

Dallas County, Texas

AMENDED AND RESTATED PROMISSORY NOTE

\$\_[ ]<sup>1</sup>

[ ], [20 ]

FOR VALUE RECEIVED, **WATERS AT WATERCHASE, LP**, a Texas limited partnership , with an address of 4770 Iberia Ave, Suite 100, Dallas, TX 75207 (“**Borrower**”), hereby promises to pay to the order of **ZIONS BANCORPORATION, N.A.**, a national banking association, in its capacity as fiscal agent (together with its successors and assigns, the “**Fiscal Agent**”) with an address of \_\_\_\_\_ for the benefit of the holders of that certain \$[ ] Multifamily Housing Revenue Note (Waters at Waterchase) Series 2026 (the “**Governmental Note**”), the principal sum of [ ] DOLLARS (\$ \_\_\_\_\_), with interest on the unpaid principal balance from time to time outstanding at the Permanent Phase Interest Rate as set forth in the Project Loan Agreement (as defined below), and premium, if any, in lawful money of the United States of America and in immediately available funds, to the account [SPECIFY ACCOUNT INSTRUCTIONS] or such other account as may be specified in writing from time to time by the Holder hereof, on the dates and in the amounts sufficient to pay the interest on, and premium, if any, and the principal of the Governmental Note together with all other amounts due and owing under the Project Loan Agreement and the Continuing Covenant Agreement (as defined below).

Fifth Third Bank, N.A., a national banking association, in its capacity as lender (“**Initial Funding Lender**”) made a loan (the “**Funding Loan**”) to the Texas Department of Housing and Community Affairs, a public and official agency of the State of Texas (the “**Governmental Lender**”) pursuant to that certain Funding Loan Agreement dated as of [ ], 2026, by and among the Initial Funding Lender, the Governmental Lender and the Fiscal Agent (the “**Funding Loan Agreement**”) and the Governmental Note was issued to the Initial Funding Lender to evidence and secure the Funding Loan. The proceeds of the Funding Loan and Governmental Note were used to make that certain loan (the “**Project Loan**”) to the Borrower pursuant to that certain Project Loan Agreement dated as of [ ], 2026, by and among the Fiscal Agent, Borrower, and Governmental Lender (as amended, restated, supplemented or otherwise modified, the “**Project Loan Agreement**”) and that certain [Construction Loan Agreement], dated as of [ ], 2026, by and between the Initial Funding Lender and Borrower (the “**Construction Loan Agreement**”), and Borrower executed and delivered that certain Promissory Note dated as of [ ], 2026, in the principal amount of \$ [ ] (the “**Initial Project Note**”) as maker to Governmental Lender as payee, which Initial Project Note was endorsed by the Governmental Lender to the Fiscal Agent as of [ ], 2026. The Project Loan and all of Borrower’s payment obligations under the Project Loan Agreement and the Construction Loan Agreement were evidenced and secured by the Initial Project Note.

The Initial Project Note is hereby being amended and restated, and replaced in its entirety, as of the date hereof, by this Amended and Restated Promissory Note by Borrower payable to the Fiscal Agent and any subsequent holder of this Note or non-holder with rights of a holder of this Note (any such payee, the

---

<sup>1</sup> Earnout Advance principal amount to be added to principal amount if Earnout Conditions are satisfied at Conversion.

“**Holder**”), in the principal amount of \$[ ] (the “**Permanent Loan Note**” or the “**Note**”). This Note evidences a portion of the original indebtedness of the Initial Project Note, constitutes the Project Note for all purposes of the Project Loan Agreement and Funding Loan Agreement and does not, and shall not be deemed to, constitute a novation, extinguishment or refinancing of the indebtedness evidenced by the Initial Project Note, which such indebtedness is evidenced by this Note and is incorporated herein by this reference. The date of this Note is the Conversion Date, which is the date that **BARINGS AFFORDABLE HOUSING MORTGAGE FUND III LLC**, a Delaware limited liability company (“**Permanent Lender**”) purchased the Funding Loan and the Governmental Note in the principal amount of [ ] AND 00/100 DOLLARS (\$ [ ])<sup>2</sup>, which is the principal amount of the Funding Loan at Conversion.

As a condition to its purchase of the Funding Loan and the Governmental Note, Permanent Lender required the Borrower to enter into that certain Continuing Covenant Agreement executed as of [ ], [20\_\_] (as modified and supplemented and in effect from time to time, the “**Continuing Covenant Agreement**”), between Borrower and Permanent Lender. This Note is secured by, and has the benefit of, that certain [Amended and Restated Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement, Financing Statement and Fixture Filing] dated as of [ ], [20\_\_] (“**Permanent Loan Deed of Trust**”) encumbering all of the Mortgaged Property, the Recourse Guaranty Agreement, the Environmental Indemnification Agreement, and certain other Financing Documents (such term as used herein to have the meaning given to it in the Funding Loan Agreement) and Permanent Loan Documents (as defined in the Continuing Covenant Agreement).

As and from the Conversion Date, Permanent Lender is the Funding Lender and holder of the Funding Loan and Governmental Note, the Project Loan to the Borrower is governed by the terms and provisions of the Project Loan Documents as amended, restated and supplemented by the Permanent Loan Documents and the obligation of Borrower to repay the Project Loan (and thereby the Governmental Note and the Funding Loan) on and from the Conversion Date is referred to herein as the “**Permanent Loan**” or the “**Loan**.” Borrower hereby promises to pay, as and when due, all payments required to be made by the Borrower under the Project Loan Agreement and the Continuing Covenant Agreement and the other Permanent Loan Documents at the rates per annum and on the dates provided in the Project Loan Agreement and Continuing Covenant Agreement. Borrower shall make such payments under this Note commencing on the Conversion Date and continuing until the Loan shall be paid in full. The entire principal balance of this Note then unpaid, together with all accrued and unpaid interest and all other amounts payable hereunder, shall be due and payable in full on [DATE WHICH IS 17 YEARS FROM CONVERSION DATE], [ ] (the “**Permanent Loan Maturity Date**”).

This Note may not be prepaid in full or part except as provided in the Project Loan Agreement and as follows:

(a) Borrower shall have the right to pay the Permanent Loan in full (but not in part) on any Business Day on or after, but not prior to, the tenth (10th) anniversary of the Conversion Date (the “**Closed Prepayment Date**”) provided that Borrower gives Permanent Lender at least thirty (30) days’ prior written notice of its intention to make any such prepayment, the proposed prepayment date and the amount to be prepaid, and that Borrower also pays to Permanent Lender, as consideration for the privilege of making such prepayment, the Prepayment Fee, plus Permanent Lender’s Permanent Loan servicing fee through and including the end of the then current calendar month in which the prepayment is made.

---

<sup>2</sup> Subject to confirmation or revision at Conversion, in accordance with the terms of the Forward Loan Purchase Agreement.

(b) The “Prepayment Fee” shall be equal to the greater of (x) or (y) where:

(x) is equal to the amount to be prepaid multiplied by one percent (1%); and

(y) is the present value of the series of Monthly Payment Differentials from the date of prepayment to the Permanent Loan Maturity Date, discounted at the Reinvestment Yield on a monthly basis.

The “Monthly Payment Differential” means the monthly interest (without amortization) that would be earned if the principal amount (as of the Conversion Date) of the Permanent Loan were invested at the Contract Rate less the monthly interest that would be earned by reinvesting the principal amount (as of the Conversion Date) of the Permanent Loan at the Reinvestment Yield.

If the Permanent Loan Maturity Date is accelerated by Permanent Lender because of the occurrence of an Event of Default or as otherwise provided in the Permanent Loan Documents (an “Acceleration Event”), the acceleration shall be deemed to be an election on the part of Borrower to prepay the Permanent Loan. Accordingly, there shall be added to the amount due after an Event of Default and resulting acceleration, the Prepayment Fee or Closed Period Prepayment Fee, as applicable, calculated as set forth below and using as the prepayment date the date on which any tender of payment is made, and Borrower agrees to pay same. Any tender of payment made (or judgment entered) after acceleration by or on behalf of Borrower (including payment by any guarantor or purchaser at a foreclosure sale), shall include the Prepayment Fee or Closed Period Prepayment Fee, as applicable, computed as provided below. If the Acceleration Event occurs prior to the Closed Prepayment Date, a prepayment fee (a “Closed Period Prepayment Fee”) shall nevertheless be paid, which Closed Period Prepayment Fee shall be calculated as set forth in paragraph (b) above, except that with respect to clause (x), the Closed Period Prepayment Fee shall equal the amount to be prepaid multiplied by three percent (3%) (rather than one percent (1%)), and that with respect to clause (y), the Reinvestment Yield (calculated as provided for above) shall be reduced by two (2) percentage points.

There will be due with any principal prepayment, all accrued and unpaid interest and all other fees, charges and payments due under the Permanent Loan Documents.

No Prepayment Fee or Closed Period Prepayment Fee, as applicable, shall be required to be paid in connection with payment of fire, casualty, or condemnation proceeds to Permanent Lender which Permanent Lender requires to be applied to the Indebtedness in accordance with the provisions of this Note, except if such application to the Indebtedness is after an Event of Default.

No Prepayment Fee shall be required to be paid during the last ninety (90) days of the Permanent Loan Term.

This Note constitutes evidence of indebtedness independent of any other obligation and shall remain valid and outstanding for all purposes irrespective of any invalidity, deficiency or cancellation (other than by indefeasible payment in full) of the Governmental Note. Terms used but not defined in this Note have the respective meanings assigned to them in the Funding Loan Agreement, the Project Loan Agreement and the Continuing Covenant Agreement, as applicable. In the event of any conflict or inconsistency between the terms of this Note, any of the Permanent Loan Documents, the Project Loan Agreement or the Funding Loan Agreement, the terms and provisions of the Funding Loan Agreement shall govern.

The Borrower shall pay to the Fiscal Agent in accordance with the terms of the Funding Loan Agreement and the provisions of the Continuing Covenant Agreement, (i) no later than two (2) Business Days before each Interest Payment Date an amount equal to the interest next coming due on the Governmental Note and (ii) no later than two (2) Business Days before each date of any required principal payment or prepayment an amount equal to the principal due and payable on each date of any required principal payment or prepayment and (iii) all other amounts required to be paid by Borrower under the Project Loan Agreement or Continuing Covenant Agreement on or prior to the date such payments are due. Amounts so paid to the Fiscal Agent by the Borrower shall be in immediately available funds or shall be such that on the Interest Payment Date or date of any required principal payment or prepayment or other date upon which payment is due they are available funds.

The Project Loan Agreement and Continuing Covenant Agreement provide for the acceleration of the maturity of this Note upon the occurrence of an Event of Default and for prepayment of this Note, in whole or in part, upon the terms and conditions (including, without limitation, payment of the prepayment fees) specified therein. Upon the occurrence of any Event of Default under this Note or one or more of the Events of Default specified in the Project Loan Agreement or Continuing Covenant Agreement, the amounts then remaining unpaid on this Note, together with any interest accrued, may be declared to be (or, with respect to certain Events of Default, automatically shall become) immediately due and payable as provided therein. The provisions of Article 2 of the Continuing Covenant Agreement are incorporated by this reference herein and each term and condition therein stated shall be applicable to the payment obligations of Borrower under this Note.

Upon the occurrence of any Event of Default under this Note or one or more of the Events of Default specified in the Project Loan Agreement or Continuing Covenant Agreement, this Note shall bear interest at the Default Rate (as defined in the Continuing Covenant Agreement).

In the event of Borrower's default under this Note or one or more of the Events of Default specified in the Project Loan Agreement, Continuing Covenant Agreement, or other Financing Documents, the Holder may exercise all or any one or more of its rights and remedies available under this Note, the other Permanent Loan Documents and the Financing Documents and at law or in equity. Such rights and remedies shall be cumulative and concurrent, and may be enforced separately, successively or together, and the exercise of any particular right or remedy shall not in any way prevent the Holder from exercising any other right or remedy available to the Holder. The Holder may exercise any such remedies from time to time as often as may be deemed necessary by the Holder. Borrower agrees and shall be bound to pay interest at the Default Rate and to pay the Late Charge, in each case as provided in the Continuing Covenant Agreement. Any accrued interest remaining past due may, at Holder's discretion, be added to and become part of the unpaid principal balance and shall bear interest at the rate or rates specified in this Note, and any reference to "accrued interest" shall refer to accrued interest that has not become part of the unpaid principal balance.

In the event that any holder shall institute any action for the enforcement or the collection of this Note, there shall be immediately due and payable, in addition to the unpaid balance hereof, all out-of-pocket costs and expenses of such action, including reasonable attorneys' fees, including those incurred in post-judgment collection efforts and in any bankruptcy proceeding (including any action for relief from the automatic stay of any bankruptcy proceeding) or judicial or non-judicial foreclosure proceeding.

The obligations of the Borrower to make all payments required under this Note and the Continuing Covenant Agreement and the Project Loan Agreement on or before the date the same become due, and to perform all of its other obligations, covenants and agreements hereunder and under the other Permanent Loan Documents shall be primary, absolute, unconditional and irrevocable, and shall be paid or performed

strictly in accordance with the terms of this Note, the Continuing Covenant Agreement and Project Loan Agreement under any and all circumstances, without abatement, deduction, set-off, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising. Provided further, the obligations of Borrower under this Note, the Continuing Covenant Agreement and the Project Loan Agreement shall not be affected by (a) any lack of validity or enforceability of any Financing Document; (b) any claim of lack of consideration, frustration of purpose or commercial impracticability; (c) any amendment of, or any waiver or consent with respect to, any of the Financing Documents; (d) the existence of any claim, set-off, defense or other rights which Borrower, Guarantor or any other Person may have at any time against Holder (other than the defense of payment in accordance with the terms of this Note, the Continuing Covenant Agreement and the Project Loan Agreement), whether in connection with this Note or any other Financing Document or any transaction contemplated thereby or any unrelated transaction; (e) any breach of contract or other dispute between Borrower and Holder; or (f) any exchange, release or impairment of any lien or security interest in any collateral pledged or otherwise provided to secure any of the obligations contemplated herein, in any other Financing Document.

Notwithstanding anything contained herein to the contrary, Borrower's liability hereunder is subject to the limitation on liability provisions of Article 11 of the Continuing Covenant Agreement, which Article 11 is incorporated herein by reference, mutatis mutandis, as if such Article 11 was set forth in full herein.

Borrower hereby waives presentment, protest, demand for payment, diligence, notice of dishonor and of nonpayment (except as expressly set forth in the Permanent Loan Documents), and any and all other notices or demands in connection with delivery, acceptance, performance, default or enforcement of this Note, and hereby waives and renounces all rights to the benefits of any statute of limitations and any moratorium, right of valuation or appraisal, exemption and homestead now provided or which may hereafter be provided by any federal or state statute, including, without limitation, exemptions provided or which may hereafter be provided by any federal or state bankruptcy or insolvency laws, both as to itself and as to all of its property, whether real or personal, against the enforcement and collection of the obligations evidenced by this Note and any and all extensions, renewals and modifications hereof and hereby consents to any extensions of time, renewals, releases of any party to this Note, waivers or modifications that may be granted or consented to by the holder of this Note.

Any forbearance by Holder in exercising any right or remedy under this Note or any other Permanent Loan Document or Financing Document or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of that or any other right or remedy. The acceptance by Holder of any payment after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of Holder's right to require prompt payment when due of all other payments or to exercise any right or remedy with respect to any failure to make prompt payment.

All agreements between Borrower and Holder, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency, whether by reason of demand or acceleration of the final maturity of this Note or otherwise, shall the interest contracted for, charged, received, paid or agreed to be paid to Holder exceed the Maximum Interest Rate (as defined in the Funding Loan Agreement). If, from any circumstance whatsoever, interest would otherwise be payable to Holder in excess of the maximum amount permissible under applicable law, the interest payable to Holder shall be reduced to the maximum amount permissible under applicable law; and if from any circumstance Holder shall ever receive anything of value deemed interest by applicable law in excess of the maximum amount permissible under applicable law, an amount equal to the excessive interest shall be applied to the outstanding principal balance hereof, or if such excessive amount of interest exceeds the unpaid balance of

principal hereof, such excess shall be refunded to Borrower. All interest paid or agreed to be paid to Holder shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full period (including any renewal or extension) until payment in full of the principal so that the interest hereon for such full period shall not exceed the maximum amount permissible under applicable law. Holder expressly disavows any intent to contract for, charge or receive interest in an amount which exceeds the maximum amount permissible under applicable law.

Borrower shall at any time and from time to time, promptly execute and deliver all further instruments and documents, and take all further action that may be reasonably necessary or desirable, or that Holder may reasonably request, in order to protect any right or interest granted by this Note or to enable Holder to exercise and enforce its rights and remedies under this Note. Notwithstanding the foregoing sentence, in no event shall Borrower be required to execute and deliver any document or perform any act otherwise required pursuant to the foregoing sentence to the extent such document or act imposes a material additional obligation or liability on Borrower.

Any provision of this Note that is prohibited, invalid, unenforceable or unauthorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, invalidity, unenforceability or lack of authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

This Note and all disputes and controversies arising out of or relating to this Note shall be governed by, and construed in accordance with, the laws of Texas (the “*State*”) and shall be subject to the consent to jurisdiction and venue provisions in Section 12.18 of the Continuing Covenant Agreement, the terms of which are incorporated herein by this reference.

**WAIVER OF JURY TRIAL. TO THE EXTENT PERMITTED BY APPLICABLE LAW, BORROWER AND HOLDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY AND ALL RIGHTS THAT EACH PARTY TO THIS NOTE MAY NOW OR HEREAFTER HAVE UNDER THE LAWS OF THE UNITED STATES OF AMERICA OR THE STATE OF TEXAS, TO A TRIAL BY JURY OF ANY AND ALL ISSUES ARISING DIRECTLY OR INDIRECTLY IN ANY ACTION OR PROCEEDING RELATING TO THIS NOTE, THE PERMANENT LOAN DOCUMENTS OR ANY TRANSACTIONS CONTEMPLATED THEREBY OR RELATED THERETO. IT IS INTENDED THAT THIS WAIVER SHALL APPLY TO ANY AND ALL DEFENSES, RIGHTS, CLAIMS AND/OR COUNTERCLAIMS IN ANY SUCH ACTION OR PROCEEDING. BORROWER UNDERSTANDS THAT THIS WAIVER IS A WAIVER OF A CONSTITUTIONAL SAFEGUARD, AND EACH PARTY INDIVIDUALLY BELIEVES THAT THERE ARE SUFFICIENT ALTERNATE PROCEDURAL AND SUBSTANTIVE SAFEGUARDS, INCLUDING, A TRIAL BY AN IMPARTIAL JUDGE, THAT ADEQUATELY OFFSET THE WAIVER CONTAINED HEREIN.**

**TIME IS OF THE ESSENCE HEREUNDER.**

This Note may be executed in multiple counterparts, each of which shall constitute an original, but all of which shall constitute one document.

For purposes hereof, “electronic signature” means a manually signed original signature that is then transmitted by electronic means; “transmitted by electronic means” means sent in the form of a facsimile or sent via the Internet as a pdf (portable document format) or other replicating image attached to an email message; and “electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature. The parties agree that the electronic signature of a party to this Note (or any amendment or supplement of this Note) shall be as valid as an

original signature of such party and shall be effective to bind such party to this Note. The parties agree that any electronically signed document (including this Note) shall be deemed (i) to be “written” or “in writing,” (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files.

THE TERMS OF THIS NOTE CAN ONLY BE MODIFIED BY ANOTHER WRITTEN AGREEMENT ACCEPTED AND AGREED TO BY THE HOLDER AND THE BORROWER.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Borrower has executed or caused this Note to be executed under seal as of the year and day first written above.

**BORROWER:**

**WATERS AT WATERCHASE, LP,**  
a Texas limited partnership

By: AHF-Waters at Waterchase, LLC,  
a Texas limited liability company, its general  
partner

By: Atlantic Housing Foundation, Inc., a South  
Carolina nonprofit corporation, its sole  
member

By: \_\_\_\_\_  
Name: Michael N. Nguyen  
Title: President & CEO