR (2), LENDER MAY OBTAIN COLLATERAL PROTECTION INSURANCE ON BEHALF OF BORROWER AT BORROWER'S EXPENSE. THE PROVISIONS OF THIS SECTION SHALL BE IN ADDITION TO ANY INSURANCE REQUIREMENTS OF THE LOAN AGREEMENT.**

24. Miscellaneous Provisions.

(a) This Security Instrument shall bind, and the rights granted by this Security Instrument shall benefit, the successors and assigns of Lender. This Security Instrument shall bind, and the obligations granted by this Security Instrument shall inure to, any permitted successors and assigns of Borrower under the Loan Agreement. If more than one (1) person or entity signs this Security Instrument as Borrower, the obligations of such persons and entities shall be joint and several. The relationship between Lender and Borrower shall be solely that of creditor and debtor, respectively, and nothing contained in this Security Instrument shall create any other relationship between Lender and Borrower. No creditor of any party to this Security Instrument and no other person shall be a third party beneficiary of this Security Instrument or any other Bond Document.

(b) The invalidity or unenforceability of any provision of this Security Instrument or any other Bond Document shall not affect the validity or enforceability of any other provision of this Security Instrument or of any other Bond Document, all of which shall remain in full force and effect. This Security Instrument contains the complete and entire agreement among the parties as to the matters covered, rights granted and the obligations assumed in this Security Instrument. This Security Instrument may not be amended or modified except by written agreement signed by the parties hereto.

(c) The following rules of construction shall apply to this Security Instrument:

(1) The captions and headings of the sections of this Security Instrument are for convenience only and shall be disregarded in construing this Security Instrument.

(2) Any reference in this Security Instrument to an “Exhibit” or “Schedule” or a “Section” or an “Article” shall, unless otherwise explicitly provided, be construed as referring, respectively, to an exhibit or schedule attached to this Security Instrument or to a Section or Article of this Security Instrument.

(3) Any reference in this Security Instrument to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time.

(4) Use of the singular in this Security Instrument includes the plural and use of the plural includes the singular.

(5) As used in this Security Instrument, the term “including” means “including, but not limited to” or “including, without limitation,” and is for example only, and not a limitation.

(6) Whenever Borrower’s knowledge is implicated in this Security Instrument or the phrase “to Borrower’s knowledge” or a similar phrase is used in this Security Instrument, Borrower’s knowledge or such phrase(s) shall be interpreted to mean to the best of Borrower’s knowledge after reasonable and diligent inquiry and investigation.

(7) Unless otherwise provided in this Security Instrument, if Lender’s approval, designation, determination, selection, estimate, action or decision is required, permitted or contemplated hereunder, such approval, designation, determination, selection, estimate, action or decision shall be made in Lender’s sole and absolute discretion.

(8) All references in this Security Instrument to a separate instrument or agreement shall include such instrument or agreement as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(9) “Lender may” shall mean at Lender’s discretion, but shall not be an obligation.

25. Time is of the Essence.

Borrower agrees that, with respect to each and every obligation and covenant contained in this Security Instrument and the other Bond Documents, time is of the essence.

26. WAIVER OF TRIAL BY JURY.

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH OF BORROWER AND LENDER (BY ITS ACCEPTANCE HEREOF) (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS SECURITY INSTRUMENT OR THE RELATIONSHIP BETWEEN THE PARTIES AS BORROWER AND LENDER 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 OF BORROWER AND LENDER, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

27. Ground Lease Provisions.

(a) Representations and Warranties Regarding Ground Lease.

Borrower represents and warrants to Lender that, as of the Effective Date:

(1) Borrower leases the Land pursuant to the Ground Lease and owns fee simple title to the Improvements;

(2) the Ground Lease is in full force and effect in accordance with its terms, unmodified by any writing or otherwise, except as previously disclosed to Lender in writing;

(3) Borrower has not waived, canceled or surrendered any of its rights under the Ground Lease;

(4) Borrower is the sole owner of, and has good and marketable title to, the Leasehold Estate;

(5) Ground Lessor has entered into this Security Instrument to spread the lien of this Security Instrument to the Fee Estate;

(6) Borrower enjoys the quiet and peaceful possession of the Leasehold Estate, and there are, as of the date hereof, no defenses to Borrower's enforcement of its rights under the Ground Lease;

(7) the Leasehold Estate is free and clear of all liens, encumbrances and other matters affecting title, other than the lien of this Security Instrument and the easements and restrictions listed in a schedule of exceptions to coverage in the title insurance policy issued to Lender

contemporaneously with the execution and recordation of this Security Instrument and insuring Lender's interest in the Mortgaged Property, including the Leasehold Estate;

(8) there is no existing Ground Lessee Default and no event has occurred which, with the passage of time or the giving of notice, or both, would constitute a Ground Lessee Default; and

(9) there is no existing Ground Lessor Default and no event has occurred which, with the passage of time or the giving of notice, or both, would constitute a Ground Lessor Default.

(b) Affirmative Covenants Regarding Ground Lease.

Borrower shall:

(1) pay the Ground Rent and all other sums of money due and payable at any time and from time to time under the Ground Lease as and when such sums become due and payable, but in any event before the expiration of any grace period provided in the Ground Lease for the payment of any such sum;

(2) at all times promptly and fully perform, observe and comply with all other terms, covenants and conditions of the Ground Lease to be performed, observed or complied with by Borrower as lessee under the Ground Lease, at the times for performance set forth therein, with allowance for grace periods, if any, and will enforce the obligations of Ground Lessor under the Ground Lease to the end that Borrower may enjoy all of the material rights granted it under the Ground Lease; and

(3) notify Lender if Borrower or Ground Lessor initiates any appraisal, arbitration, litigation or other dispute resolution proceeding affecting the Ground Lease, and allow Lender to participate in such proceeding on Borrower's behalf, in Borrower's name, place and stead, or to exercise any or all of Borrower's rights in such proceeding.

If the Ground Lease does not provide for a grace period for the payment of a sum of money, Borrower shall make the payment on or before the date on which the payment becomes due and payable. Borrower shall deliver evidence of the payment to Lender within ten (10) days after receipt of a written request from Lender for evidence of the payment.

(c) Negative Covenants Regarding Ground Lease.

Borrower shall not, without the written consent of Lender (which may be given or withheld by Lender in its sole and absolute discretion upon the written direction of the Controlling Person):

(1) surrender the Leasehold Estate to Ground Lessor or terminate or cancel the Ground Lease;

(2) amend, modify or change the Ground Lease, either orally or in writing, or waive any of Borrower's rights under the Ground Lease;

(3) subordinate the Ground Lease or the Leasehold Estate to any mortgage, deed of trust or other lien on the Fee Estate;

(4) except as otherwise provided in Section 27(d) (Ground Lease Provisions – Borrower Bankruptcy Event) of this Security Instrument, reject or assume the Ground Lease or assign the Leasehold Estate pursuant to any Insolvency Laws. Borrower absolutely and unconditionally transfers and assigns to Lender all of Borrower’s rights to surrender, terminate, cancel, modify and change the Ground Lease, and any such surrender, termination, cancellation, modification or change made without the prior written consent of Lender shall be void and have no legal effect;

(5) acquire the Fee Estate.

(d) Borrower Bankruptcy Event.

(1) Borrower assigns to Lender, as additional security for the Indebtedness, Borrower’s right to reject the Ground Lease under the Insolvency Laws after the occurrence of a Bankruptcy Event, subject to Section 27(d)(2) (Ground Lease Provisions – Borrower Bankruptcy Event) of this Security Instrument.

(2) If, after the occurrence of a Bankruptcy Event, Borrower decides to reject the Ground Lease, Borrower shall give Lender written notice, at least ten (10) Business Days in advance, of the date on which Borrower intends to apply to any bankruptcy court for authority and permission to reject the Ground Lease. Lender shall have the right, but not the obligation, within ten (10) days after receipt of Borrower’s notice, to deliver a Lender’s Assumption Notice to Borrower. If Lender timely delivers Lender’s Assumption Notice to Borrower, Borrower shall not reject the Ground Lease and shall, within fifteen (15) days after receipt of Lender’s notice, comply with the demand contained in Lender’s Assumption Notice to Borrower. If Lender does not timely deliver Lender’s Assumption Notice to Borrower, Borrower shall have the right to reject the Ground Lease.

(e) Ground Lessor Bankruptcy Event.

(1) If, after the occurrence of a Ground Lessor Bankruptcy Event, Ground Lessor rejects the Ground Lease pursuant to the Insolvency Laws, (A) Borrower, immediately after obtaining notice of the rejection, shall deliver a copy of the notice to Lender, (B) Borrower shall not, without Lender’s prior written consent (which may be given or withheld in Lender’s discretion upon the written direction of the Controlling Person), elect to treat the Ground Lease as terminated pursuant to the applicable Insolvency Laws, and (C) this Security Instrument and the lien created by this Security Instrument shall extend to and encumber Borrower’s retained rights under the Ground Lease that are appurtenant to the Leasehold Estate for the balance of the term of the Ground Lease and for any renewal or extension of those rights under the Ground Lease. Borrower transfers and assigns to Lender, as additional security for the Indebtedness, Borrower’s rights, after Ground Lessor’s rejection of the Ground Lease, to treat the Ground Lease as terminated, and any

termination of the Ground Lease made by Borrower without Lender's prior written consent shall be void and have no legal effect.

(2) Borrower transfers and assigns to Lender, as additional security for the Indebtedness, all of Borrower's rights to damages caused by Ground Lessor's rejection of the Ground Lease after the occurrence of a Ground Lessor Bankruptcy Event and all of Borrower's rights to offset such damages against rent payable under the Ground Lease. As long as no Event of Default has occurred and is continuing, Lender agrees that it will not enforce its rights under the preceding sentence, but will permit Borrower to exercise such rights with Lender's prior written consent (upon the written direction of the Controlling Person). Any amounts received by Lender as damages arising out of Ground Lessor's rejection of the Ground Lease shall be applied in the manner set forth in this Security Instrument.

(f) Lender's Right to Cure Ground Lessee Defaults.

At any time after Lender receives notice of a Ground Lessee Default, (1) Lender may (but shall not be obligated to do so), make any payment, perform any obligation, and take any other action Borrower would have the right to pay, perform or take under the Ground Lease which Lender deems necessary or desirable to cure the Ground Lessee Default, and (2) Lender and its authorized agents shall have the right at any time or from time to time to enter the Mortgaged Property, or any part thereof, including the Leasehold Estate, to such extent and as often as Lender, in its discretion, deems necessary or desirable in order to cure the Ground Lessee Default, subject to the rights of the tenants and occupants of the Mortgaged Property. Lender may exercise its rights hereunder immediately after receipt of notice of a Ground Lessee Default and without regard to any grace period provided to Borrower in the Ground Lease to cure the Ground Lessee Default. For purposes of exercising its rights hereunder, Lender shall be fully protected for any action taken or omitted to be taken by Lender, in good faith, in reliance on any written notice from Ground Lessor stating that a Ground Lessee Default has occurred and is continuing even though Borrower may question or deny the existence or nature of the Ground Lessee Default. All expenditures made by Lender hereunder to cure a Ground Lessee Default shall become an additional part of the Indebtedness.

(g) Option To Renew Or Extend Ground Lease.

Borrower shall give Lender written notice of Borrower's intention to exercise each option to renew or extend the term of the Ground Lease at least ninety (90) days, but not more than one hundred fifty (150) days, before the last day on which the option may be timely exercised. If Borrower intends to renew or extend the term of the Ground Lease, it shall deliver to Lender, together with the notice of such decision, a copy of the notice of renewal or extension it delivers to Ground Lessor. If Borrower does not intend to renew or extend the term of the Ground Lease or, if Borrower fails to deliver its written notice of exercise of its option to renew or extend the term of the Ground Lease at least ninety (90) days before the last day on which the option may be timely exercised, Lender shall have the right, but shall not be obligated, to renew or extend the term of the Ground Lease for and on behalf of Borrower.

(h) No Merger of Estates.

Borrower shall not acquire the Fee Estate without Lender's prior written consent, which shall be granted in Lender's discretion (subject to the written direction of the Controlling Person), and the consent of all other persons having an interest in the Ground Lease. In the event Borrower acquires the Fee Estate after obtaining the foregoing consent, (1) there shall be no merger between the Fee Estate and the Leasehold Estate and the Ground Lease shall remain in full force and effect, and (2) simultaneously with Borrower's acquisition of the Fee Estate, the lien of this Security Instrument shall automatically, without the necessity of any further conveyance, be deemed spread to cover the Fee Estate (or if previously encumbered, will continue to cover) and as so spread shall be prior to the lien of any mortgage, deed of trust or other lien placed on the Fee Estate after the date of this Security Instrument. In connection with Borrower's acquisition of the Fee Estate, Borrower, at its sole cost and expense, including payment of Lender's attorneys' fees and out-of-pocket disbursements, shall (A) execute and deliver all documents and instruments necessary to subject the Fee Estate, or confirm the Fee Estate is subjected to, the lien of this Security Instrument, (B) provide to Lender a title insurance policy insuring the lien of this Security Instrument as a first lien on the Fee Estate and the Leasehold Estate, and (C) deliver, in form and substance required by Lender, any other opinions, estoppels or other instruments Lender deems prudent in connection with the acquisition. If Lender acquires the Fee Estate and the Leasehold Estate (whether pursuant to the provisions of the Ground Lease, by foreclosure of this Security Instrument, or otherwise), the Fee Estate and the Leasehold Estate shall not merge and shall remain separate and distinct for all purposes unless and until Lender shall elect to merge the Fee Estate and the Leasehold Estate.

(i) Intentionally Deleted.

(j) New Lease.

If (1) the Ground Lease is canceled or terminated for any reason before the natural expiration of its term, and (2) Lender (or its designee) obtains from Ground Lessor a new lease in accordance with the term of the Ground Lease, Borrower shall have no right, title or interest in and to the new lease or the leasehold estate created by the new lease.

(k) Notices Under Ground Lease.

Borrower shall deliver to Lender, (1) within ten (10) days after Borrower's receipt, a true and correct copy of each notice, demand, complaint or request from Ground Lessor under, or with respect to, the Ground Lease; and (2) within ten (10) days after Borrower's receipt of request from Lender, such other information and evidence as Lender may reasonably request concerning Borrower's due observance, performance and compliance with the terms, covenants and provisions of the Ground Lease.

(l) Appointment of Lender as Borrower's Attorney-In-Fact.

Borrower makes, constitutes and appoints Lender as Borrower's attorney-in-fact, in Borrower's name, place and stead, with full power of substitution, to take all actions and to sign

all documents and instruments which Lender, in its discretion, considers to be necessary or desirable to (1) prevent or cure a Ground Lessee Default pursuant to Section 27(f) (Ground Lease Provisions – Lender’s Right To Cure Ground Lessee Defaults) of this Security Instrument, (2) perform or carry out any of Borrower’s covenants under Section 27(d) (Ground Lease Provisions – Borrower Bankruptcy Event) of this Security Instrument, (3) renew or extend the term of the Ground Lease pursuant to Section 27(g) (Ground Lease Provisions – Option to Renew or Extend Ground Lease) of this Security Instrument, (4) appoint arbitrators and conduct arbitration proceedings pursuant to the Ground Lease, and (5) request and obtain estoppel certificates from Ground Lessor pursuant to the Ground Lease. Borrower gives and grants to Lender, as Borrower’s attorney-in-fact, full power and authority to do and perform every act and sign every document and instrument necessary and proper to be done in the exercise of the foregoing power as fully as Borrower might or could do, and Borrower hereby ratifies and confirms all acts that Lender, as Borrower’s attorney-in-fact, shall lawfully do or cause to be done by virtue of this power of attorney. This power of attorney, being coupled with an interest, shall be irrevocable as long as any of the Indebtedness remains unpaid

(m) No Lender Obligation Under Ground Lease.

Lender shall have no liability or obligation under the Ground Lease by reason of its acceptance of this Security Instrument.

(n) Schedule 1.

Schedule 1 (Description of Ground Lease) is hereby attached to and made a part of this Security Instrument.

(o) Joinder and Consent.

Borrower acknowledges, agrees and consents to the terms and provisions of the Joinder and Consent.

28. Ground Lessor Provisions.

(a) Ground Lessor Representations and Warranties.

Ground Lessor represents and warrants to Lender that, as of the Effective Date:

(1) Ground Lessor owns fee simple title to the Land and a reversionary interest in the Improvements pursuant to the Ground Lease or other instrument. Upon the expiration or earlier termination of the Ground Lease, fee simple title to the Improvements will revert and be transferred to Ground Lessor;

(2) the Ground Lease is in full force and effect in accordance with its terms, unmodified by any writing or otherwise, except as previously disclosed to Lender in writing;

(3) Ground Lessor has not waived, canceled or surrendered any of its rights under the Ground Lease;

(4) Ground Lessor is the sole owner of Ground Lessor's Estate, and has good and marketable title to, the Fee Estate;

(5) Ground Lessor is a Borrower Affiliate and has entered into this Security Instrument to spread the lien of this Security Instrument to Ground Lessor's Estate;

(6) Ground Lessor's Estate is free and clear of all liens, encumbrances and other matters affecting title, other than the lien of this Security Instrument and the easements and restrictions listed in a schedule of exceptions to coverage in the title insurance policy issued to Lender contemporaneously with the execution and recordation of this Security Instrument and insuring Lender's interest in the Mortgaged Property, including Ground Lessor's Estate;

(7) there is no existing Ground Lessee Default and no event has occurred which, with the passage of time or the giving of notice, or both, would constitute a Ground Lessee Default;

(8) there is no existing Ground Lessor Default and no event has occurred which, with the passage of time or the giving of notice, or both, would constitute a Ground Lessor Default;

(9) Ground Lessor has not subordinated its interest in the Ground Lease to any lien or other encumbrance on the Fee Estate;

(10) Ground Lessor has not granted to any Person any right or option to purchase the Fee Estate or any interest therein or any part thereof;

(11) the name and address of the debtor and secured party are set forth after Ground Lessor's signature below which are the addresses from which information on the security interest may be obtained;

(12) Ground Lessor maintains its chief executive office at the location set forth after Ground Lessor's signature below;

(13) the state of incorporation, organization, or formation, if applicable, of Ground Lessor is as set forth in this Joinder and Consent and Ground Lessor's exact legal name is as set forth in this Joinder and Consent;

(14) Ground Lessor's organizational identification number, if applicable, is as set forth after Ground Lessor's signature below; and

(15) no financing statement covering any of the UCC Collateral owned by Ground Lessor (or any proceeds thereof) is on file in any public office except pursuant hereto.

(b) Affirmative Covenants Regarding Ground Lease.

Ground Lessor shall:

(1) notify Lender if Borrower or Ground Lessor initiates any appraisal, arbitration, litigation or other dispute resolution proceeding affecting the Ground Lease, and allow Lender to participate in such proceeding on Ground Lessor's or Borrower's behalf, in Ground Lessor's or Borrower's name, place and stead, or to exercise any or all of Ground Lessor's or Borrower's rights in such proceeding;

(2) at all times promptly and fully perform, observe and comply with all other terms, covenants and conditions of the Ground Lease to be performed, observed or complied with by Ground Lessor as lessor under the Ground Lease;

(3) maintain its existence, its entity status, franchises, rights, and privileges under the laws of the state of its formation or organization (as applicable) and shall continue to be duly qualified and in good standing to transact business in each jurisdiction in which qualification or standing is required according to applicable law to conduct its business with respect to the Mortgaged Property and where the failure to do so would adversely affect Borrower's operation of the Mortgaged Property or the validity, enforceability, or the ability of Ground Lessor to perform its obligations under this Security Instrument. Ground Lessor shall not modify or amend such certificate or change its legal name or jurisdiction of formation/existence without Lender's prior written consent, upon the written direction of the Controlling Person and which will not be unreasonably withheld. Ground Lessor shall notify Lender in writing of any change in its chief executive office within five (5) days of such change. In the event of any change in Ground Lessor's legal name or jurisdiction of formation/existence, Ground Lessor shall, if required by Lender, execute and record in the land records any instrument required by the Property Jurisdiction to be recorded to evidence such change. Ground Lessor authorizes Lender to obtain, at Ground Lessor's sole cost and expense, a "date down" endorsement to Lender's Title Policy (or obtain a new Title Policy if a "date down" endorsement is not available in the Property Jurisdiction) to the extent deemed necessary or required by Lender; and

(4) duly and timely comply with all laws, regulations, rules, statutes, orders and decrees of any Governmental Authority or court applicable to it or to the Mortgaged Property or any part thereof.

(c) Negative Covenants Regarding Ground Lease.

Ground Lessor shall not, without the written consent of Lender (which may be given or withheld by Lender in its sole and absolute discretion subject to the written direction of the Controlling Person):

(1) surrender the Fee Estate to Borrower or accept a surrender of the Leasehold Estate by Borrower or terminate or cancel the Ground Lease;

(2) amend, modify or change the Ground Lease, either orally or in writing;

(3) pledge, assign, convey, transfer, sell, further encumber or mortgage Ground Lessor's Estate or subordinate the Ground Lease or Ground Lessor's Estate to any mortgage, deed of trust or other lien on Ground Lessor's Estate other than this Security Instrument; or

(4) except as otherwise provided in Section 28(d) (Ground Lease Provisions – Ground Lessor Bankruptcy Event) of this Security Instrument, reject or assume the Ground Lease or assign Ground Lessor's Estate pursuant to any Insolvency Laws. Ground Lessor absolutely and unconditionally transfers and assigns to Lender all of Ground Lessor's rights to surrender, terminate, cancel, modify and change the Ground Lease, and any such surrender, termination, cancellation, modification or change made without the prior written consent of Lender shall be void and have no legal effect.

(d) Ground Lessor Bankruptcy Event.

(1) Ground Lessor assigns to Lender, as additional security for the Indebtedness, Ground Lessor's right to reject the Ground Lease under the Insolvency Laws after the occurrence of a Bankruptcy Event, subject to Section 28(d)(2) (Ground Lease Provisions – Ground Lessor Bankruptcy Event) of this Security Instrument.

(2) If, after the occurrence of a Ground Lessor Bankruptcy Event, Ground Lessor decides to reject the Ground Lease, Ground Lessor shall give Lender written notice, at least ten (10) Business Days in advance, of the date on which Ground Lessor intends to apply to any bankruptcy court for authority and permission to reject the Ground Lease. Lender shall have the right, but not the obligation, within ten (10) days after receipt of Ground Lessor's notice, to deliver a Lender's Assumption Notice to Ground Lessor. If Lender timely delivers to Ground Lessor Lender's Assumption Notice to Ground Lessor, Ground Lessor shall not reject the Ground Lease and shall, within fifteen (15) days after receipt of Lender's notice, comply with the demand contained in Lender's Assumption Notice to Ground Lessor. If Lender does not timely deliver to Ground Lessor Lender's Assumption Notice to Ground Lessor, Ground Lessor shall have the right to reject the Ground Lease.

(e) Borrower Bankruptcy Event.

(1) If, after the occurrence of a Bankruptcy Event of Borrower, Borrower rejects the Ground Lease pursuant to the Insolvency Laws, (A) Ground Lessor, immediately after obtaining notice of the rejection, shall deliver a copy of the notice to Lender, (B) Ground Lessor shall not, without Lender's prior written consent (which may be given or withheld in Lender's discretion subject to the written direction of the Controlling Person), elect to treat the Ground Lease as terminated pursuant to the applicable Insolvency Laws, and (C) this Security Instrument and the lien created by this Security Instrument shall extend to and encumber Ground Lessor's retained rights under the Ground Lease that are appurtenant to the Fee Estate for the balance of the term of the Ground Lease and for any renewal or extension of those rights under the Ground Lease. Ground Lessor transfers and assigns to Lender, as additional security for the Indebtedness, Ground Lessor's rights, after Borrower's rejection of the Ground Lease, to treat the Ground Lease as

terminated, and any termination of the Ground Lease made by Ground Lessor without Lender's prior written consent shall be void and have no legal effect.

(2) Ground Lessor transfers and assigns to Lender, as additional security for the Indebtedness, all of Ground Lessor's rights to damages caused by Borrower's rejection of the Ground Lease after the occurrence of a Bankruptcy Event by Borrower and all of Ground Lessor's rights to offset such damages against rent payable under the Ground Lease. As long as no Event of Default has occurred and is continuing, Lender agrees that it will not enforce its rights under the preceding sentence but will permit Ground Lessor to exercise such rights with Lender's prior written consent (upon the written direction of the Controlling Person). Any amounts received by Lender as damages arising out of Borrower's rejection of the Ground Lease shall be applied in the manner set forth in [Section 2.02(f)] of the Loan Agreement (Application of Payments).

(f) Subordination; Ground Lessor Consent to Leasehold Financing.

(1) Ground Lessor acknowledges and agrees that the obligations of Borrower to make payments to Ground Lessor required under the Ground Lease and to perform and observe the other covenants and agreements on the part of Borrower as contained in the Ground Lease (including claims under the Ground Lease or any rights to subrogation Ground Lessor may have as a result of the Security Instrument or any action taken by Lender under the Security Instrument), shall: (i) be personal to Borrower; (ii) be subordinate and junior in priority, right of payment and all other respects to any and all obligations of Borrower under the Bond Documents; (iii) not be secured by this Security Instrument; and (iv) not constitute a lien on the Mortgaged Property. Ground Lessor acknowledges and agrees that the lien of the Security Instrument shall be senior to Ground Lessor's Estate (but not the Ground Lease itself) and Ground Lessor's Estate (but not the Ground Lease itself) is hereby subjected and made subordinate to the lien of the Security Instrument.

(2) Ground Lessor hereby consents to the hypothecation, transfer, pledge and assignment of Borrower's present and hereafter acquired right, title and interest in the Ground Lease and the Leasehold Estate pursuant to the Security Instrument. Ground Lessor acknowledges, agrees and consents to the terms contained in the Security Instrument.

(3) Ground Lessor acknowledges and agrees that:

(A) all leasehold mortgagee protection provisions set forth in the Ground Lease, and all other provisions inuring to the benefit of leasehold mortgagees or their successors or assigns contained in the Ground Lease, are hereby incorporated into the Security Instrument herein by reference and are restated and confirmed by Ground Lessor for the benefit of Lender and its successors and assigns;

(B) until such time, if any, that the Indebtedness shall be satisfied or Lender shall give Ground Lessor written notice that the Indebtedness has been satisfied, Lender shall have the protections of a leasehold mortgagee as described in the Ground Lease and the execution of this Joinder and Consent by Ground

Lessor satisfies all notice and consent requirements for Lender to obtain and maintain status as a leasehold mortgagee under the Ground Lease;

(C) upon the occurrence of an Event of Default, Lender may take such action and exercise such remedies, without notice or demand, as it deems advisable to protect and enforce its rights against Borrower and Ground Lessor, and its rights in and to the Mortgaged Property to the fullest extent under the terms of the Security Instrument, the Loan Agreement, and the other Bond Documents;

(D) upon receipt of notice from Ground Lessor of a default by Borrower under the Ground Lease, Lender may, but shall not be obligated to, cure any default of Borrower within thirty (30) days after the expiration of the time frame set forth in the Ground Lease afforded to Borrower to cure such default; provided, however, that with respect to any default of Borrower under the Ground Lease which cannot be remedied within such time frame, if Lender commences to cure such default within such time and thereafter diligently proceeds with such efforts and pursues the same to completion, Lender shall have such time as is reasonably necessary to complete curing such default. Notwithstanding the foregoing, with respect to any default of Borrower under the Ground Lease that cannot be remedied without Lender obtaining possession of the Leasehold Estate, any cure period afforded to Borrower in the Ground Lease shall not commence until Lender obtains possession of the Leasehold Estate, as long as all other defaults which reasonably can be cured by Lender without Lender obtaining possession of the Leasehold Estate are so cured, and provided that Lender commences to exercise any rights to obtain possession or to effect foreclosure, and diligently pursues the exercise of such rights thereafter; and

(E) all insurance proceeds and condemnation proceeds and awards shall be applied in accordance with the Bond Documents notwithstanding anything to the contrary contained in the Ground Lease.

(g) Ground Lessor Waivers.

Ground Lessor is a non-borrower mortgagor under the Security Instrument and Ground Lessor hereby waives the following:

(1) any defense that Ground Lessor may have by reason of the failure of Lender to provide Ground Lessor with any material facts about Borrower, including any information respecting the financial condition of Borrower, Borrower's ability to perform the Mortgage Loan obligations or the sufficiency of Lender's security; and

(2) any defense that may arise by reason of the incapacity, lack of authority, death or disability of any other Person, or the failure of Lender to file or enforce a claim against the estate (in administration, bankruptcy or any other proceeding) of any other Person or Persons.

(h) Ground Lessor's Personal Liability.

Ground Lessor has no personal liability for the repayment of the Indebtedness or for the performance of any of Borrower's obligations under the Bond Documents, and Ground Lessor's liability under this Security Instrument is expressly limited to its interest in Ground Lessor's Estate. Nothing in this Security Instrument limits the liability or obligations of Ground Lessor as landlord under the Ground Lease.

(i) Notices Under Ground Lease.

Ground Lessor shall deliver to Lender, (1) within ten (10) days after Ground Lessor's receipt, a true and correct copy of each notice, demand, complaint or request from Borrower under, or with respect to, the Ground Lease; and (2) within ten (10) days after Ground Lessor's receipt of request from Lender, such other information and evidence as Lender may reasonably request concerning Ground Lessor's due observance, performance and compliance with the terms, covenants and provisions of the Ground Lease.

(j) Appointment of Lender as Ground Lessor's Attorney-In-Fact.

Ground Lessor makes, constitutes and appoints Lender as Ground Lessor's attorney-in-fact, in Ground Lessor's name, place and stead, with full power of substitution, to take all actions and to sign all documents and instruments which Lender, in its discretion, considers to be necessary or desirable to (1) prevent or cure a Ground Lessor Default, (2) perform or carry out any of Ground Lessor's covenants under Section 28(d) (Ground Lease Provisions – Ground Lessor Bankruptcy Event) of this Security Instrument, (3) renew or extend the term of the Ground Lease pursuant to any rights granted to Ground Lessor under the Ground Lease, and (4) appoint arbitrators and conduct arbitration proceedings pursuant to the Ground Lease. Ground Lessor gives and grants to Lender, as Ground Lessor's attorney-in-fact, full power and authority to do and perform every act and sign every document and instrument necessary and proper to be done in the exercise of the foregoing power as fully as Ground Lessor might or could do, and Ground Lessor hereby ratifies and confirms all acts that Lender, as Ground Lessor's attorney-in-fact, shall lawfully do or cause to be done by virtue of this power of attorney. This power of attorney, being coupled with an interest, shall be irrevocable as long as any of the Indebtedness remains unpaid.

(k) Affirmative Covenants Regarding Ground Lease.

Ground Lessor shall:

(1) notify Lender if Borrower or Ground Lessor initiates any appraisal, arbitration, litigation or other dispute resolution proceeding affecting the Ground Lease, and allow Lender to participate in such proceeding on Ground Lessor's or Borrower's behalf, in Ground Lessor's or Borrower's name, place and stead, or to exercise any or all of Ground Lessor's or Borrower's rights in such proceeding;

(2) at all times promptly and fully perform, observe and comply with all other terms, covenants and conditions of the Ground Lease to be performed, observed or complied with by Ground Lessor as lessor under the Ground Lease;

(3) maintain its existence, its entity status, franchises, rights, and privileges under the laws of the state of its formation or organization (as applicable) and shall continue to be duly qualified and in active status to transact business in each jurisdiction in which qualification or standing is required according to applicable law to conduct its business with respect to the Mortgaged Property and where the failure to do so would adversely affect Borrower's operation of the Mortgaged Property or the validity, enforceability, or the ability of Ground Lessor to perform its obligations under this Security Instrument. Ground Lessor shall not modify or amend such certificate or change its legal name or jurisdiction of formation/existence without Lender's prior written consent, upon the written direction of the Controlling Person and which will not to be unreasonably withheld. Ground Lessor shall notify Lender in writing of any change in its chief executive office within five (5) days of such change. In the event of any change in Ground Lessor's legal name or jurisdiction of formation/existence, Ground Lessor shall, if required by Lender, execute and record in the land records any instrument required by the Property Jurisdiction to be recorded to evidence such change. Ground Lessor authorizes Lender to obtain, at Ground Lessor's sole cost and expense, a "date down" endorsement to Lender's Title Policy (or obtain a new Title Policy if a "date down" endorsement is not available in the Property Jurisdiction) to the extent deemed necessary or required by Lender; and

(4) duly and timely comply with all laws, regulations, rules, statutes, orders and decrees of any Governmental Authority or court applicable to it or to the Mortgaged Property or any part thereof.

(I) Negative Covenants Regarding Ground Lease.

Ground Lessor shall not, without the written consent of Lender (which may be given or withheld by Lender in its sole and absolute discretion subject to the written direction of the Controlling Person):

(1) surrender the Fee Estate to Borrower or accept a surrender of the Leasehold Estate by Borrower or terminate or cancel the Ground Lease;

(2) amend, modify or change the Ground Lease, either orally or in writing;

(3) pledge, assign, convey, transfer, sell, further encumber or mortgage the Fee Estate or subordinate the Ground Lease or the Fee Estate to any mortgage, deed of trust or other lien on the Fee Estate other than this Security Instrument; or

(4) except as otherwise provided in Section 28(d) (Ground Lease Provisions – Ground Lessor Bankruptcy Event) of this Security Instrument, reject or assume the Ground Lease or assign the Fee Estate pursuant to any Insolvency Laws. Ground Lessor absolutely and unconditionally transfers and assigns to Lender all of Ground Lessor's rights to surrender, terminate, cancel,

modify and change the Ground Lease, and any such surrender, termination, cancellation, modification or change made without the prior written consent of Lender shall be void and have no legal effect.

(m) Ground Lessor Bankruptcy Event.

(1) Ground Lessor assigns to Lender, as additional security for the Indebtedness, Ground Lessor's right to reject the Ground Lease under the Insolvency Laws after the occurrence of a Bankruptcy Event, subject to Section 28(d)(2) (Ground Lease Provisions – Ground Lessor Bankruptcy Event) of this Security Instrument.

(2) If, after the occurrence of a Ground Lessor Bankruptcy Event, Ground Lessor decides to reject the Ground Lease, Ground Lessor shall give Lender written notice, at least ten (10) Business Days in advance, of the date on which Ground Lessor intends to apply to any bankruptcy court for authority and permission to reject the Ground Lease. Lender shall have the right, but not the obligation, within ten (10) days after receipt of Ground Lessor's notice, to deliver a Lender's Assumption Notice to Ground Lessor. If Lender timely delivers to Ground Lessor Lender's Assumption Notice to Ground Lessor, Ground Lessor shall not reject the Ground Lease and shall, within fifteen (15) days after receipt of Lender's notice, comply with the demand contained in Lender's Assumption Notice to Ground Lessor. If Lender does not timely deliver to Ground Lessor Lender's Assumption Notice to Ground Lessor, Ground Lessor shall have the right to reject the Ground Lease.

(n) Borrower Bankruptcy Event.

(1) If, after the occurrence of a Bankruptcy Event of Borrower, Borrower rejects the Ground Lease pursuant to the Insolvency Laws, (A) Ground Lessor, immediately after obtaining notice of the rejection, shall deliver a copy of the notice to Lender, (B) Ground Lessor shall not, without Lender's prior written consent (which may be given or withheld in Lender's discretion subject to the written direction of the Controlling Person), elect to treat the Ground Lease as terminated pursuant to the applicable Insolvency Laws, and (C) this Security Instrument and the lien created by this Security Instrument shall extend to and encumber Ground Lessor's retained rights under the Ground Lease that are appurtenant to the Fee Estate for the balance of the term of the Ground Lease and for any renewal or extension of those rights under the Ground Lease. Ground Lessor transfers and assigns to Lender, as additional security for the Indebtedness, Ground Lessor's rights, after Borrower's rejection of the Ground Lease, to treat the Ground Lease as terminated, and any termination of the Ground Lease made by Ground Lessor without Lender's prior written consent shall be void and have no legal effect.

(2) Ground Lessor transfers and assigns to Lender, as additional security for the Indebtedness, all of Ground Lessor's rights to damages caused by Borrower's rejection of the Ground Lease after the occurrence of a Bankruptcy Event by Borrower and all of Ground Lessor's rights to offset such damages against rent payable under the Ground Lease. As long as no Event of Default has occurred and is continuing, Lender agrees that it will not enforce its rights under the preceding sentence but will permit Ground Lessor to exercise such rights with Lender's prior

written consent (upon the written direction of the Controlling Person). Any amounts received by Lender as damages arising out of Borrower's rejection of the Ground Lease shall be applied in the manner set forth in this Security Instrument.

(o) Subordination; Ground Lessor Consent to Leasehold Financing.

(1) Ground Lessor acknowledges and agrees that the obligations of Borrower to make payments to Ground Lessor required under the Ground Lease and to perform and observe the other covenants and agreements on the part of Borrower as contained in the Ground Lease (including claims under the Ground Lease or any rights to subrogation Ground Lessor may have as a result of the Security Instrument or any action taken by Lender under the Security Instrument), shall: (i) be personal to Borrower; (ii) be subordinate and junior in priority, right of payment and all other respects to any and all obligations of Borrower under the Bond Documents; (iii) not be secured by this Security Instrument; and (iv) not constitute a lien on the Mortgaged Property. Ground Lessor acknowledges and agrees that the lien of the Security Instrument shall be senior to the Fee Estate (but not the Ground Lease itself) and the Fee Estate (but not the Ground Lease itself) is hereby subjected and made subordinate to the lien of the Security Instrument.

(2) Ground Lessor hereby consents to the hypothecation, transfer, pledge and assignment of Borrower's present and hereafter acquired right, title and interest in the Ground Lease and the Leasehold Estate pursuant to the Security Instrument. Ground Lessor acknowledges, agrees and consents to the terms contained in the Security Instrument.

(3) Ground Lessor acknowledges and agrees that:

(F) all leasehold mortgagee protection provisions set forth in the Ground Lease, and all other provisions inuring to the benefit of leasehold mortgagees or their successors or assigns contained in the Ground Lease, are hereby incorporated into the Security Instrument herein by reference and are restated and confirmed by Ground Lessor for the benefit of Lender and its successors and assigns;

(G) until such time, if any, that the Indebtedness shall be satisfied or Lender shall give Ground Lessor written notice that the Indebtedness has been satisfied, Lender shall have the protections of a leasehold mortgagee as described in the Ground Lease and the execution of this Joinder and Consent by Ground Lessor satisfies all notice and consent requirements for Lender to obtain and maintain status as a leasehold mortgagee under the Ground Lease;

(H) upon the occurrence of an Event of Default, Lender may take such action and exercise such remedies, without notice or demand, as it deems advisable to protect and enforce its rights against Borrower and Ground Lessor, and its rights in and to the Mortgaged Property to the fullest extent under the terms of the Security Instrument, the Loan Agreement, and the other Bond Documents;

(I) upon receipt of notice from Ground Lessor of a default by Borrower under the Ground Lease, Lender may, but shall not be obligated to, cure any default of Borrower within thirty (30) days after the expiration of the time frame set forth in the Ground Lease afforded to Borrower to cure such default; provided, however, that with respect to any default of Borrower under the Ground Lease which cannot be remedied within such time frame, if Lender commences to cure such default within such time and thereafter diligently proceeds with such efforts and pursues the same to completion, Lender shall have such time as is reasonably necessary to complete curing such default. Notwithstanding the foregoing, with respect to any default of Borrower under the Ground Lease that cannot be remedied without Lender obtaining possession of the Leasehold Estate, any cure period afforded to Borrower in the Ground Lease shall not commence until Lender obtains possession of the Leasehold Estate, as long as all other defaults which reasonably can be cured by Lender without Lender obtaining possession of the Leasehold Estate are so cured, and provided that Lender commences to exercise any rights to obtain possession or to effect foreclosure, and diligently pursues the exercise of such rights thereafter; and

(J) all insurance proceeds and condemnation proceeds and awards shall be applied in accordance with the Bond Documents notwithstanding anything to the contrary contained in the Ground Lease.

(p) Ground Lessor Waivers.

Ground Lessor is a non-borrower mortgagor under the Security Instrument and Ground Lessor hereby waives the following:

(1) any defense that Ground Lessor may have by reason of the failure of Lender to provide Ground Lessor with any material facts about Borrower, including any information respecting the financial condition of Borrower, Borrower's ability to perform the Mortgage Loan obligations or the sufficiency of Lender's security; and

(2) any defense that may arise by reason of the incapacity, lack of authority, death or disability of any other Person, or the failure of Lender to file or enforce a claim against the estate (in administration, bankruptcy or any other proceeding) of any other Person or Persons.

(q) Ground Lessor's Personal Liability.

The Indebtedness, the Bond Documents and the Liens created thereby shall be non-recourse to Ground Lessor and neither Ground Lessor or any officer, director or trustee of shall have any personal liability for the repayment of the Indebtedness or for the performance of any of Borrower's obligations under the Bond Documents, and Ground Lessor's liability under this Security Instrument is expressly limited to its interest in the Fee Estate. Nothing in this Security Instrument limits the liability or obligations of Ground Lessor as landlord under the Ground Lease.

(r) Notices Under Ground Lease.

Ground Lessor shall deliver to Lender, (1) within ten (10) days after Ground Lessor's receipt, a true and correct copy of each notice, demand, complaint or request from Borrower under, or with respect to, the Ground Lease; and (2) within ten (10) days after Ground Lessor's receipt of request from Lender, such other information and evidence as Lender may reasonably request concerning Ground Lessor's due observance, performance and compliance with the terms, covenants and provisions of the Ground Lease.

(s) Appointment of Lender as Ground Lessor's Attorney-In-Fact.

Ground Lessor makes, constitutes and appoints Lender as Ground Lessor's attorney-in-fact, in Ground Lessor's name, place and stead, with full power of substitution, to take all actions and to sign all documents and instruments which Lender, in its discretion, considers to be necessary or desirable to (1) prevent or cure a Ground Lessor Default, (2) perform or carry out any of Ground Lessor's covenants under Section 28(d) (Ground Lease Provisions – Ground Lessor Bankruptcy Event) of this Security Instrument, (3) renew or extend the term of the Ground Lease pursuant to any rights granted to Ground Lessor under the Ground Lease, and (4) appoint arbitrators and conduct arbitration proceedings pursuant to the Ground Lease. Ground Lessor gives and grants to Lender, as Ground Lessor's attorney-in-fact, full power and authority to do and perform every act and sign every document and instrument necessary and proper to be done in the exercise of the foregoing power as fully as Ground Lessor might or could do, and Ground Lessor hereby ratifies and confirms all acts that Lender, as Ground Lessor's attorney-in-fact, shall lawfully do or cause to be done by virtue of this power of attorney. This power of attorney, being coupled with an interest, shall be irrevocable as long as any of the Indebtedness remains unpaid.

29. Extended Low-Income Housing Commitment.

Lender agrees that the lien of this Security Instrument shall be subordinate to the Extended Use Agreement; provided that such Extended Use Agreement, by its terms, must terminate upon a Foreclosure Event in accordance with Section 42(h)(6)(E) of the Internal Revenue Code.

30. Bond Regulatory Agreement.

Lender agrees that the lien of this Security Instrument shall be subordinate to the Bond Regulatory Agreement; provided that such Bond Regulatory Agreement, by its terms, must terminate upon a Foreclosure Event, but only if, within a reasonable period thereafter, either the Bonds are retired in full or amounts received as a consequence of such event are used to provide a "qualified residential rental project" that meets the requirements of the Code and State law including, but not limited to, the provisions set forth in the Bond Regulatory Agreement.

31. Cross-Default – Regulatory Agreements

Borrower acknowledges and agrees that any default, event of default, or breach (however such terms may be defined) after the expiration of any applicable notice and/or cure periods under the

Regulatory Agreements shall be an Event of Default under this Security Instrument and the Bond Documents and that any costs, damages or other amounts, including reasonable attorney's fees incurred by the Lender as a result of such an Event of Default by Borrower, including amounts paid to cure any default or event of default, under the Regulatory Agreements shall be an obligation of Borrower and become a part of the Indebtedness secured by this Security Instrument and the Loan Agreement.

32. Regulatory Agreements – Representations, Warranties and Covenants

(a) The Regulatory Agreements are the only agreements, contracts, or arrangements (recorded or unrecorded) affecting the Mortgaged Property or Borrower that (i) restricts all or a portion of the residential units for occupancy by tenants with limited income, and/or (ii) restricts rents that can be charged for those units, including restrictions developed in accordance with the affordability requirements of any state or local zoning regulation, real estate tax abatement program, loan program, or similar state or local program.

(b) Borrower represents and warrants that it has provided to Lender true, correct, and complete copies of each of the Regulatory Agreements, including all amendments thereto.

(c) Borrower is and shall at all times be in compliance with all requirements of the Regulatory Agreements.

(d) Borrower shall, within five (5) Business Days of receipt, provide Lender with a copy of any default notice, warning letter, or similar communication with respect to the Regulatory Agreements, and shall identify the manner in which Borrower or the Mortgaged Property is alleged to be non-compliant.

(d) Borrower shall not amend, modify, or terminate any Regulatory Agreement without the prior written consent of Lender (upon the written direction of the Controlling Person).

33. Parties Intent Regarding Merger

(a) Notwithstanding any provisions of this Security Instrument or any other Bond Document to the contrary, it is understood and agreed that Lender has consented (pursuant to the direction of the Controlling Person, evidenced by the Controlling Person's acceptance of the Bonds) to additional financing on the Mortgaged Property as evidenced by the Subordinate Note and secured by the Subordinate Instrument.

(b) Borrower waives the application of the doctrine of merger as applied to any foreclosure affecting the Mortgaged Property (or other manner of obtaining title to the Mortgaged Property) and agrees that such doctrine shall not affect the enforceability of any obligation described in this Security Instrument. It is the intent of the parties hereto that (1) in the event that Lender obtains title to the Mortgaged Property pursuant to this Security Instrument (by virtue of a foreclosure sale, a deed in lieu of foreclosure or otherwise) and such party is also or subsequently becomes the holder of the Subordinate Note or a party to the Subordinate Instrument, such party's title interest and lien

interest SHALL NOT merge so as to effect an extinguishment of any indebtedness secured by the Subordinate Instrument or evidenced by the Subordinate Note, and (2) in the event that the holder of the Subordinate Note and Subordinate Instrument obtains title to the Mortgaged Property pursuant to the Subordinate Instrument (by virtue of a foreclosure sale, a deed in lieu of foreclosure or otherwise) and such party is also or subsequently becomes the holder of the Note, the Loan Agreement, and this Security Instrument, such party's title interest and lien interest SHALL NOT merge so as to effect an extinguishment of this Security Instrument or any indebtedness secured by this Security Instrument or evidenced by the Note or the Loan Agreement. Borrower further acknowledges and agrees that no course of conduct by Borrower, Lender or holder of the Subordinate Note, or any of their successors, assigns or transferees subsequent to the date hereof shall be used to demonstrate any intent contrary to the express intent stated herein.

34. Cross-Default – Subordinate Loan.

If Borrower is in default under any loan document evidencing or securing a subordinate loan, including the Subordinate Note, the Subordinate Instrument or any other loan document executed in connection with the indebtedness evidenced by the Subordinate Note, which default remains uncured after the applicable cure period, if any, such default shall constitute an Event of Default under the Loan Agreement, the Note, and this Security Instrument.

35. Tax Abatement – Representations, Warranties and Covenants

(a) Borrower represents and warrants that Borrower, the Mortgaged Property, or both (as applicable) are eligible for a Tax Abatement and the Tax Abatement is in full force and effect;

(b) Borrower represents and warrants that the Tax Abatement does not terminate, expire or begin to phase out prior to the date that is one (1) year after the Maturity Date;

(c) Borrower shall take all actions necessary to maintain the Tax Abatement, including adhering to all income, rent and other restrictions and requirements necessary to maintain the Tax Abatement, if any, and shall not take any action or fail to take any action that results in a Tax Abatement Loss Event.

(d) Borrower shall, within five (5) Business Days, provide Lender with a copy of any notice Borrower receives alleging that Borrower is in breach of the requirements of the Tax Abatement, or otherwise at risk of a Tax Abatement Loss Event.

ATTACHED EXHIBITS. The following Exhibits and Schedules are attached to this Security Instrument and incorporated fully herein by reference:

<input checked="" type="checkbox"/>	Exhibit A	Description of the Land (required)
<input checked="" type="checkbox"/>	Exhibit B	Ground Lessor Joinder and Consent
<input checked="" type="checkbox"/>	Schedule 1	Description of Ground Lease

[Remainder of Page Intentionally Blank]

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of Texas)
County of)

On _____, 2024 before me, _____(insert name and title of the officer), personally appeared _____,who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Texas that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Signature)

EXHIBIT A
DESCRIPTION OF THE LAND
[TO BE INSERTED]

EXHIBIT B

GROUND LESSOR JOINDER AND CONSENT

The undersigned, ALAMO AREA HOUSING FINANCE CORPORATION, a Texas nonprofit housing finance corporation, is Ground Lessor, owner of the Fee Estate and the landlord under the Ground Lease.

Ground Lessor acknowledges and agrees that it derives a substantial benefit from the making of the Mortgage Loan or will otherwise obtain a material financial benefit from the Mortgage Loan and, in consideration thereof, has agreed to join in the execution of this Security Instrument to and for the benefit of Lender subject to the Fee Estate to the lien and security interest of this Security Instrument. This Joinder and Consent is hereby attached to and incorporated into the Security Instrument and deemed a part thereof, and all references in the Bond Documents to the Security Instrument shall be deemed to include this Joinder and Consent.

By its execution and delivery of this Joinder and Consent, Ground Lessor hereby joins in the Security Instrument for the purpose of (a) imposing the lien of the Security Instrument on the Fee Estate, (b) acknowledging and consenting to the mortgage, pledge, assignment and hypothecation by Borrower of all of Borrower's interest in the Mortgaged Property, including the Leasehold Estate, pursuant to the Security Instrument, and (c) acknowledging the agreements, covenants and obligations set forth in the Security Instrument, including those set forth in this Joinder and Consent, as may be applicable to Ground Lessor, and agreeing to the modifications, agreements, representations, warranties, waivers and covenants contained in this Joinder and Consent, to wit:

Ground Lessor, in consideration of Lender's making the Mortgage Loan and approving the Ground Lease, to secure to Lender the repayment of the Indebtedness, and all renewals, extensions and modifications thereof, and the performance of the covenants and agreements of Borrower contained in the Bond Documents, irrevocably and unconditionally mortgages, grants, warrants, conveys, bargains, sells, and assigns to Trustee, in trust for benefit of Lender, with power of sale and right of entry and possession, Ground Lessor's present and future right, title and interest in and to the Fee Estate on the Land described in Exhibit A attached to the Security Instrument and incorporated herein by reference to have and to hold such Fee Estate unto Lender and Lender's successors and assigns, forever; Ground Lessor hereby releasing, relinquishing and waiving, to the fullest extent allowed by law, all rights and benefits, if any, under and by virtue of the homestead exemption laws of the Property Jurisdiction.

Ground Lessor represents and warrants that (a) Ground Lessor has the power, authority and right to execute this Joinder and Consent, and (b) Ground Lessor is lawfully seized of the Fee Estate and has the right, power and authority to mortgage, grant, warrant, convey, bargain, sell, and assign Ground Lessor's Estate, and Ground Lessor's Estate is not encumbered by any Lien other than Permitted Encumbrances. Except for claims and demands made, claimed, threatened or otherwise arising on or prior to the Effective Date, Ground Lessor covenants that Ground Lessor

will warrant and defend the title to Ground Lessor's Estate against all claims and demands other than Permitted Encumbrances, at Borrower's sole expense.

Each reference to Borrower contained in the Security Instrument shall be deemed to include Ground Lessor except for those references pertaining solely to Borrower as obligor of the Indebtedness. Ground Lessor agrees and acknowledges that each pledge, assignment, grant, transfer, agreement, acknowledgement, consent, release, waiver, covenant, representation and warranty contained in the Security Instrument (individually and collectively, the "**Property Certifications and Agreements**") is hereby deemed also to apply to Ground Lessor and/or Ground Lessor's Estate as if separately set forth in its entirety in this Joinder and Consent. Ground Lessor hereby makes, with respect to itself and Ground Lessor's Estate only, all such Property Certifications and Agreements.

Lender or its designee may, in accordance with all applicable laws, rules, codes and regulations of the Property Jurisdiction, acquire all or a portion of the Mortgaged Property pursuant to a Foreclosure Event, including, without limitation, any one or all of the Leasehold Estate created by the Ground Lease or the Fee Estate and, in such event, such Foreclosure Event will not affect the lien of this Security Instrument on the remaining portion of the Mortgaged Property still subject to the lien of this Security Instrument.

Notwithstanding any implication to the contrary herein or in the Security Instrument, all obligations and liabilities of the Ground Lessor hereunder and under the Security Instrument are limited solely to the Fee Estate, and the Ground Lessor is not obligated to use any moneys or assets (other than the Fee Estate) to satisfy any obligation or liability arising hereunder, under the Security Instrument, under the Loan Agreement, or otherwise, including the failure to perform any duty imposed on the Ground Lessor hereunder or under the Security Instrument. The obligations and liabilities of the Ground Lessor hereunder and under the Security Instrument are not and do not constitute a general obligation of the Ground Lessor nor do they constitute a debt or pledge of the full faith and credit of the Ground Lessor. Such obligations and liabilities are payable and performable only from the sources available therefor in accordance with the terms of this Security Instrument and Ground Lessor Joinder and Consent. Notwithstanding the foregoing or anything in the Security Instrument or Ground Lessor Joinder and Consent to the contrary, under no circumstances shall the foregoing or anything in this Security Instrument or Ground Lessor Joinder and Consent (i) prevent the Ground Lessor from being made a party to a foreclosure proceeding, it being agreed that Ground Lessor's liability under this Security Instrument and Ground Lessor Joinder and Consent shall be expressly limited to its interest in the Fee Estate, or (ii) limit the liability or obligations of Ground Lessor as landlord under the Ground Lease.

IN WITNESS WHEREOF, Ground Lessor has signed and delivered this Joinder and Consent of Ground Lessor to this Security Instrument or has caused this Joinder and Consent of Ground Lessor to this Security Instrument to be signed and delivered by its duly authorized representative.

[SIGNATURE ON FOLLOWING PAGE]

GROUND LESSOR:

ALAMO AREA HOUSING FINANCE CORPORATION, a Texas nonprofit housing finance corporation

By: _____
Name: Clifford Herberg
Title: Secretary/Treasurer

The name and address of Ground Lessor are:
Record Owner: Alamo Area Housing Finance Corporation
Address:
2700 NE Loop 410, Suite 101
San Antonio, TX
Attention: [_____]
Email: [_____]

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of Texas)
County of)

On _____, 2024 before me, _____ (insert name and title of the officer), personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Texas that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Signature)

SCHEDULE 1

DESCRIPTION OF GROUND LEASE

That certain Ground Lease, dated as of [] 1, 2024, between Ground Lessor, as lessor, and Borrower, as lessee, as evidenced by a Memorandum of Lease dated [] 1, 2024 and recorded in the land records of Guadalupe County, Texas substantially concurrent herewith.