

FUNDING LOAN AGREEMENT

among

**FIFTH THIRD BANK, N.A.,
as Initial Funding Lender**

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS,
as Governmental Lender**

and

**ZIONS BANCORPORATION, NATIONAL ASSOCIATION,
as Fiscal Agent**

Relating to:

**Waters at Waterchase
12365 Plano Road
Dallas, Texas 75243**

Dated as of [June] 1, 2026

FUNDING LOAN AGREEMENT

THIS FUNDING LOAN AGREEMENT (“**Funding Loan Agreement**”) dated as of [June] 1, 2026, is made among TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, a public and official agency of the State of Texas (the “**Governmental Lender**”), ZIONS BANCORPORATION, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States, as fiscal agent (the “**Fiscal Agent**”), and FIFTH THIRD BANK, N.A., a national banking association (the “**Initial Funding Lender**”).

RECITALS

A. Pursuant to and in accordance with Chapter 2306, Texas Government Code, as amended (the “**Act**”), and the Project Loan Agreement, dated as of the date hereof (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Project Loan Agreement**”), among Governmental Lender, Fiscal Agent, and Waters at Waterchase, LP (the “**Borrower**”), Governmental Lender is agreeing to make a mortgage loan to the Borrower in the original principal amount of \$[18,000,000] (the “**Project Loan**”) to provide for the financing of a multifamily rental housing development located at 12365 Plano Road in Dallas, Texas and to be known as Waters at Waterchase. The Land, Improvements, and Fixtures (each as defined in the hereinafter-defined Security Instrument) are collectively referred to herein as the “**Project**.”

B. Governmental Lender is making the Project Loan with the proceeds received from the separate loan being made to Governmental Lender pursuant to this Funding Loan Agreement in the original principal amount of \$[18,000,000] (the “**Funding Loan**” and together with the Project Loan, the “**Loans**”). The Funding Loan is evidenced by the Governmental Lender’s Multifamily Housing Revenue Note (Waters at Waterchase) Series 2026 dated as of [June] 1, 2026, executed by Governmental Lender and authenticated by Fiscal Agent in favor of Initial Funding Lender, in the form attached hereto as Exhibit A (as the same may be amended, restated, supplemented or otherwise modified from time to time, or any note executed in substitution therefor, as such substitute note may be amended, restated, supplemented or otherwise modified from time to time, and together with all addenda thereto, the “**Governmental Note**”).

C. Pursuant to the terms and subject to the conditions of this Funding Loan Agreement and the Construction Continuing Covenant Agreement, Initial Funding Lender has agreed to originate and fund the Funding Loan to Governmental Lender, which proceeds of the Funding Loan will be used by Governmental Lender to fund the Project Loan to Borrower pursuant to the Project Loan Agreement. Initial Funding Lender will administer the Loans during the Construction Phase in accordance with the Financing Documents.

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

E. Borrower’s payment obligations in respect of the Project Loan will be evidenced by a Project Loan Note, dated the Delivery Date (as amended, restated, supplemented or otherwise modified from time to time, or any note executed in substitution therefor, as such substitute note

may be amended, restated, supplemented or otherwise modified from time to time, and together with all riders and addenda thereto, the “**Project Note**”), delivered to Governmental Lender, which Project Note will be endorsed by Governmental Lender to Fiscal Agent as security for the Funding Loan.

F. To secure Borrower’s obligations under the Project Note, Borrower will execute and deliver to Governmental Lender a Leasehold Deed of Trust, Security Agreement and Assignment of Rents, dated as of [June] 1, 2026 (as may be amended, restated, supplemented or otherwise modified from time to time, the “**Security Instrument**”) granting a first priority mortgage and security interest in the Project in favor of Governmental Lender. The Security Instrument will be assigned by Governmental Lender to Fiscal Agent as security for the Funding Loan.

G. Barings Affordable Housing Mortgage Fund III LLC, Delaware limited liability company (the “**Permanent Funding Lender**”) has entered into a commitment with the Borrower dated [_____], 2026 (as the same may be amended, modified or supplemented from time to time, the “**Permanent Commitment**”) whereby Permanent Funding Lender has agreed, subject to the satisfaction of the Conversion Conditions set forth in the Forward Loan Purchase Agreement on or before the Termination Date, to facilitate the financing of the Project in the Permanent Phase by purchasing the Funding Loan from Initial Funding Lender following the Conversion Date.

H. If the Conversion Conditions are satisfied on or before the Termination Date as provided for in the Forward Loan Purchase Agreement, the Project Loan will convert from the Construction Phase to the Permanent Phase on the Conversion Date and, on such Conversion Date, Initial Funding Lender will deliver, and Permanent Funding Lender will purchase, the Funding Loan as evidenced by the Governmental Note. If the Conversion Conditions are not satisfied on or before the Termination Date, (i) the Project Loan will not convert from the Construction Phase to the Permanent Phase, (ii) Permanent Funding Lender will not have any obligation with respect to the purchase of the Funding Loan, and (iii) Initial Funding Lender will remain the owner of the Funding Loan as the holder of the Governmental Note.

I. As Conversion Conditions, the Project Note and the Security Instrument are required to be amended and restated and Borrower is required to enter into a Continuing Covenant Agreement with Permanent Funding Lender (as the same may be amended, restated, supplemented or otherwise modified from time to time, and together with all addenda thereto, the “**Permanent Continuing Covenant Agreement**”), in each case pursuant to the forms attached to the Forward Loan Purchase Agreement.

J. Reserved.

K. Reserved.

L. Governmental Lender has determined that all things necessary to incur the Funding Loan and to make the Governmental Note, when executed by Governmental Lender and authenticated by Fiscal Agent and issued in accordance with this Funding Loan Agreement, the valid, binding and legal obligation of Governmental Lender and to constitute this Funding Loan Agreement a valid lien on the properties, interests, revenues and payments herein pledged to the

payment of the principal of, Prepayment Premium, if any, and interest on, the Governmental Note, have been duly taken, and the creation, execution and delivery of this Funding Loan Agreement and the execution and delivery of the Governmental Note, subject to the terms of this Funding Loan Agreement, have been duly authorized by Governmental Lender.

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

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

ARTICLE I

DEFINITIONS; INTERPRETATION; SCHEDULE AND EXHIBITS

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

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

“**Additional Interest**” means an amount equal to the excess of (i) the amount of interest (other than interest on the Governmental Note for any period during which the Governmental Note is held by a Person who is a “substantial user” of the Project or a “related person” to a “substantial user,” as defined in Section 147(a) of the Code) would have received during the period of time commencing on the date that the interest on the Governmental Note becomes subject to federal income taxation (by Determination of Taxability or otherwise) to the date of the payment of the Governmental Note) at a per annum rate equal to the Taxable Rate, over (ii) the aggregate amount of interest received by an Owner for such period.

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

“**Assignment**” means the Assignment of Leasehold Deed of Trust and Loan Documents dated as of [June] 1, 2026 by the Governmental Lender assigning its interest in the Security Instrument and other Project Documents to Fiscal Agent.

“**Authorized Amount**” means \$[18,000,000], the aggregate principal amount of the Funding Loan authorized under this Funding Loan Agreement.

“**Authorized Officer**” means (a) when used with respect to Governmental Lender, the Chair or Vice Chair of the Board, the Executive Director of the Governmental Lender, the Director

of Financial Administration of the Governmental Lender, the Deputy Executive Director – Housing Finance of the Governmental Lender, the Director of Multifamily Bonds of the Governmental Lender, and the Secretary or Assistant Secretary to the Board and any other officer or employee of the Governmental Lender designated by certificate of any of the foregoing or authorized by the Governmental Lender in writing to act on its behalf; (b) when used with respect to Borrower, any Person or Persons duly designated by Borrower in writing to act on its behalf; (c) when used with respect to Fiscal Agent, any authorized signatory of Fiscal Agent, or any Person who is authorized in writing to take the action in question on behalf of Fiscal Agent; (d) when used with respect to Loan Servicer, any Person or Persons duly designated by Loan Servicer in writing to act on its behalf; and (e) when used with respect to Funding Lender Representative, any Person who is authorized in writing to take the action in question on behalf of Funding Lender Representative. The initial Authorized Officer[s] of Borrower [is][are] [_____].

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

“**Board**” means the Governing Board of the Governmental Lender.

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

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

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

“**Borrower Equity Deposit**” means a deposit of funds to be made by Borrower with Fiscal Agent on the Delivery Date, which deposit shall be specified in the Closing Memorandum and shall be comprised of sources other than the proceeds of the Project Loan.

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

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

“**Closed Prepayment Date**” has the meaning given to such term in Section 3.01 hereof.

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

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

“Comptroller” means the Comptroller of Public Accounts of the State of Texas.

“Construction Continuing Covenant Agreement” means the Construction Funding Agreement dated as of [June] 1, 2026, by and between Borrower and Initial Funding Lender, as the same may be amended, modified or supplemented from time to time.

“Construction Loan Documents” means the Forward Loan Purchase Agreement, the Construction Continuing Covenant Agreement, and all other documents to be executed and delivered by Borrower to Initial Funding Lender in connection with the Project.

“Construction Phase” means the construction or rehabilitation phase of the Project Loan, which time period shall commence on the Delivery Date and remain in effect to, but not including, the Conversion Date.

“Construction Phase Interest Rate” has the meaning set forth in the Project Note.

“Continuing Covenant Agreement” means (a) prior to the Conversion Date, the Construction Continuing Covenant Agreement, and (b) from and after the Conversion Date, the Permanent Continuing Covenant Agreement.

“Conversion” means conversion of the Project Loan from the Construction Phase to the Permanent Phase on the Conversion Date.

“Conversion Conditions” is defined in the Forward Loan Purchase Agreement.

“Conversion Date” means the date that Permanent Funding Lender purchases the Funding Loan from Initial Funding Lender upon the satisfaction of the Conversion Conditions, as such Conversion Date is specified by Permanent Funding Lender in the Conversion Notice, which date shall be at least two (2) days following the date on which the Conversion Notice is delivered.

“Conversion Notice” means a written notice to be delivered via electronic mail not less than two (2) days prior to the Conversion Date by Permanent Funding Lender to Governmental Lender, Fiscal Agent, Borrower and Initial Funding Lender pursuant to the Forward Loan Purchase Agreement:

- (a) Stating that the Conversion Conditions have been satisfied on or before the Termination Date or, if any Conversion Condition has not been satisfied on or before the Termination Date, stating that such Conversion Condition has been waived in writing by the Permanent Funding Lender (if a waiver is permitted and

is granted by the Permanent Funding Lender in its sole and absolute discretion) on or before the Termination Date;

- (b) Confirming the Conversion Date; and
- (c) Providing a revised Funding Loan Amortization Schedule and Project Loan Amortization Schedule, as described in Section 2.01(e) hereof.

“**Cost**,” “**Costs**” or “**Costs of the Project**” with respect to the Project shall be deemed to include all items permitted to be financed under the provisions of the Code and the Act.

“**Costs of Issuance**” shall have the meaning ascribed thereto in the Tax Exemption Agreement.

“**Costs of Issuance Deposit**” means the deposit to be made by Borrower with Fiscal Agent on the Delivery Date, which deposit shall be specified in the Closing Memorandum and shall be comprised of sources other than the proceeds of the Project Loan.

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

“**Cure Amount**” is defined in Section 6.02 hereof.

“**Default Rate**” means (I) during the Construction Phase, the lower of (a) three percent (3%) per annum plus the Construction Phase Interest Rate otherwise in effect notwithstanding the default, or (b) the Maximum Interest Rate; or (II) during the Permanent Phase, the lower of (a) four percent (4%) per annum plus the greater of (i) the Permanent Phase Interest Rate otherwise in effect notwithstanding the default or (ii) the Federal Funds Rate, or (b) the Maximum Interest Rate.

“**Delivery Date**” means the date of funding of the Funding Loan and the delivery of the Governmental Note by Governmental Lender to Initial Funding Lender.

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

determination from which no appeal may be taken with respect to such determination, (ii) abandonment of such appeal by Governmental Lender or Borrower, as the case may be, or (iii) one year from the date of initial determination.

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

“Equity Investor” means Wincopin Circle, LLLP, a Maryland limited liability limited partnership, its successors and/or assigns.

“Event of Default” means the occurrence of any event listed in Section 6.01 hereof.

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

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (a) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (b) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (c) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (d) any commingled investment fund in which Governmental Lender and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of investment.

“Favorable Opinion of Bond Counsel” means, with respect to any action, or omission of an action, the taking or omission of which requires such an opinion, an unqualified written opinion of Bond Counsel to the effect that such action or omission does not adversely affect the Federal Tax Status of the Governmental Note under existing law (subject to the inclusion of any exceptions contained in the opinion of Bond Counsel delivered upon the original issuance of the Governmental Note or other customary exceptions acceptable to the recipient(s) thereof).

“Federal Funds Rate” means the rate published in The Wall Street Journal as the average federal funds rate in the “Money Rates” section as of the applicable date. If The Wall Street Journal is not in publication on the applicable date, or ceases to publish such average rates, then any other publication acceptable to the Permanent Funding Lender, quoting daily market average federal funds rates will be used.

“Federal Tax Status” means, as to the Governmental Note, the status under existing law of the interest on the Governmental Note as excludable from gross income for federal income tax purposes (except on the Governmental Note for any period during which it is held by a “substantial user” of the Project or by a “related person” of such a “substantial user,” each within the meaning of Section 147(a) of the Code).

“Fee Component” is defined in the Project Loan Agreement.

“Fee Owner” has the meaning set forth in the TEL Regulatory Agreement.

“Financing Documents” means, collectively, this Funding Loan Agreement, the Governmental Note, the TEL Regulatory Agreement, the Tax Exemption Agreement, the Project Loan Documents, the Construction Loan Documents (during the Construction Phase) and all other documents or instruments evidencing, securing or relating to the Loans.

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

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

“Fiscal Agent’s Ordinary Fees and Expenses” means [the ongoing annual administration fee for Fiscal Agent’s ordinary fees and expenses in rendering its services under this Funding Loan Agreement during each twelve month period, which acceptance fee is initially equal to \$3,500 and \$5,500 and shall be payable annually in advance on the Delivery Date and each annual anniversary thereof, together with all third party and out-of-pocket expenses of the Fiscal Agent (including, but not limited to, the fees and expenses of counsel to the Fiscal Agent).]

“Forward Loan Purchase Agreement” means the Forward Loan Purchase Agreement dated as of [_____], 2026, by and among Initial Funding Lender, Permanent Funding Lender, and acknowledged and agreed to by Borrower, as the same may be amended, modified or supplemented from time to time.

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

“Funding Lender” means any Person who is the holder of the Governmental Note.

“Funding Lender Representative” means Funding Lender or any Person designated by Funding Lender to act on behalf of Funding Lender as provided in Section 10.05, or an assignee of such Person as provided in Section 10.05. The initial Funding Lender Representative shall be Initial Funding Lender. Permanent Funding Lender shall become Funding Lender Representative upon the occurrence of the Conversion Date.

“Funding Loan” is defined in the Recitals of this Funding Loan Agreement.

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

“Funding Loan Amortization Schedule” means the Funding Loan Amortization Schedule attached as Schedule 1 to the Governmental Note.

“Funding Loan Payment Date” means (a) the first Business Day of each month, commencing [_____] 1, 2026, during the Construction Phase and, during the Permanent Phase, the fifth day of each month, commencing the first full calendar month following the Conversion Date (b) the date of any prepayment of the Funding Loan, but only with respect to the portion of the Funding Loan subject to prepayment, (c) the Conversion Date, with respect to the payment of accrued interest at the Construction Phase Interest Rate to but not including the Conversion Date, and (d) the Maturity Date; provided that if a Funding Loan Payment Date occurs on a date that is not a Business Day, then such payment need not be made on such date but may be made on the next succeeding Business Day as described in Section 10.06 hereof.

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

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

“Governmental Lender Administration Fee” means the fee payable annually in advance to the Governmental Lender on each [June] 1, in the amount of 0.10% per annum of the outstanding principal amount of the Governmental Note at the inception of each payment period. On the Delivery Date, the Borrower will pay the Governmental Lender Administration Fee in advance to the Governmental Lender for the period from the Delivery Date to [May 31, 2028]. The Fiscal Agent will remit to the Governmental Lender (upon receipt of an invoice from the Governmental Lender), payable solely from funds provided by the Borrower, all payments of the Governmental Lender Administration Fee due on or after [June 1, 2028].

“Governmental Lender Compliance Fee” means the fee payable annually in advance to the Governmental Lender on each [June] 1, in the amount of \$25 per Unit (as defined in the TEL Regulatory Agreement) in the Project, for the duration of the State Restrictive Period (as defined in the TEL Regulatory Agreement). The first annual Governmental Lender Compliance Fee shall be paid on the Delivery Date. The Fiscal Agent will remit to the Governmental Lender (upon receipt of an invoice from the Governmental Lender), solely from funds provided by the Borrower, all payments of the Governmental Lender Compliance Fee due on or after [June 1, 2029]. The Governmental Lender Compliance Fee is for bond compliance only, and an additional fee may be charged for tax credit compliance.

“Governmental Lender Fees” means, collectively, the Governmental Lender Administration Fee and the Governmental Lender Compliance Fee.

“Governmental Note” is defined in the Recitals of this Funding Loan Agreement.

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

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

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

“Loan Payment Fund” means the Loan Payment Fund established by Fiscal Agent pursuant to Section 4.01 hereof.

“Loan Prepayment Fund” means the Loan Prepayment Fund established by Fiscal Agent pursuant to Section 4.01 hereof.

“Loan Servicer” means any entity appointed by Funding Lender Representative to service the Loans and any successor in such capacity as appointed by Funding Lender Representative pursuant to Section 3.02 of the Project Loan Agreement. During the Construction Phase, Loan Servicer shall be Fifth Third Bank, N.A., and during the Permanent Phase, Loan Servicer shall be Barings Affordable Housing Mortgage Fund III LLC or its designee.

“Loans” is defined in the Recitals of this Funding Loan Agreement.

“Maturity Date” means the maturity date as set forth in Section 2.01(e) hereof.

“Maximum Interest Rate” means the rate of interest which results in the maximum amount of interest allowed by applicable law pursuant to Chapter 1204 of the Texas Government Code.

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

“New Borrower” is defined in Section 6.12 hereof.

“New Project Loan” is defined in Section 6.12 hereof.

“Notes” means, together, the Project Note and the Governmental Note.

“Permanent Continuing Covenant Agreement” is defined in the Recitals of this Funding Loan Agreement.

“Permanent Funding Lender” means Barings Affordable Housing Mortgage Fund III LLC, a Delaware limited liability company, its successors and assigns.

“Permanent Loan Amount” is defined in the Forward Loan Purchase Agreement.

“Permanent Commitment” is defined in the Recitals of this Funding Loan Agreement.

“Permanent Phase” means the permanent phase of the Project Loan, which time period shall commence on the Conversion Date and remain in effect through the remaining term of the Project Loan.

“Permanent Phase Interest Rate” means, during the Permanent Phase, the interest rate of []% per annum (the “Fixed Rate”) or, as set forth in Section 2.01(d) hereof, the Taxable Rate; provided that, during the continuance of any Event of Default hereunder, the Permanent Phase Interest Rate shall be the Default Rate; each of the Fixed Rate, Taxable Rate and Default Rate shall accrue and be computed on the basis of a 360 day year and twelve (12) months of thirty (30) days each.

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

“Pledged Security” is defined in Section 2.02 hereof.

“Pre-Conversion Loan Equalization Payment” means a mandatory prepayment of the Project Loan by Borrower (and corresponding prepayment of the Funding Loan hereunder) prior to Conversion in order to reduce the principal amount of the Project Loan and the Funding Loan to the Permanent Loan Amount.

“Prepayment Premium” means any premium payable hereunder in connection with a prepayment of the Funding Loan, which premium shall be in an amount equal to (a) during the Construction Phase, the amount payable by Borrower under Section 4 of the Project Note and (b) during the Permanent Phase, the amount payable by Borrower under Section 4(d) of the Project Note, in each case in connection with a prepayment of the Project Loan.

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

“Project” is defined in the Recitals of this Funding Loan Agreement.

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

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

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

“**Project Loan Amortization Schedule**” is defined in the Project Loan Agreement.

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

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

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

“**Property Jurisdiction**” means the State of Texas.

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

- (a) Direct and general obligations of the United States of America.
- (b) Obligations of any agency or instrumentality of the United States of America the payment of the principal of and interest on which are unconditionally guaranteed by the full faith and credit of the United States of America.
- (c) Senior debt obligations of Freddie Mac.
- (d) Senior debt obligations of the Federal National Mortgage Association (i.e., Fannie Mae).
- (e) Demand deposits or time deposits with, or certificates of deposit issued by, Fiscal Agent or its affiliates or any bank organized under the laws of the United States of America or any state or the District of Columbia which has combined capital, surplus and undivided profits of not less than \$50,000,000; *provided* that Fiscal Agent or such other institution has been rated at least “VMIG 1”/“A 1+” by one of the Rating Agencies which deposits or certificates are fully insured by the Federal Deposit Insurance Corporation or collateralized pursuant to the requirements of the Office of the Comptroller of the Currency.
- (f) Reserved.
- (g) Shares or units in any money market mutual fund rated “Aaa”/“AAA” by one of the Rating Agencies (or if a new rating scale is implemented, the equivalent rating category given by the Rating Agency for that general category of security) (including mutual funds of Fiscal Agent or its affiliates or for which Fiscal Agent or an affiliate thereof serves as investment advisor or provides other services to

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

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

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

“**Qualified Transferee**” is defined in Section 2.08 hereof.

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

“**Rebate Analyst**” shall have the meaning ascribed thereto in the Tax Exemption Agreement. The initial Rebate Analyst shall be [_____].

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

“**Regulations**” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Replacement Reserve Agreement” means that certain Capital Improvements Reserve and Security Agreement executed by and between Permanent Funding Lender and Borrower on the Conversion Date.

“Replacement Reserve Fund” means the fund of that name created pursuant to Section 4.01 hereof.

“Replacement Reserve Payment” means the amount required to be deposited by Borrower pursuant to Section 3 of the Replacement Reserve Agreement.

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

“Resolution” means the resolution adopted by Governmental Lender on [June 4], 2026 authorizing the Funding Loan, the Governmental Note, the Project Loan and the execution and delivery of the Financing Documents to which it is a party.

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

“Revenue Fund” means the Revenue Fund established by Fiscal Agent pursuant to Section 4.01 hereof.

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

“Security Instrument” is defined in the Recitals of this Funding Loan Agreement.

“Securities Act” means the Securities Act of 1933, as amended.

“Servicing Fee” is defined in the Project Loan Agreement.

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

“Tax Escrow Fund” has the meaning given to such term in Section 4.01 hereof.

“Tax Escrow Payment” means the amount required to be deposited by the Borrower to for taxes pursuant to Section 5.3(c) of the Permanent Continuing Covenants Agreement.

“Tax Exemption Agreement” means the Tax Exemption Certificate and Agreement dated as of [June] 1, 2026, among Governmental Lender, Fiscal Agent and Borrower.

“Taxable Rate” means the per annum interest rate that is equal to the taxable equivalent of (i) the Construction Phase Interest Rate during the Construction Phase and (ii) the Permanent Phase Interest Rate during the Permanent Phase based on the Funding Lender’s calculation of the difference between a taxable and tax-exempt loan spread, in accordance with the applicable federal tax rate at such time and Funding Lender’s internal accounting for such rate; provided, however that, notwithstanding the foregoing, at any time that an Event of Default has occurred and is continuing, the Taxable Rate shall be the higher of the Default Rate and the Taxable Rate determined under this provision.

“TEL Regulatory Agreement” means the Regulatory and Land Use Restriction Agreement dated as of [June] 1, 2026, among Governmental Lender, Fiscal Agent, the Fee Owner and Borrower.

“Termination Date” means [REDACTED], 20[REDACTED] subject to extension by Permanent Funding Lender as provided in the Forward Loan Purchase Agreement.

“Transferee Representations Letter” is defined in Section 2.08 hereof.

“Unassigned Rights” means (a) all of the Governmental Lender’s right, title and interest in and to all reimbursement, costs, expenses and indemnification pursuant to the Financing Documents and all enforcement remedies with respect to the foregoing, all of which shall survive any transfer or payment of the Governmental Note in full or in part and, if so indicated in the Project Loan Agreement or this Funding Loan Agreement, which shall also survive the termination of the Project Loan Agreement and this Funding Loan Agreement; (b) the right of the Governmental Lender to receive amounts payable to it pursuant to Section 4.02 of the Project Loan Agreement, including the Governmental Lender Fees; (c) all rights of the Governmental Lender to receive any Rebate Amount (as defined in the Tax Exemption Agreement) required to be rebated to the United States of America under the Code in connection with the Governmental Note, as described in the Tax Exemption Agreement; (d) all rights of the Governmental Lender to receive notices, reports or other information, and to make determinations and grant approvals or consent hereunder and under the Project Loan Agreement, the TEL Regulatory Agreement and the Tax Exemption Agreement; (e) all rights of the Governmental Lender of access to the Project and documents related thereto and to specifically enforce the representations, warranties, covenants and agreements of the Borrower set forth in the Project Loan Agreement, in the Tax Exemption Agreement and in the TEL Regulatory Agreement; (f) any and all rights, remedies and limitations of liability of the Governmental Lender set forth in this Funding Loan Agreement, the Project Loan Agreement, the TEL Regulatory Agreement, the Tax Exemption Agreement, and the Project Loan Documents, as applicable, regarding (1) the negotiability, registration and transfer of the Governmental Note, (2) the loss or destruction of the Governmental Note, (3) the limited liability of the Governmental Lender as provided in the Act, this Funding Loan Agreement, the Project Loan Agreement, the TEL Regulatory Agreement, the Tax Exemption Agreement, and the Project

Loan Documents, (4) no liability of the Governmental Lender to third parties, and (5) no warranties of suitability or merchantability by the Governmental Lender; (g) all rights of the Governmental Lender in connection with any amendment to or modification of this Funding Loan Agreement, the Project Loan Agreement, the TEL Regulatory Agreement, the Tax Exemption Agreement, and the Project Loan Documents; and (h) any and all limitations of the Governmental Lender's liability and the Governmental Lender's disclaimers of warranties set forth in this Funding Loan Agreement, the TEL Regulatory Agreement, the Tax Exemption Agreement or the Project Loan Agreement, and the Governmental Lender's right to inspect and audit the books, records and permits of the Borrower and the Project.

“Uniform Commercial Code” means the Uniform Commercial Code as promulgated in the applicable jurisdiction.

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

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

Section 1.03. Schedules and Exhibits.

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

ARTICLE II

THE FUNDING LOAN

Section 2.01. Terms.

(a) The Governmental Note shall be issued and the Funding Loan shall be originated and funded on the Delivery Date in the principal amount of \$[18,000,000] with funds provided to Governmental Lender by Initial Funding Lender. The proceeds of the Funding Loan shall be fully advanced by Initial Funding Lender and deposited with Fiscal Agent on the Delivery Date and shall be disbursed in accordance with this Funding Loan Agreement. The Funding Loan shall be evidenced by the Governmental Note and shall bear interest and be paid in accordance with the payment terms set forth in the Governmental Note and this Funding Loan Agreement.

(b) The Funding Loan shall be fully originated by Initial Funding Lender on the Delivery Date. The proceeds of the Funding Loan shall be advanced by Initial Funding Lender directly to Fiscal Agent for deposit into the Project Account.

(c) Reserved.

(d) The Governmental Note and the Funding Loan shall bear interest payable on each Funding Loan Payment Date at (i) the Construction Phase Interest Rate during the Construction Phase and (ii) the Permanent Phase Interest Rate during the Permanent Phase. Interest on the Governmental Note and the Funding Loan shall be computed on the basis of (i) during the Construction Phase, a 360-day year and shall be assessed for the actual days elapsed, and (ii) during the Permanent Phase, a 360-day year and twelve (12) months of thirty (30) days each. In the event that a Determination of Taxability shall occur, then the Governmental Note and the Funding Loan shall bear interest, effective on the date of such Determination of Taxability, at a rate equal to the Taxable Rate. The Borrower shall, in addition, pay to the Fiscal Agent, for deposit into the Revenue Fund, promptly upon demand from the Funding Lender or the Servicer, an amount equal to (x) the Additional Interest payable on the Governmental Note and (y) an amount equal to any interest, penalties on overdue interest and additions to tax owed by the Funding Lender as a result

of the Determination of Taxability. The Borrower shall also indemnify, defend and hold the Governmental Lender, the Funding Lender and Fiscal Agent (and each of their directors, commissions members, officers and employees) harmless from any penalties, interest expense or other costs, including reasonable attorneys' fees and accountants' fees and costs, resulting from any dispute with the Internal Revenue Service concerning the proper tax treatment of the Governmental Note and any interest payable to any owner with respect to the Governmental Note. The obligations of the Borrower under this Section 2.01(d) shall survive termination of this Funding Loan Agreement and the cancellation of the Governmental Note and repayment of the Funding Loan.

(e) The Governmental Note and the Funding Loan shall mature on [MATURITY DATE] subject to scheduled monthly principal payments and to optional and mandatory prepayment prior to maturity as provided in Article III hereof. If the Conversion Date occurs on or prior to the initial Termination Date, then the unpaid principal balance of the Funding Loan shall be paid on the dates and in the amounts set forth on the initial Funding Loan Amortization Schedule provided on the Delivery Date and attached as Schedule 1 to the Governmental Note, provided that, at Funding Lender's discretion, a new Funding Loan Amortization Schedule may be provided on the Conversion Date that reflects the Conversion Date and the term of the Permanent Phase. If the Termination Date is changed by the Permanent Funding Lender in accordance with the Permanent Commitment and the Forward Loan Purchase Agreement, the first principal payment date under the Funding Loan Amortization Schedule may be changed consistent with the terms thereof; provided, however, if the Termination Date is extended, the Funding Loan Amortization Schedule shall automatically be extended (i) to the fifth day of the month immediately succeeding the Conversion Date if the Conversion Date occurs on the first calendar day of a month or (ii) the fifth day of the second month immediately succeeding the Conversion Date if the Conversion Date occurs on a day other than the first calendar day of the month (in either case with the succeeding principal installments remaining consistent with the original schedule but for them occurring on later dates) and any change of amortization shall be subject to the receipt by Fiscal Agent, Initial Funding Lender, and Governmental Lender of a Favorable Opinion of Bond Counsel (which shall also be addressed to the Permanent Funding Lender) on or prior to the Conversion Date with respect to such change of the Funding Loan Amortization Schedule. Additionally, in the event the outstanding amount of the Funding Loan on the Conversion Date is greater than or less than the starting principal amount set forth in the initial Funding Loan Amortization Schedule, a new Funding Loan Amortization Schedule will be generated on the Conversion Date at such greater or lesser outstanding principal amount based on the parameters set forth in the Permanent Commitment, subject to receipt of a Favorable Opinion of Bond Counsel as aforesaid. In the event the initial Funding Loan Amortization Schedule is modified in accordance with this Section 2.01(e), a replacement Funding Loan Amortization Schedule will be provided by Permanent Funding Lender (with copies provided to the Governmental Lender and Fiscal Agent), which will be attached to the Governmental Note on the Conversion Date. All unpaid principal and all accrued and unpaid interest outstanding under the Funding Loan shall be due and payable on the Maturity Date.

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

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

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

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

In determining whether the amount of interest charged and paid might otherwise exceed the limit prescribed by law, the Governmental Lender intends and agrees that (i) interest shall be computed upon the assumption that payments under the Project Loan Agreement and the Financing Documents will be paid according to the agreed terms, and

(ii) any sums of money that are taken into account in the calculation of interest, even though paid at one time, shall be spread over the actual term of the Governmental Note.

(j) Notwithstanding any other provision of this Funding Loan Agreement to the contrary, THE GOVERNMENTAL LENDER SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON, THE GOVERNMENTAL NOTE SOLELY OUT OF THE PLEDGED SECURITY, INCLUDING THE REVENUES. THE GOVERNMENTAL NOTE SHALL BE A SPECIAL, LIMITED OBLIGATION OF THE GOVERNMENTAL LENDER PAYABLE SOLELY FROM THE PLEDGED SECURITY, INCLUDING THE REVENUES. THE GOVERNMENTAL NOTE SHALL CONSTITUTE A VALID CLAIM OF THE HOLDER OF THE NOTE AGAINST THE PLEDGED SECURITY, WHICH IS PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE GOVERNMENTAL NOTE AND WHICH SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THIS FUNDING LOAN AGREEMENT.

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

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

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

(c) Except for funds, money or securities in the Costs of Issuance Fund, the Administration Fund and the Rebate Fund, all funds, money and securities and any and all other rights and interests in property whether tangible or intangible from time to time hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder for the Funding Loan by Governmental Lender or by anyone on its behalf or with its written consent to Fiscal Agent,

which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

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

Section 2.03. Limited Obligations. Notwithstanding any other provision of this Funding Loan Agreement to the contrary, the Governmental Note is not and never shall become a general obligation of the Governmental Lender, but to the extent provided in and except as otherwise permitted by this Funding Loan Agreement, the Governmental Note shall be a limited obligation of the Governmental Lender and the principal of, premium, if any, thereon shall be payable equally and ratably solely from and secured solely by the Pledged Security.

NOTWITHSTANDING ANY OTHER PROVISION OF THIS FUNDING LOAN AGREEMENT TO THE CONTRARY, ANY OBLIGATION THAT THE GOVERNMENTAL LENDER MAY INCUR UNDER THIS FUNDING LOAN AGREEMENT OR UNDER ANY INSTRUMENT EXECUTED IN CONNECTION HERewith THAT SHALL ENTAIL THE EXPENDITURE OF MONEY SHALL NOT BE A GENERAL OBLIGATION OF THE GOVERNMENTAL LENDER, BUT SHALL BE A LIMITED OBLIGATION PAYABLE SOLELY FROM THE PLEDGED SECURITY. THE GOVERNMENTAL NOTE SHALL CONSTITUTE A VALID CLAIM OF THE HOLDER THEREOF AGAINST THE PLEDGED SECURITY, WHICH IS PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY AND INTEREST ON THE GOVERNMENTAL NOTE AND WHICH SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THIS FUNDING LOAN AGREEMENT. THE GOVERNMENTAL NOTE, TOGETHER WITH INTEREST THEREON, SHALL BE A LIMITED OBLIGATION OF THE GOVERNMENTAL LENDER GIVING RISE TO NO CHARGE AGAINST THE GOVERNMENTAL LENDER'S GENERAL CREDIT AND PAYABLE SOLELY FROM, AND CONSTITUTE CLAIMS OF THE HOLDERS THEREOF AGAINST ONLY, THE PLEDGED SECURITY. THE PRINCIPAL OF, PREMIUM, IF ANY AND INTEREST ON THE GOVERNMENTAL NOTE SHALL NOT BE DEEMED TO CONSTITUTE DEBT OF THE GOVERNMENTAL LENDER (EXCEPT TO THE EXTENT OF THE PLEDGED SECURITY). THE GOVERNMENTAL NOTE IS NOT AND DOES NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE OR ANY

POLITICAL SUBDIVISION THEREOF, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH, CREDIT, OR TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE GOVERNMENTAL LENDER HAS NO TAXING POWER.

No agreement or obligation contained herein shall be deemed to be an agreement or obligation of any governing board, member, director, officer, agent or employee of the Governmental Lender in his or her individual capacity, and no member of the governing board of the Governmental Lender or any officer executing the Governmental Note shall be personally liable on such Governmental Note or be subject to any personal liability or accountability by reason of the issuance thereof. No governing board member, director, officer, agent or employee of the Governmental Lender shall incur any personal liability with respect to any other action taken by him or her pursuant to this Funding Loan Agreement.

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

Section 2.05. Form and Execution. The Governmental Note shall be in substantially the form attached as Exhibit A with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Funding Loan Agreement. Except for the Initial Note, which shall be numbered I-1, the Governmental Note shall be numbered consecutively from R-1 upwards.

The Initial Note shall be identical to the form of Governmental Note attached as Exhibit A; provided, the Initial Note shall be (a) dated [June] 1, 2026, (b) payable to the Initial Funding Lender and (c) registered by the Comptroller. The provisions of Exhibit A may be rearranged or re-ordered for purposes of the Initial Note.

The Governmental Note shall be executed on behalf of Governmental Lender by the manual or facsimile signature of the Chair or Vice Chair of Governmental Lender, and attested by the manual or facsimile signature of the Secretary or an Assistant Secretary of the Governmental Lender and shall bear an impression or a facsimile of the seal of the Governmental Lender. Any facsimile signatures shall have the same force and effect as if said officers had manually signed the Governmental Note. Any reproduction of the official seal of Governmental Lender on the Governmental Note shall have the same force and effect as if the official seal of Governmental Lender had been impressed on the Governmental Note. The signatures of individuals who were the proper officers of the Governmental Lender at the time of execution shall bind the Governmental Lender, notwithstanding that such individuals or any of them shall have ceased to hold such offices prior to the delivery of the Governmental Note or shall not have held such offices on the date of the Governmental Note.

Section 2.06. Authentication. The Governmental Note shall not be valid or obligatory for any purpose or entitled to any security or benefit under this Funding Loan Agreement unless a certificate of authentication or registration on the Governmental Note, substantially in the form set forth in Exhibit A, shall have been duly executed by an Authorized Officer of Fiscal Agent or the Comptroller, as applicable; and such executed certificate of authentication or registration upon the

Governmental Note shall be conclusive evidence that the Governmental Note has been duly executed, registered, authenticated and delivered under this Funding Loan Agreement.

Section 2.07. Mutilated, Lost, Stolen or Destroyed Governmental Note. In the event the Governmental Note is mutilated, lost, stolen or destroyed, Governmental Lender shall execute and Fiscal Agent shall authenticate a new Governmental Note substantially in the form set forth in Exhibit A in exchange and substitution for and upon cancellation of the mutilated Governmental Note or in lieu of and in substitution for such lost, stolen or destroyed Governmental Note, upon payment by Funding Lender of any applicable tax or governmental charge and the reasonable expenses and charges of Governmental Lender and Fiscal Agent in connection therewith, and in the case where the Governmental Note is lost, stolen or destroyed, the filing with Fiscal Agent of evidence satisfactory to it that the Governmental Note was lost, stolen or destroyed, and of the ownership thereof, and furnishing Governmental Lender and Fiscal Agent with indemnity satisfactory to each of them.

Section 2.08. Registration; Transfer of the Governmental Note and Funding Loan; Transferee Representations Letter.

(a) The Governmental Note and the Funding Loan shall be fully registered as to principal and interest in the manner and with any additional designation as Fiscal Agent deems necessary for the purpose of identifying the registered owner thereof. The Governmental Note and the Funding Loan shall be transferable only on the registration books of Fiscal Agent. Fiscal Agent shall maintain books or other records showing the name and date of registration, address and employer identification number of the registered owner of the Governmental Note and the Funding Loan and any transfers of the Governmental Note and the Funding Loan as provided herein, which books shall be maintained by the Fiscal Agent for such purpose consistent with the registration requirements of the Code applicable to tax-exempt obligations and which shall be open to inspection by Governmental Lender. The Governmental Note and the Funding Loan shall (i) initially be registered to Initial Funding Lender, and (ii) upon the Conversion Date be registered to the Permanent Funding Lender.

(b) Funding Lender shall have the right to sell, assign or otherwise transfer in whole its interest in the Governmental Note and the Funding Loan or to grant a participation interest in the Governmental Note or the Funding Loan in a percentage of not less than twenty-five percent (25%) of the outstanding principal amount of the Governmental Note or the Funding Loan; provided that the Governmental Note and the Funding Loan may be transferred, or any participation interest therein granted, only to an “accredited investor” as that term is defined in Rule 501(a)(1), (2), (3), (7) or (8) of Regulation D under the Securities Act or a “qualified institutional buyer” shall constitute a “Qualified Purchaser”) or pursuant to an arrangement as described in subsection (ii) below in this paragraph (collectively with a Qualified Purchaser, a “Qualified Transferee”) that delivers a letter to Fiscal Agent and the Governmental Lender in substantially in the form attached hereto as Exhibit C setting forth certain representations with respect to such Qualified Transferee (the “**Transferee Representations Letter**”). Notwithstanding the preceding sentence, no Transferee Representations Letter shall be required for Funding Lender to:

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

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

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

(c) Other than to receive a Transferee Representation Letter as provided herein, the Fiscal Agent shall have no obligation to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Funding Loan Agreement or under applicable law with respect to any transfer of the Governmental Note or any interest therein or the Funding Loan.

Section 2.09. Reserved.

Section 2.10. Funding Loan Closing Conditions; Delivery of Governmental Note.

Closing of the Funding Loan on the Delivery Date shall be conditioned upon, and Governmental Lender shall only execute and deliver to Fiscal Agent, and Fiscal Agent shall only authenticate the Governmental Note and deliver the Governmental Note to Initial Funding Lender upon, receipt by Fiscal Agent of all of the following (which may be in electronic form):

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

(b) An opinion of Bond Counsel or counsel to Governmental Lender to the effect that Governmental Lender is duly organized and existing under the laws of the Property Jurisdiction and has duly authorized, executed and delivered this Funding Loan Agreement, the Governmental Note, the Project Loan Agreement, and the other documents

specifically listed in the definition of Financing Documents to which it is a party, and such documents are valid and binding special, limited obligations of Governmental Lender enforceable in accordance with their terms subject to customary exceptions.

(c) The Initial Note registered by the Comptroller and an opinion of the Attorney General of the State of Texas approving the Governmental Note.

(d) The proceeds of the Funding Loan, representing the purchase price for the Governmental Note, from the original funding thereof by Initial Funding Lender in the amount set forth in Section 2.01(a) hereof.

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

(f) A copy of the executed Security Instrument, the Assignment, the Forward Loan Purchase Agreement, and the Construction Continuing Covenant Agreement.

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

(h) A customary approving opinion of Bond Counsel, including but not limited to an opinion to the effect that, under laws in effect on the date of such opinion and subject to any exceptions or qualifications stated therein, the interest on the Governmental Note is excludable from gross income for federal income tax purposes, except with respect to the interest on the Governmental Note for any period during which the Governmental Note is held by a “substantial user” of the Project or a “related person” of such a “substantial user,” as those terms are defined for purposes of section 147(a) of the Code.

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

(j) A certified copy of the Resolution.

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

(l) Amounts specified in Section 2.11 of this Funding Loan Agreement and Section 3.03 of the Project Loan Agreement.

(m) A Transferee Representations Letter (addressed to the Governmental Lender and Fiscal Agent) executed by Initial Funding Lender.

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

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

(b) The proceeds of the Funding Loan shall be delivered by Initial Funding Lender to Fiscal Agent on behalf of Governmental Lender on the Delivery Date. Fiscal Agent shall deposit such proceeds to the credit of the Project Loan Fund. Upon receipt, Fiscal Agent shall deposit such proceeds to the credit of the Project Account of the Project Loan Fund. Amounts in the Project Loan Fund shall be disbursed as provided in subparagraph (d) below, subject to the conditions set forth in Section 3.01 of the Project Loan Agreement. Upon the disbursement of all amounts in the Project Loan Fund, the Fiscal Agent shall close the Project Loan Fund.

(c) Pursuant to the terms of the Project Loan Agreement, Borrower has covenanted to deliver from sources other than the Loans, to the Fiscal Agent, on or prior to the Delivery Date, the Costs of Issuance Deposit for deposit to the credit of the Costs of Issuance Fund and the Borrower Equity Deposit for deposit to the credit of the Borrower Equity Account. Fiscal Agent shall also deposit in the Costs of Issuance Fund and the Borrower Equity Account any additional amounts delivered from time to time to Fiscal Agent and directed by Borrower or Loan Servicer to be deposited therein, excluding any proceeds of the Loans.

(d) Upon the making of the initial deposits described above in this Section 2.11, Governmental Lender shall originate the Project Loan pursuant to the Project Loan Agreement and Fiscal Agent shall make disbursements of amounts in the Project Loan Fund as provided in Section 4.02 hereof.

Section 2.12. Loan Payments to Fiscal Agent; Loan Servicer Disbursement of Fees.

(a) Except as otherwise provided in Section 4.02(c), notwithstanding any other provision in this Funding Loan Agreement to the contrary, regardless whether a Loan Servicer is engaged with respect to the Loans, Governmental Lender and Fiscal Agent agree that all payments of principal of, Prepayment Premium, if any, and interest on the Funding Loan and all fees due hereunder and under the Project Loan Agreement shall be paid by Borrower to Fiscal Agent not less than two (2) Business Days prior to each Funding Loan Payment Date or any date amounts are due on the Governmental Note. Notwithstanding the forgoing, to the extent that any payments of principal of, Prepayment Premium, if any, and interest on the Funding Loan and any fees due hereunder and under the Project Loan Agreement are paid to the Loan Servicer, the Funding Lender agrees to direct Loan Servicer to remit any payments collected from

Borrower of principal of, Prepayment Premium, if any, and interest on the Funding Loan, together with other amounts due to Funding Lender, Governmental Lender and/or Fiscal Agent, to Fiscal Agent no later than one (1) Business Day prior to each Funding Loan Payment Date or any date amounts are due on the Governmental Note. Loan Servicer shall be entitled to retain its Servicing Fee (if any) collected from Borrower and shall remit Governmental Lender Fee and Ordinary Fiscal Agent's Fees and Expenses to Fiscal Agent. Fiscal Agent shall remit to Governmental Lender any amounts due to Governmental Lender, including the Governmental Lender Fees, and shall retain Fiscal Agent's Ordinary Fees and Expenses. Any payment made in accordance with the provisions of this Section shall be accompanied by sufficient information to identify the source and proper application of such payment. Fiscal Agent shall promptly notify Loan Servicer, Funding Lender, Funding Lender Representative and Governmental Lender in writing of any failure of Borrower to make any payment of principal of, Prepayment Premium, if any, and interest on the Funding Loan when due or to pay any fees due hereunder or under the Project Loan Agreement, and Governmental Lender shall not be deemed to have any notice of such failure unless it has received such notice in writing. Fiscal Agent shall remit payments of principal of, Prepayment Premium, if any, and interest on the Funding Loan and Governmental Note to Funding Lender, and as such shall be the paying agent hereunder.

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

(c) Reserved.

Section 2.13. Conversion. If the Conversion Notice is issued in compliance with the terms of the Forward Loan Purchase Agreement, Conversion will occur, and the Permanent Lender shall purchase the Governmental Note from the Initial Funding Lender on the Conversion Date indicated in such Conversion Notice. If the Conversion Notice is not so issued, Conversion will not occur and the Permanent Funding Lender will not have any obligations with respect to the purchase of the Funding Loan or otherwise with respect to the Loans or the Project.

ARTICLE III

PREPAYMENT OF THE FUNDING LOAN AND THE GOVERNMENTAL NOTE

Section 3.01. Prepayment of the Funding Loan Prior to Maturity; Redemption of the Governmental Note.

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

redemption of the Governmental Note to the extent of the prepayment. Notwithstanding the foregoing, during the Permanent Phase, Borrower shall only have the right to pay the Project Loan in full (but not in part) on or after, but not prior to, the tenth (10th) anniversary of the Conversion Date (the “**Closed Prepayment Date**”), subject to the terms of and as further described in the Project Note.

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

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

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

(iii) In part, in the event Borrower makes a Pre-Conversion Loan Equalization Payment.

(iv) In whole, on or after the Termination Date, at the written direction of Initial Funding Lender, if the Conversion Notice is not issued by Permanent Funding Lender prior to the Termination Date.

If, following Conversion, the Maturity Date is accelerated by Permanent Funding Lender because of the occurrence of an Event of Default, the acceleration shall be deemed to be an election on the part of Borrower to prepay the Project Loan. Accordingly, there shall be added to the amount due after an Event of Default and resulting acceleration, the Prepayment Premium or certain other fees described in the Project Note, as applicable.

Notwithstanding anything to the contrary in this Funding Loan Agreement, any prepayment of the Funding Loan, in whole or in part, shall constitute a redemption of the Governmental Note to the extent of the prepayment.

Section 3.02. Notice of Prepayment. Notice of the intended prepayment of the Funding Loan and the Governmental Note shall be given by Fiscal Agent by first class mail, postage prepaid, or by overnight delivery service, or Electronic Instruction and Notice, to Funding Lender. All such prepayment notices shall be given not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for prepayment. Notices of prepayment shall state all of the following:

- (i) The prepayment date.
- (ii) The prepayment amount.

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

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

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

ARTICLE IV

REVENUES AND FUNDS

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

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

- (a) Revenue Fund;
- (b) Loan Payment Fund;
- (c) Loan Prepayment Fund;
- (d) Administration Fund;
- (e) Costs of Issuance Fund;
- (f) Rebate Fund;
- (g) Replacement Reserve Fund; and
- (h) Tax Escrow Fund.

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

Pursuant to the Tax Exemption Agreement, Fiscal Agent shall cause to be kept and maintained adequate records pertaining to investment of all proceeds of the Governmental Note and the Funding Loan sufficient to permit Borrower, on behalf of Governmental Lender, to determine the amount of rebate, if any, required to be paid to the United States of America pursuant to Section 148 of the Code. Fiscal Agent shall have no responsibility to make such determination of rebate liability. Fiscal Agent shall not be required to make any disbursement of funds until having collected funds.

Section 4.02. Project Loan Fund.

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

(b) Disbursements. Amounts on deposit in the Project Loan Fund shall be disbursed from time to time by Fiscal Agent for the purpose of paying (i) interest on the Funding Loan and the Fee Component in each case when due during the Construction Phase and (ii) Costs of the Project. In addition, amounts in the Project Loan Fund shall be transferred to the Loan Prepayment Fund, the Rebate Fund and Borrower at the times and in the manner provided in subsection (e) of this Section 4.02. Notwithstanding anything contained herein to the contrary, Fiscal Agent shall not make any disbursements of amounts on deposit in the Project Loan Fund unless the Initial Funding Lender has confirmed in writing that the conditions for disbursement of such amounts set forth in the Construction Continuing Covenant Agreement have been satisfied, which confirmation may be evidenced by the Initial Funding Lender's signature to a Requisition.

(c) Transfers and Requisitions. The Fiscal Agent shall automatically transfer amounts from the Borrower Equity Account of the Project Loan Fund to the Administration Fund to pay to the appropriate party its accrued fees that are included in the Fee Component that are due and payable as set forth herein or upon receipt of an invoice, without any need for a Requisition or other written direction. Unless Fiscal Agent is instructed otherwise by

Initial Funding Lender, Fiscal Agent shall automatically transfer amounts in the Project Account of the Project Loan Fund to the Loan Payment Fund to pay interest on the Project Loan and the Funding Loan without any need for a Requisition or other written direction. Fiscal Agent shall make disbursements from the respective accounts of the Project Loan Fund for purposes described in subsection (b)(ii) of this Section 4.02 only upon the receipt of Requisitions signed by an Authorized Officer of Borrower and countersigned by an Authorized Officer of Loan Servicer (signifying the consent to the Requisition by Loan Servicer). Fiscal Agent shall have no right or duty to determine whether any requested disbursement from the Project Loan Fund complies with the terms, conditions and provisions of the Construction Continuing Covenant Agreement. The countersignature of the Authorized Officer of Loan Servicer on a Requisition shall be deemed a certification and, insofar as Fiscal Agent and Governmental Lender are concerned, constitute conclusive evidence that all of the terms, conditions and requirements of the Construction Continuing Covenant Agreement applicable to such disbursement have been fully satisfied or waived. Fiscal Agent shall, immediately upon each receipt of a completed Requisition signed by an Authorized Officer of Borrower and countersigned by an Authorized Officer of Loan Servicer, initiate procedures with the provider of a Qualified Investment to make withdrawals as necessary to fund the Requisition.

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

(d) If a Requisition signed by an Authorized Officer of Borrower and countersigned by an Authorized Officer of Loan Servicer or (as permitted hereunder) solely by an Authorized Officer of Loan Servicer, is received by Fiscal Agent, the requested disbursement shall be paid by Fiscal Agent as soon as practicable, but in no event later than three (3) Business Days following receipt thereof by Fiscal Agent. Upon final disbursement of all amounts on deposit in the Project Loan Fund, including all interest accrued therein, Fiscal Agent shall close the Project Loan Fund.

(e) Immediately prior to any mandatory prepayment of the Funding Loan pursuant to Section 3.01(b)(i) hereof, any amount then remaining in the Project Loan Fund shall, at the written direction of Funding Lender Representative, be transferred to the Loan Prepayment Fund to pay amounts due on the Funding Loan, if any. In addition, any amount remaining in the Project Account of the Project Loan Fund following completion of the rehabilitation of the Project in accordance with the Construction Continuing Covenant Agreement, evidenced by an instrument signed by Funding Lender Representative or Loan Servicer, and in any case on the date that is three years after the Delivery Date, shall, after all Costs have been paid, which shall be confirmed by Borrower, shall be transferred to the Loan Prepayment Fund and used to prepay the Funding Loan in accordance with Section 3.01(b)(ii) hereof, unless Fiscal Agent and Governmental Lender receive a Favorable

Opinion of Bond Counsel (which shall also be addressed to Funding Lender Representative) with respect to the use of such money for other than prepayment of the Funding Loan; provided, if any rebate is due, that any amounts in the Project Account of the Project Loan Fund in excess of the amount needed to fund the related prepayment of the Funding Loan shall be transferred to the Rebate Fund in an amount sufficient to pay such rebate. In the event that (i) there are funds remaining in the Borrower Equity Account following completion of the rehabilitation of the Project in accordance with the Construction Continuing Covenant Agreement (as evidenced by an instrument signed by Funding Lender Representative), (ii) the Conversion Date has occurred, and (iii) no default by Borrower exists under this Funding Loan Agreement or any of the Project Loan Documents, such funds shall be paid by Fiscal Agent to Borrower at the written direction of Funding Lender Representative or Loan Servicer.

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

Section 4.03. Application of Revenues.

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

(i) Proceeds of the Funding Loan received by Fiscal Agent pursuant to Section 2.01(b), which shall be applied in accordance with the provisions of Section 2.11 hereof.

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

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

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

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

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

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

THIRD, during the Permanent Phase, to the Replacement Reserve Fund, the Replacement Reserve Payment; and

FOURTH, during the Permanent Phase, to the Tax Escrow Fund, the Tax Escrow Payment.

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

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

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

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

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

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

Section 4.05. Application of Loan Prepayment Fund. Any money credited to the Loan Prepayment Fund shall be applied as set forth in Sections 4.03(b) and 4.03(c) hereof; *provided, however*, that to the extent any money credited to the Loan Prepayment Fund is in excess of the

amount necessary to effect the prepayments described in Sections 4.03(b) and 4.03(c) hereof it shall be applied to make up any deficiency in the Loan Payment Fund on any Funding Loan Payment Date, to the extent money then available in accordance with Section 4.03(d) hereof in the Revenue Fund is insufficient to make up such deficiency; *provided* that no money to be used to effect a prepayment for which a notice of prepayment has been provided shall be so transferred to the Loan Payment Fund. On or before each Funding Loan Payment Date, any Investment Income on amounts on deposit in the Loan Prepayment Fund shall be credited by Fiscal Agent to the Revenue Fund. No amount shall be charged against the Loan Prepayment Fund except as expressly provided in this Article IV and in Section 6.05 hereof.

Section 4.06. Administration Fund. Subject to Section 2.12 hereof, Fiscal Agent shall deposit into the Administration Fund, promptly upon receipt thereof, all amounts received from Loan Servicer (or Borrower if no Loan Servicer exists for the Loans) designated for deposit into such fund, together with amounts, if any, transferred by Fiscal Agent from the Project Loan Fund for deposit into the Administration Fund pursuant to Section 4.02(c). Amounts in the Administration Fund shall be withdrawn or maintained, as appropriate, by Fiscal Agent and used:

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

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

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

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

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

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

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

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

In the event that the amounts on deposit in the Administration Fund are not equal to the amounts payable from the Administration Fund as provided in the preceding paragraph on any date on

which such amounts are due and payable, Fiscal Agent shall give notice to Borrower and Loan Servicer of such deficiency and of the amount of such deficiency and request payment within two (2) Business Days to Fiscal Agent of the amount of such deficiency. Upon payment by Borrower or Loan Servicer of such deficiency, the amounts for which such deficiency was requested shall be paid by Fiscal Agent. On or before each Funding Loan Payment Date, any Investment Income on amounts on deposit in the Administration Fund shall be credited by Fiscal Agent to the Revenue Fund. No amount shall be charged against the Administration Fund except as expressly provided in this Article IV and Section 6.05 hereof.

Section 4.07. Investment of Funds. The money held by Fiscal Agent shall constitute trust funds for the purposes hereof. Any money attributable to each of the funds and accounts hereunder shall be, except as otherwise expressly provided herein, invested by Fiscal Agent, at the written direction of Borrower (or, in the case of the Rebate Fund, as provided in the Tax Exemption Agreement), in Qualified Investments which mature or shall be subject to prepayment or withdrawal at par without penalty on or prior to the earlier of (a) six (6) months from the date of investment and (b) the date such money is needed; provided, that if Fiscal Agent shall have entered into any investment agreement requiring investment of money in any fund or account hereunder in accordance with such investment agreement and if such investment agreement constitutes a Qualified Investment, such money shall be invested in accordance with such requirements. Such investments may be made through the investment or securities department of Fiscal Agent. Fiscal Agent may purchase from or sell to itself or an affiliate, as principal or agent, securities herein authorized and, in such capacity, Fiscal Agent or such affiliate may charge its ordinary and customary fees for such trades, including account maintenance fees, which fees, for purposes of this Funding Loan Agreement, shall be treated as Fiscal Agent's Extraordinary Fees and Expenses. Fiscal Agent shall be entitled to assume, absent receipt by Fiscal Agent of written notice to the contrary, that any investment which at the time of purchase is a Qualified Investment remains a Qualified Investment thereafter. In no event shall Fiscal Agent be required to provide supervision, recommendations, or advice with respect to any investment. In the absence of written direction from Borrower, Fiscal Agent shall hold amounts on deposit in the funds and accounts established under this Funding Loan Agreement uninvested.

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

Governmental Lender acknowledges that to the extent that regulations of the Office of the Comptroller of the Currency or other applicable regulatory agency grant Governmental Lender the right to receive brokerage confirmations of the security transactions as they occur, to the extent permitted by law, Governmental Lender specifically waives compliance with 12 C.F.R. 12 and

hereby notifies Fiscal Agent hereunder, that no brokerage confirmations need be sent relating to the security transactions as they occur.

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

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

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

Section 4.10. Rebate Fund; Compliance with Tax Exemption Agreement. The Rebate Fund shall be maintained for the sole benefit of the United States of America and shall not be subject to the claim of any other Person, including without limitation, Funding Lender. The Rebate Fund is established for the purpose of complying with Section 148 of the Code and the Regulations promulgated pursuant thereto. The money deposited in the Rebate Fund, together with all investments thereof and Investment Income therefrom, shall be held in trust and applied solely as provided in this Section and in the Tax Exemption Agreement. The Rebate Fund is not a portion of the Pledged Security and is not subject to any lien under this Funding Loan Agreement. Notwithstanding the foregoing, Fiscal Agent with respect to the Rebate Fund is afforded all the rights, protections and immunities otherwise accorded to it hereunder.

Section 4.11. Costs of Issuance Fund. Fiscal Agent shall use money on deposit to the credit of the Costs of Issuance Fund to pay the Costs of Issuance on the Delivery Date or as soon as practicable thereafter in accordance with a Requisition in the form of Exhibit D to be given to Fiscal Agent by Borrower on the Delivery Date, along with appropriate invoices for such expenses. Amounts remaining on deposit in the Costs of Issuance Fund six (6) months after the Delivery Date shall be transferred as directed in the Closing Memorandum. Upon such final disbursement, Fiscal Agent shall close the Costs of Issuance Fund.

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

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

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

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

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

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

Section 4.13. Replacement Reserve Fund. There shall be deposited in the Replacement Reserve Fund all moneys received for such purpose by the Fiscal Agent from the Borrower pursuant to the Replacement Reserve Agreement. [Moneys in the Replacement Reserve Fund shall be disbursed by the Fiscal Agent upon receipt of a written request therefor executed by the Borrower and approved in writing by the Funding Lender Representative, in accordance with the terms of the Replacement Reserve Agreement]; provided that, upon the occurrence and continuation of an Event of Default hereunder, all moneys and investments in the Replacement Reserve Fund (other than moneys held to pay costs required to be paid but not yet payable) may be disbursed at the direction of the Funding Lender Representative to pay any costs and expenses of the Project, to pay costs of enforcement of the Financing Documents and to pay any and all amounts owed by the Borrower under the Financing Documents, in whatever amounts and whatever order the Funding Lender Representative may determine. Upon the payment in full of the Governmental Note, or provision for the payment of the Governmental Note having been made pursuant to Section 9.01 hereof, upon payment of amounts payable to the United States pursuant to any rebate requirement and any other amounts owing hereunder and under the Project Loan Agreement, any amounts remaining in the Replacement Reserve Fund shall be paid to the Borrower as soon as practicable. If the Funding Lender Representative determines that the Replacement Reserve Fund is over-funded for any reason, the Funding Lender Representative may direct the Fiscal Agent to return all or a portion of the moneys in the Replacement Reserve Fund to the Borrower.

Section 4.14. Tax Escrow Fund. There shall be deposited in the Tax Escrow Fund all moneys received for such purpose by the Fiscal Agent from the Borrower pursuant to the Permanent Continuing Covenant Agreement. Moneys in the Tax Escrow Fund shall be applied to payment of all taxes; provided, however, that upon the occurrence and continuation of an Event of Default hereunder, all money and investments held in the Tax Escrow Fund may be disbursed at the direction of the Funding Lender Representative to pay costs and expenses of the Project, to pay costs of enforcement of the Financing Documents and to pay any and all amounts owed by the Borrower under any of the Financing Documents, in whatever amounts and in whatever order the Funding Lender Representative may determine. Upon the payment in full of the Governmental Note and the fees and expenses of the Governmental Lender and the Fiscal Agent, or provision for

the payment of the Governmental Note having been made pursuant to Section 9.01 hereof, and upon payment of amounts payable to the United States pursuant to any rebate requirement and any other amounts owing hereunder and under the Project Loan Agreement, any amounts remaining in the Tax Escrow Fund shall be paid to the Borrower. If the Funding Lender Representative determines that the Tax Escrow Fund is over-funded for any reason, the Funding Lender Representative may direct the Fiscal Agent to return all or a portion of the moneys in the Tax Escrow Fund to the Borrower.

ARTICLE V

GENERAL COVENANTS AND REPRESENTATIONS

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

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

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

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

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

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

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

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

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

Section 5.04. Inspection of Project Books. Governmental Lender covenants and agrees that all books and documents in its possession relating to the Project shall, upon reasonable prior notice, during normal business hours, be open to inspection and copying by such accountants or other agents as Fiscal Agent or Funding Lender Representative may from time to time reasonably designate.

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

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

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

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

Section 5.07. Tax Covenants.

(a) Governmental Lender's Covenants. Governmental Lender represents, covenants, and agrees that:

(i) Governmental Lender will comply with all applicable requirements of the Code that are necessary to preserve the Federal Tax Status of the Governmental Note, all as set forth in the Tax Exemption Agreement; and

(ii) Governmental Lender will not knowingly take any action inconsistent with its expectations stated in the Tax Exemption Agreement and will comply with the covenants and requirements stated therein and incorporated by reference herein.

(b) Fiscal Agent's Representations and Covenants. Fiscal Agent represents, covenants and agrees that:

(i) Fiscal Agent will invest funds held under this Funding Loan Agreement in accordance with the terms of this Funding Loan Agreement, the Tax Exemption Agreement and the written instructions of the Borrower; and

(ii) Fiscal Agent will not take any action inconsistent with its obligations expressly stated in the Tax Exemption Agreement and will comply with the covenants and requirements stated therein and incorporated by reference herein.

(c) Change in Law. To the extent that published rulings of the Internal Revenue Service or amendments to the Code or the Regulations modify the covenants of Governmental Lender or Fiscal Agent that are set forth in this Funding Loan Agreement or that are necessary to maintain the Federal Tax Status of the Governmental Note, Fiscal Agent and Governmental Lender will comply with such modifications upon the written direction of Bond Counsel specifying such modifications; provided any such modifications shall be subject to the prior written consent of Funding Lender Representative and shall be evidenced by an amendment entered into pursuant to Article VIII.

Section 5.08. Representations and Warranties of Governmental Lender. Governmental Lender hereby represents and warrants as follows:

(a) Governmental Lender is a public and official agency of the State. Under the provisions of the Act and the Resolution, the Governmental Lender is authorized to enter into this Funding Loan Agreement, the Project Loan Agreement and the other Financing Documents to which it is a party and to carry out its obligations thereunder. By proper action of its governing body, the Governmental Lender has been duly authorized to execute and deliver the Financing Documents and to issue and sell the Governmental Note.

(b) The revenues and assets pledged for the repayment of the Funding Loan are and will be free and clear of any pledge, lien or encumbrance prior to, or equal with, the pledge created by this Funding Loan Agreement, and all action on the part of Governmental Lender to that end has been duly and validly taken.

(c) The Financing Documents to which Governmental Lender is a party have been validly authorized, executed and delivered by Governmental Lender, and assuming due authorization, execution and delivery by the other parties thereto, constitute valid and binding obligations of Governmental Lender, enforceable against Governmental Lender in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium or other laws affecting creditors' rights generally and the application of equitable principles.

IT IS EXPRESSLY ACKNOWLEDGED THAT GOVERNMENTAL LENDER MAKES NO REPRESENTATION, COVENANT, AGREEMENT OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE FINANCIAL POSITION OR BUSINESS CONDITION OF BORROWER OR THE PROJECT OR THAT IT WILL BE SUITABLE FOR BORROWER'S PURPOSES OR NEEDS AND DOES NOT REPRESENT OR WARRANT AS TO ANY STATEMENTS, MATERIALS (FINANCIAL OR OTHERWISE), REPRESENTATIONS OR CERTIFICATIONS FURNISHED OR TO BE MADE AND FURNISHED BY BORROWER IN CONNECTION WITH THE FUNDING LOAN OR AS TO THE CORRECTNESS, COMPLETENESS OR ACCURACY THEREOF.

Section 5.09. State Law Verifications. The Fiscal Agent and Initial Funding Lender make the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code (the "Government Code"), as heretofore amended, in entering into this Funding Loan Agreement, and with respect to the Fiscal Agent, the Project Loan Agreement, (together with this Funding Loan Agreement, the "Representation Documents"). As used herein, "affiliate" means an entity that controls, is controlled by, or is under common control with the Fiscal Agent or Initial Funding Lender within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of the applicable Representation Documents shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited by any provision of any such Representation Document, notwithstanding anything therein to the contrary.

(a) Each of the Fiscal Agent, with respect to the Representation Documents, and Initial Funding Lender, with respect to this Funding Loan Agreement, represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153, Government Code, or Section 2270.0201, Government Code. The foregoing representation excludes the Fiscal Agent, Initial Funding Lender, and each of the Fiscal Agent's and Initial Funding Lender's respective parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) Each of the Fiscal Agent, with respect to the Representation Documents, and Initial Funding Lender, with respect to this Funding Loan Agreement, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of the applicable agreement(s). As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) Each of the Fiscal Agent, with respect to the Representation Documents, and Initial Funding Lender, with respect to this Funding Loan Agreement, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of the

applicable agreement(s). As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

(d) Each of the Fiscal Agent, with respect to the Representation Documents, and Initial Funding Lender, with respect to this Funding Loan Agreement, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of the applicable agreement(s). As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

Each of the Fiscal Agent and Initial Funding Lender represents and verifies that it is aware of the Texas Office of the Attorney General’s (the “Texas Attorney General”) All Bond Counsel Letter, dated November 1, 2023, that is available on the website of the Texas Attorney General using the following link: (<https://www.texasattorneygeneral.gov/sites/default/files/files/divisions/public-finance/ABCLetter-11-01-2023.pdf>) and the Texas Attorney General’s supplemental All Bond Counsel Letter, dated November 16, 2023, that is available on the website of the Texas Attorney General using the following link: (<https://texasattorneygeneral.gov/sites/default/files/files/divisions/public-finance/ABCLetter-11-06-2023.pdf>). Each of the Fiscal Agent and Initial Funding Lender represents and verifies that it has (i) on file a standing letter (“Standing Letter”) acceptable to the Texas Attorney General addressing the representations and verifications in this Section 5.09(a) through (d), and (ii) will, upon request of the Governmental Lender or Bond Counsel on behalf of the Governmental Lender, provide the Governmental Lender and Bond Counsel with a copy of its Standing Letter. Each of the Fiscal Agent and Initial Funding Lender further represents and verifies that its Standing Letter remains in effect as of the date of this Funding Loan Agreement and that the Texas Attorney General has not notified the Fiscal Agent or Initial Funding Lender, as applicable, that a determination has been made that the Fiscal Agent or Initial Funding Lender, as applicable, boycotts energy companies or has a policy that discriminates against firearm entities or firearm trade associations under the laws of the State of Texas. Upon request of the Governmental Lender or Bond Counsel on the Governmental Lender’s behalf, the Fiscal Agent or Initial Funding Lender, as applicable, shall provide additional written certifications to the Governmental Lender and Bond Counsel (which may be by email) to the effect that the Texas Attorney General may continue to rely on the Standing Letter and the statutory representations and covenants contained in this Funding Loan Agreement through the Delivery Date (the “Bringdown Verification”). The Governmental Lender reserves the right, and the Fiscal Agent and Initial Funding Lender hereby expressly authorizes the Governmental Lender, to provide such Bringdown Verifications to the Texas Attorney General.

ARTICLE VI

DEFAULT PROVISIONS AND REMEDIES OF FISCAL AGENT AND FUNDING LENDER

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

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

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

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

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

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

The Funding Lender agrees to accept performance on the part of the Equity Investor or affiliate within the same cure period expressly provided to the Borrower herein, if any, as though the same had been performed by the Borrower under any of the Project Loan Documents.

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

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

Upon the occurrence and during the continuance of an Event of Default, Fiscal Agent in its own name and as trustee of an express trust, on behalf and for the benefit and protection of Funding Lender, may also proceed to protect and enforce any rights of Fiscal Agent and, to the full extent that Funding Lender itself might do, the rights of Funding Lender under the laws of the Property Jurisdiction or under this Funding Loan Agreement by such of the following remedies as Fiscal Agent shall deem most effectual to protect and enforce such rights; *provided* that, Fiscal Agent may undertake any such remedy only upon the receipt of the prior written consent of Funding Lender Representative (which consent may be given in the sole discretion of Funding Lender Representative):

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

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

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

(d) By action or suit in equity enjoin any acts or things that may be unlawful or in violation of the rights of Funding Lender and execute any other papers and documents and do and perform any and all such acts and things as may be necessary or advisable in the opinion of Fiscal Agent in order to have the claim of Funding Lender against Governmental Lender allowed in any bankruptcy or other proceeding. Upon occurrence and during the continuance of an Event of Default hereof, Borrower and Equity Investor shall have the same rights to notice and cure as those conferred on Governmental Lender.

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

Section 6.03. Funding Lender Representative Control of Proceedings.

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

Section 6.04. Waiver by Governmental Lender. Upon the occurrence of an Event of Default, to the extent that such right may then lawfully be waived, neither Governmental Lender nor anyone claiming through or under it shall set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or prepayment laws now or hereinafter in force, in order to prevent or hinder the enforcement of this Funding Loan Agreement. Governmental Lender, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws and all right of appraisal and prepayment to which it may be entitled under the laws of the Property Jurisdiction and the United States of America.

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

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

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

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

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

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

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

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

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

Section 6.07. Fiscal Agent May Enforce Rights Without Governmental Note. All rights of action and claims, including the right to file proof of claims, under this Funding Loan Agreement may be prosecuted and enforced by Fiscal Agent at the written direction of Funding Lender Representative without the possession of the Governmental Note or the production thereof in any trial or other proceedings relating thereto. Subject to the rights of Funding Lender Representative to direct proceedings hereunder, any such suit or proceeding instituted by Fiscal Agent shall be brought in its name as Fiscal Agent without the necessity of joining as plaintiffs or defendants any Funding Lender, and any recovery or judgment shall be for the benefit as provided herein of Funding Lender.

Section 6.08. Termination of Proceedings. In case Fiscal Agent (at the direction of Funding Lender Representative) or Funding Lender Representative shall have proceeded to enforce any right under this Funding Loan Agreement by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case Governmental Lender, Fiscal Agent, Funding Lender Representative, Borrower and Funding Lender shall be restored to their

former positions and rights hereunder with respect to the Pledged Security herein conveyed, and all rights, remedies and powers of Fiscal Agent and Funding Lender Representative shall continue as if no such proceedings had been taken.

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

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

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

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

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

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

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

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

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

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

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

Section 6.12. Substitution. Upon receipt of written notice from Funding Lender Representative and the approval of Governmental Lender as and to the extent permitted under the TEL Regulatory Agreement, Fiscal Agent shall exchange the Project Note and the Security Instrument for a new Project Note and Security Instrument, evidencing and securing a new loan (the “**New Project Loan**”), which may be executed by a Person other than Borrower (the “**New Borrower**”), *provided* that if Fiscal Agent, Funding Lender or a nominee of Fiscal Agent or Funding Lender has acquired the Project through foreclosure, by accepting a deed in lieu of foreclosure or by comparable conversion of the Project, no approval from Governmental Lender of such exchange shall be required. Prior to accepting a New Project Loan, Fiscal Agent shall have received (i) written evidence that the New Borrower shall have executed and recorded a document substantially in the form of the TEL Regulatory Agreement (or executed and recorded an assumption of all of Borrower’s obligations under the TEL Regulatory Agreement) and that the Project Loan Documents have been modified as necessary to be applicable to the New Project Loan, and (ii) a Favorable Opinion of Bond Counsel with respect to such exchange and modification.

ARTICLE VII

CONCERNING FISCAL AGENT

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

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

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

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

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

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

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

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

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

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

(a) Fiscal Agent may rely upon the authenticity or truth of the statements and the correctness of the opinions expressed in, and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, notarial seal, stamp, acknowledgment, verification, request, consent, order, bond, or other paper or document in good faith deemed by it to be genuine and correct and to have been signed or sent by the proper party or parties, including any Electronic Instruction and Notice as permitted hereunder or under the Project Loan Agreement.

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

(c) Any notice, request, certificate, statement, requisition, direction, election, order or demand of Borrower mentioned herein shall be sufficiently evidenced by an

instrument purporting to be signed in the name of Borrower by any Authorized Officer of Borrower (unless other evidence in respect thereof be herein specifically prescribed), and any resolution or certification of Borrower may be evidenced to Fiscal Agent by a copy of such resolution duly certified by a secretary or other authorized representative of Borrower.

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

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

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

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

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

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

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

Funding Loan Agreement, or of the Governmental Note issued hereunder, and Fiscal Agent shall incur no liability or responsibility in respect of any of such matters.

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

(j) Fiscal Agent shall not be required to ascertain or inquire as to the performance or observance of any of the covenants or agreements (except to the extent they obligate Fiscal Agent) herein or in any contracts or securities assigned or conveyed to or pledged with Fiscal Agent hereunder, except Events of Default that are evident under Section 6.01(a) hereof. Fiscal Agent shall not be required to take notice or be deemed to have notice or actual knowledge of any default or Event of Default specified in Section 6.01 hereof (except defaults under Section 6.01(a) hereof to the extent they are collecting loan payments hereunder) unless Fiscal Agent shall receive from Governmental Lender or Funding Lender Representative written notice stating that a default or Event of Default has occurred and specifying the same, and in the absence of such notice Fiscal Agent may conclusively assume that there is no such default. Every provision contained in this Funding Loan Agreement or related instruments or in any such contract or security wherein the duty of Fiscal Agent depends on the occurrence and continuance of such default shall be subject to the provisions of this Section 7.02(j).

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

(l) Fiscal Agent shall be under no obligation to exercise those rights or powers vested in it by this Funding Loan Agreement, other than such rights and powers which it shall be obliged to exercise in the ordinary course of acting as Fiscal Agent under the terms and provisions of this Funding Loan Agreement and as required by law, at the request or direction of Funding Lender Representative pursuant to Section 6.03 hereof, unless Funding Lender Representative shall have offered to Fiscal Agent security or indemnity satisfactory to Fiscal Agent against the costs, expenses and liabilities which might be incurred by it in the compliance with such request or direction.

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

Fiscal Agent is authorized and directed to execute in its capacity as Fiscal Agent, the Project Loan Agreement, the Tax Exemption Agreement and the TEL Regulatory Agreement and shall have no responsibility or liability with respect to any information, statement or recital in any offering

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

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

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

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

Notwithstanding anything contained herein or in the Security Instrument to the contrary, upon the occurrence and continuance of an Event of Default, before taking any foreclosure action or any action which may subject Fiscal Agent to liability under any environmental law, statute, regulation or similar requirement relating to the environment, Fiscal Agent may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such foreclosure or other action. Fiscal Agent shall not be required to take any action to foreclose or otherwise enforce the Security Instrument unless indemnified to its satisfaction and will not be required to foreclose if doing so will subject it to environmental liability or will require the approval of a governmental regulator that cannot be obtained.

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

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

Section 7.05. Compensation of Fiscal Agent. Fiscal Agent shall be entitled to its Fiscal Agent's Ordinary Fees and Expenses in connection with the services rendered by it in the execution of the trusts hereby created and in the exercise and performance of any of the powers and duties of Fiscal Agent hereunder or under any Financing Document to the extent money is available therefor, in accordance with Section 4.06 hereof, exclusive of Extraordinary Services. Fiscal Agent shall be entitled to Fiscal Agent's Extraordinary Fees and Expenses in connection with any

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

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

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

Section 7.08. Resignation by Fiscal Agent. Fiscal Agent may at any time resign from the trusts hereby created by giving sixty (60) days written notice to Governmental Lender, Borrower, Loan Servicer and Funding Lender Representative. Such notice to Governmental Lender, Borrower, Loan Servicer and Funding Lender Representative may be served personally or sent by certified mail or overnight delivery service. The resignation of Fiscal Agent shall not be effective until a successor Fiscal Agent has been appointed as provided herein and such successor Fiscal Agent shall have agreed in writing to be bound by the duties and obligations of Fiscal Agent hereunder; *provided, however*, that after giving notice of resignation, Fiscal Agent may petition any court of competent jurisdiction for appointment of a temporary Fiscal Agent until a successor Fiscal Agent is appointed. The rights of Fiscal Agent to indemnity, compensation and reimbursement of fees and expenses shall survive Fiscal Agent's resignation as set forth herein and in Section 6.01(d) of the Project Loan Agreement.

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

Section 7.10. Appointment of Successor Fiscal Agent.

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

(b) If, in a proper case, no appointment of a successor Fiscal Agent shall be made pursuant to subsection (a) of this Section 7.10 within sixty (60) days following delivery of all required notices of resignation given pursuant to Section 7.08 hereof or of removal of Fiscal Agent pursuant to Section 7.09 hereof, the retiring Fiscal Agent may, at

the expense of the Borrower, apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. The court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Fiscal Agent.

Section 7.11. Concerning Any Successor Fiscal Agent. Every successor Fiscal Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to Governmental Lender a written instrument accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the Pledged Security and the rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of Governmental Lender, Borrower or Funding Lender Representative, or of its successor, and upon payment of all amounts due such predecessor, including but not limited to fees and expenses of counsel, execute and deliver such instruments as may be appropriate to transfer to such successor Fiscal Agent all the Pledged Security and the rights, powers and trusts of such predecessor hereunder; and every predecessor Fiscal Agent shall deliver all securities and money held by it as Fiscal Agent hereunder to its successor. Should any instrument in writing from Governmental Lender be required by a successor Fiscal Agent for more fully and certainly vesting in such successor the Pledged Security and all rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by Governmental Lender. The resignation of any Fiscal Agent and the instrument or instruments removing any Fiscal Agent and appointing a successor hereunder, together with all other instruments provided for in this Article VII, shall be filed and/or recorded by the successor Fiscal Agent in each recording office where this Funding Loan Agreement shall have been filed and/or recorded. Each successor Fiscal Agent shall mail notice by first class mail, postage prepaid, at least once within thirty (30) days of such appointment, to Funding Lender.

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

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

In the event that Fiscal Agent appoints an additional individual or institution as a co-fiscal agent or separate fiscal agent, in the event of the incapacity or lack of authority of Fiscal Agent,

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

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

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

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

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

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

for the taking or the refraining from taking of such action by such co-fiscal agent or separate fiscal agent.

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

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

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

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

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

The total compensation of Fiscal Agent and any co-fiscal agent or separate fiscal agent shall be as, and may not exceed the amount, provided in Section 7.05 hereof.

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

Section 7.15. Filing of Financing Statements. Fiscal Agent shall, at the expense of Borrower, file or record or cause to be filed or recorded all continuation statements for financing statements that have been delivered to Fiscal Agent on which Fiscal Agent is named as a secured party or additional secured party for the purpose of continuing without lapse the effectiveness of those financing statements which have been filed on or approximately on the Delivery Date in connection with the security for the Funding Loan pursuant to the authority of the Uniform Commercial Code. Upon the filing of any such continuation statement Fiscal Agent shall immediately notify Governmental Lender, Borrower, Funding Lender Representative and Loan Servicer that the same has been done. If direction is given by Loan Servicer or Funding Lender

Representative, Fiscal Agent shall file all continuation statements in accordance with such directions.

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

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

ARTICLE VIII

AMENDMENTS OF CERTAIN DOCUMENTS.

Section 8.01. Amendments to Funding Loan Agreement. Any of the terms of this Funding Loan Agreement and the Governmental Note may be amended or waived only by an instrument signed by Fiscal Agent and Governmental Lender, and with the prior written consent of Funding Lender Representative and, prior to the Conversion Date, Permanent Funding Lender. All fees, costs and expenses (including attorneys' fees, costs and expenses) incurred in connection with any amendment, modification or supplement shall be payable by the Borrower.

Section 8.02. Amendments to Financing Documents Require Consent of Funding Lender Representative and Permanent Funding Lender. Neither Governmental Lender nor Fiscal Agent shall consent to any amendment, change or modification of any Financing Document without the prior written consent of Funding Lender Representative and, prior to Conversion Date, Permanent Funding Lender. Fiscal Agent shall enter into such amendments to the Financing Documents as shall be directed by Funding Lender Representative, including entering into the amendments attached as exhibits to the Forward Loan Purchase Agreement on the Conversion Date.

Section 8.03. Required Consents and Opinions. No amendment to this Funding Loan Agreement, the Governmental Note, the Project Loan Agreement, the Project Note, the Security Instrument or the TEL Regulatory Agreement or the Tax Exemption Agreement shall become effective unless and until all of the following have occurred; provided such requirements shall not

apply in connection with execution of the amendments attached as exhibits to the Forward Loan Purchase Agreement on the Conversion Date:

(a) Funding Lender Representative, and prior to the Conversion Date, Permanent Funding Lender, shall have consented to the same in writing in its sole discretion.

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

(i) A Favorable Opinion of Bond Counsel with respect to such amendment, change or modification;

(ii) An opinion or opinions of counsel acceptable to Governmental Lender and Funding Lender Representative to the effect that any such proposed amendment, change or modification is authorized and complies with the provisions of this Funding Loan Agreement; and

(iii) An opinion or opinions of counsel of each of the parties to any such proposed amendment, change or modification acceptable to Governmental Lender and Funding Lender Representative to the effect that such proposed amendment, change or modification is a legal, valid and binding obligation of such party, subject to normal exceptions relating to bankruptcy, insolvency and equitable principles limitations.

ARTICLE IX

SATISFACTION AND DISCHARGE OF FUNDING LOAN AGREEMENT

Section 9.01. Discharge of Lien.

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

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

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

(B) After the Conversion Date and prior to the Window Period (or, if the Conversion Date does not occur, after the latest date on which Conversion was permitted to occur under the Forward Loan Purchase Agreement), by the deposit to the account of Fiscal Agent, in trust, of money

or securities in the necessary amount to pay the principal, Prepayment Premium and interest to the Maturity Date; or

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

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

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

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

(b) Upon satisfaction of each of the requirements of Section 9.01(a), Fiscal Agent shall cancel and discharge the lien of this Funding Loan Agreement and execute and deliver to Governmental Lender such instruments in writing as shall be requisite to satisfy the lien hereof, and reconvey to Governmental Lender the estate hereby conveyed, and assign and deliver to Governmental Lender any interest in property at the time subject to the lien of this Funding Loan Agreement which may then be in its possession, except amounts held by Fiscal Agent for the payment of principal of, interest and Prepayment Premium, if any, on the Governmental Note, and the payment of any amounts owed to the United States of America pursuant to Section 4.10 hereof.

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

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

(ii) Fiscal Agent and Governmental Lender shall have received a verification report of a firm of certified public accountants or financial analyst reasonably acceptable to Funding Lender Representative as to the adequacy of the

amounts or securities so deposited to fully pay the Funding Loan and the Governmental Note;

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

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

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

(iv) Fiscal Agent, Governmental Lender and Funding Lender Representative shall have received (A) an opinion of counsel (which may be Bond Counsel) to the effect that the defeasance of the Governmental Note is in accordance with the provisions of this Funding Loan Agreement, and (B) a Favorable Opinion of Bond Counsel with respect to such defeasance.

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

Section 9.02. Discharge of Liability on Funding Loan. Upon the deposit with Fiscal Agent, in trust, on or before the Maturity Date, of money or securities in the necessary amount (as provided in Section 9.01 above) to pay or prepay the Funding Loan (whether upon or prior to the Maturity Date or the prepayment date of the Funding Loan) *provided* that, if the Funding Loan is to be prepaid prior to the maturity thereof, notice of such prepayment shall have been given as provided in Article III or provision satisfactory to Fiscal Agent shall have been made for the giving of such notice, all liability of Governmental Lender in respect of the Funding Loan shall cease, terminate and be completely discharged, except only that thereafter Funding Lender shall be entitled to payment by Governmental Lender, and Governmental Lender shall remain liable for such payment, but only out of the money or securities deposited with Fiscal Agent as aforesaid for their payment, subject, however, to the provisions of Section 9.03 hereof.

Section 9.03. Payment of Funding Loan After Discharge of Funding Loan Agreement. Notwithstanding any provisions of this Funding Loan Agreement, and subject to applicable unclaimed property laws of the Property Jurisdiction, any money deposited with Fiscal Agent or any paying agent in trust for the payment of the principal of, interest or Prepayment Premium on the Governmental Note remaining unclaimed for three (3) years after the maturity or earlier payment date shall be reported and disposed of by Fiscal Agent in accordance with applicable unclaimed property laws of the Property Jurisdiction, whereupon all liability of Governmental Lender and Fiscal Agent with respect to such money shall cease, and Funding

Lender shall thereafter look solely to Borrower for payment of any amounts then due. All money held by Fiscal Agent and subject to this Section 9.03 shall be held uninvested and without liability for interest thereon.

ARTICLE X

MISCELLANEOUS

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

Section 10.02. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or to be implied from this Funding Loan Agreement or the Governmental Note is intended or shall be construed to give to any Person other than the Parties hereto, Funding Lender, Funding Lender Representative, Loan Servicer and Borrower, any legal or equitable right, remedy or claim under or in respect to this Funding Loan Agreement or any covenants, conditions and provisions hereof.

Section 10.03. Construction of Conflicts; Severability.

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

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

Section 10.04. Notices.

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

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

If to Governmental Lender: Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, Texas 78711
Attention: Director of Multifamily Bonds
Email: teresa.morales@tdhca.texas.gov

If to Fiscal Agent: Zions Bancorporation, National Association
1801 Main St., Suite 460
Houston, Texas 77002
Attention: Corporate Trust
Email: alyssa.surface@amegybank.com

If to Borrower: Waters at Waterchase, LP
c/o AHF-Waters at Waterchase, LLC
c/o Atlantic Housing Foundation, Inc.
4770 Iberia Ave, Suite 100
Dallas, TX 75207
Attn: Michael N. Nguyen
Phone: 469-206-8903
Facsimile: 469-206-8999
E-mail: owner@atlantichousing.org

with a copy to: Coats Rose, P.C.
201 East Fifth Street, Suite 1810
Cincinnati, Ohio 45202
Attention: Ronald A. Bell, Esq.
Telephone: (513) 830-0266
Facsimile: (513) 672-0495
E-mail: rbell@coatsrose.com

(which copy shall not constitute notice to Borrower)

If to the Equity Investor: Wincopin Circle LLLP
c/o Enterprise Community Asset Management, Inc.
11000 Broken Land Parkway, Suite 700
Columbia, Maryland 21044
Attention: Asset Management
Email: legal@enterprisecommunity.com

with a copy to: Jones Walker LLP
420 20th Street North, Suite 1100
Birmingham, Alabama 35203
Attention: Kelly B. Lewis and Brandon D. Hughey
Email: bhughey@joneswalker.com

(which copy shall not constitute notice to
Equity Investor)

If to Funding Lender
Representative or Loan
Servicer (during the
Construction Phase): Fifth Third Bank, N.A., successor by merger to Comerica
Bank
100 NE 3rd Avenue, 9th Floor
Fort Lauderdale, FL 33301
Attention: Andrew A. Wong
Email: aawong@comerica.com
Telephone: 954-295-7803

with a copy to: Greenberg Traurig
1000 Louisiana Street, Suite 6700
Houston, TX 77002
Attention: Wayne Yaffee
Email: wayne.yaffee@gtlaw.com
Telephone: 713-374-3655

If to Funding Lender:
Representative or Loan
Servicer (after the
Conversion Date): Barings Affordable Housing Mortgage Fund III LLC
c/o Barings
300 S. Tryon Street, Suite 2500
Charlotte NC 28202
Attention: Legal Department, Real Estate Finance
Loan No.: [_____]

With a copy to: NewPoint Real Estate Capital LLC
5800 Tennyson Parkway, Suite 200

Plano, TX 75024
Attention: Loan Administration
Loan No.: [_____]

With a copy to:

Kutak Rock LLP
1650 Farnam Street
Omaha, NE 68102
Attention: Brian C. Eades, Esq.
E-mail: brian.eades@kutakrock.com

If to Fee Owner:

AHF-Waterchase, LLC
c/o Atlantic Housing Foundation, Inc.
4770 Iberia Ave, Suite 100
Dallas, TX 75207
Attn: Michael N. Nguyen
Phone: 469-206-8903
Facsimile: 469-206-8999
E-mail: owner@atlantichousing.org

with a copy to:

Coats Rose, P.C.
201 East Fifth Street, Suite 1810
Cincinnati, Ohio 45202
Attention: Ronald A. Bell, Esq.
Telephone: (513) 830-0266
Facsimile: (513) 672-0495
E-mail: rbell@coatsrose.com

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

A duplicate copy of each notice or other communication given hereunder by any party to Borrower shall also be given to Equity Investor.

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

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

Section 10.05. Funding Lender Representative.

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

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

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

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

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

Section 10.07. Counterparts. This Funding Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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

Section 10.09. No Recourse. All covenants, obligations and agreements of the Governmental Lender contained in this Funding Loan Agreement and the Governmental Note shall be effective to the extent authorized and permitted by applicable law. No such covenant, obligation or agreement shall be deemed to be a covenant, obligation or agreement of any present or future official, director, officer, employee, agent or attorney of the Governmental Lender in other than his official capacity, and no official executing this Funding Loan Agreement and the Governmental Note shall be liable personally on the Funding Loan or the Governmental Note or be subject to any personal liability or accountability by reason of the execution thereof or by reason of the covenants, obligations or agreements of the Governmental Lender contained in this Funding Loan Agreement or in the Governmental Note. No provision, covenant or agreement contained in this Funding Loan Agreement or the Governmental Note, or any obligation herein or therein imposed upon the Governmental Lender, or the breach thereof, shall constitute or give rise to or impose upon the Governmental Lender a pecuniary liability or a charge. No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the Governmental Lender contained in this Funding Loan Agreement or in the Governmental Note or for any claim based hereon or otherwise in respect hereof or upon any obligation, covenant, promise, or agreement of the Governmental Lender contained in any agreement, instrument, or certificate executed in connection with the Project or the issuance of the Governmental Note or the incurrence of the Funding Loan, against any member of the governing board of the Governmental Lender, its officers, counsel, financial advisor, employees or agents, as such, in his or her individual capacity, past, present, or future, or of any successor thereto, whether by virtue of any Constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that no personal liability whatsoever shall attach to, or be incurred by, any member of the governing board, officers, counsel, financial advisors, employees or agents, as such, in his or her individual capacity, past, present, or future, of the Governmental Lender or of any successor thereto, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into between the Governmental Lender and the Fiscal Agent, the Funding Lender or the Borrower to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such director, officer, counsel, financial advisor, employee or agent, is, by the execution of the Governmental Note and this Funding Loan Agreement, and as a condition of, and as part of the consideration for, the execution of the Governmental Note, this Funding Loan Agreement and any other document or instrument in connection with the Funding Loan, expressly waived and released.

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

[Signature Pages Follow]

IN WITNESS WHEREOF, Governmental Lender, the Initial Funding Lender and Fiscal Agent have caused this Funding Loan Agreement to be executed and delivered by duly authorized officers thereof as of the day and year first written above.

GOVERNMENTAL LENDER:

**TEXAS DEPARTMENT OF HOUSING
AND COMMUNITY AFFAIRS,**

By: _____

James B. "Beau" Eccles
Secretary to the Board

SIGNATURES CONTINUE ON FOLLOWING PAGE

**INITIAL FUNDING LENDER:
FIFTH THIRD BANK, N.A.**

By: _____
Andrew A. Wong, Senior Vice President

SIGNATURES CONTINUE ON FOLLOWING PAGE

FISCAL AGENT:

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION,**
a national banking association

By: _____
Name: _____
Title: _____

Schedule I

List of Funding Loan Agreement Sections

ARTICLE I DEFINITIONS; INTERPRETATION; SCHEDULE AND EXHIBITS

- Section 1.01 Definitions
- Section 1.02 Interpretation
- Section 1.03 Schedules and Exhibits

ARTICLE II THE FUNDING LOAN

- Section 2.01 Terms
- Section 2.02 Pledged Security
- Section 2.03 Limited Obligations
- Section 2.04 Funding Loan Agreement Constitutes Contract
- Section 2.05 Form and Execution
- Section 2.06 Authentication
- Section 2.07 Mutilated, Lost, Stolen or Destroyed Governmental Note
- Section 2.08 Registration; Transfer of the Governmental Note and Funding Loan;
Transferee Representations Letter
- Section 2.09 Reserved.
- Section 2.10 Funding Loan Closing Conditions; Delivery of Governmental Note
- Section 2.11 Establishment of Project Loan Fund; Application of Funding Loan
Proceeds and Other Money
- Section 2.12 Loan Payments to Fiscal Agent; Loan Servicer Disbursement of Fees
- Section 2.13 Conversion

ARTICLE III PREPAYMENT OF THE FUNDING LOAN

- Section 3.01 Prepayment of the Funding Loan Prior to Maturity; Redemption of the
Governmental Note
- Section 3.02 Notice of Prepayment

ARTICLE IV REVENUES AND FUNDS

- Section 4.01 Pledge of Revenues and Assets; Establishment of Funds
- Section 4.02 Project Loan Fund
- Section 4.03 Application of Revenues
- Section 4.04 Application of Loan Payment Fund
- Section 4.05 Application of Loan Prepayment Fund
- Section 4.06 Administration Fund
- Section 4.07 Investment of Funds
- Section 4.08 Accounting Records
- Section 4.09 Amounts Remaining in Funds
- Section 4.10 Rebate Fund; Compliance with Tax Exemption Agreement
- Section 4.11 Costs of Issuance Fund
- Section 4.12 Reports from Fiscal Agent
- Section 4.13 Replacement Reserve Fund

Section 4.14 Tax Escrow Fund

ARTICLE V GENERAL COVENANTS AND REPRESENTATIONS

Section 5.01 Payment of Principal and Interest
Section 5.02 Performance of Covenants
Section 5.03 Instruments of Further Assurance
Section 5.04 Inspection of Project Books
Section 5.05 No Modification of Security; Additional Indebtedness
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ARTICLE VI DEFAULT PROVISIONS AND REMEDIES OF FISCAL AGENT AND FUNDING LENDER

Section 6.01 Events of Default
Section 6.02 Acceleration; Other Remedies Upon Event of Default
Section 6.03 Funding Lender Representative Control of Proceedings
Section 6.04 Waiver by Governmental Lender
Section 6.05 Application of Money After Default
Section 6.06 Remedies Not Exclusive
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Section 6.08 Termination of Proceedings
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Section 6.11 Assignment of Project Loan; Remedies Under the Project Loan
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ARTICLE VII CONCERNING FISCAL AGENT

Section 7.01 Standard of Care
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Section 7.04 Trust Imposed
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Section 7.06 Qualifications of Fiscal Agent
Section 7.07 Merger of Fiscal Agent
Section 7.08 Resignation by Fiscal Agent
Section 7.09 Removal of Fiscal Agent
Section 7.10 Appointment of Successor Fiscal Agent
Section 7.11 Concerning Any Successor Fiscal Agent
Section 7.12 Successor Fiscal Agent
Section 7.13 Appointment of Co-Fiscal Agent or Separate Fiscal Agent
Section 7.14 Notice of Certain Events
Section 7.15 Filing of Financing Statements
Section 7.16 USA Patriot Act Requirements of Fiscal Agent

ARTICLE VIII AMENDMENTS OF CERTAIN DOCUMENTS

- Section 8.01 Amendments to Funding Loan Agreement
- Section 8.02 Amendments to Financing Documents Require Consent of Funding Lender Representative
- Section 8.03 Required Consents and Opinions

ARTICLE IX SATISFACTION AND DISCHARGE OF FUNDING LOAN AGREEMENT

- Section 9.01 Discharge of Lien
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- Section 9.03 Payment of Funding Loan After Discharge of Funding Loan Agreement

ARTICLE X MISCELLANEOUS

- Section 10.01 Servicing of the Loans
- Section 10.02 Limitation of Rights
- Section 10.03 Construction of Conflicts; Severability
- Section 10.04 Notices
- Section 10.05 Funding Lender Representative
- Section 10.06 Payments Due on Non-Business Days
- Section 10.07 Counterparts
- Section 10.08 Laws Governing This Funding Loan Agreement
- Section 10.09 No Recourse
- Section 10.10 Successors and Assigns

EXHIBIT A

FORM OF GOVERNMENTAL NOTE

THE STATE OF TEXAS IS NOT OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THIS MULTIFAMILY HOUSING GOVERNMENTAL NOTE. THE FAITH, CREDIT OR TAXING POWER OF THE STATE OF TEXAS IS NOT PLEDGED, GIVEN OR LOANED TO PAYMENT OF THIS MULTIFAMILY NOTE'S PRINCIPAL OR INTEREST.

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

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MULTIFAMILY HOUSING REVENUE NOTE
(WATERS AT WATERCHASE)
SERIES 2026

US \$ _____

Dated Date: [June] 1, 2026

No. [R][I]-__

FOR VALUE RECEIVED, the undersigned, TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (the "**Obligor**"), promises to pay (but solely from the sources and in the manner provided for in the Funding Loan Agreement referenced below) to the order of _____ (the "**Funding Lender**"), and its assigns, the principal sum of [EIGHTEEN MILLION DOLLARS (\$18,000,000)], plus Prepayment Premium, if any, and interest thereon and to pay the other amounts owing from time to time hereunder, all as set forth below.

This Texas Department of Housing and Community Affairs Multifamily Housing Revenue Note (Waters at Waterchase) Series 2026 (this "**Governmental Note**") is being delivered pursuant to that certain Funding Loan Agreement dated as of [June] 1, 2026 (together with any and all amendments, modifications, supplements and restatements, the "**Funding Loan Agreement**"), among Funding Lender, the Obligor and Zions Bancorporation, National Association (the "**Fiscal Agent**"), pursuant to which the Obligor has incurred a loan in the original principal amount of \$[18,000,000] (the "**Funding Loan**"), and this Governmental Note is entitled to the benefits of the Funding Loan Agreement and is subject to the terms, conditions and provisions thereof. The Obligor is using the proceeds of the Funding Loan to make a loan to Waters at Waterchase, LP, a Texas limited partnership (the "**Borrower**"), pursuant to the Project Loan Agreement dated as of [June] 1, 2026 (the "**Project Loan Agreement**"), among the Obligor, Borrower, and Fiscal Agent.

1. **Defined Terms.** As used in this Governmental Note, (i) the term "Funding Lender" means the holder of this Governmental Note, and (ii) the term "Indebtedness" means the principal

of, Prepayment Premium, if any, and interest on or any other amounts due at any time under this Governmental Note or the Funding Loan Agreement. “Event of Default” and other capitalized terms used but not defined in this Governmental Note shall have the meanings given to such term in the Funding Loan Agreement.

2. **Payments of Principal and Interest.** The Obligor shall pay (but solely from the sources and in the manner provided for in the Funding Loan Agreement) (i) on the first Business Day of each month commencing [_____] 1, 2026, interest on this Governmental Note at the Construction Phase Interest Rate during the Construction Phase and (ii) on the fifth calendar day of each month commencing the first full calendar month after the Conversion Date, interest on the outstanding principal balance of this Governmental Note at the Permanent Phase Interest Rate during the Permanent Phase, and shall also pay interest on this Governmental Note at the foregoing rates on the date of any optional or mandatory prepayment or acceleration of all or part of the Funding Loan pursuant to the Funding Loan Agreement, in an amount equal to the accrued and unpaid interest to the date of prepayment on the portion of this Governmental Note subject to prepayment. Interest on this Governmental Note shall be computed on the basis of (i) during the Construction Phase, a 360-day year and shall be assessed for the actual days elapsed, and (ii) during the Permanent Phase, a 360-day year and twelve (12) months of thirty (30) days each.

The Obligor shall pay (but solely from the sources and in the manner provided for in the Funding Loan Agreement) the outstanding principal of this Governmental Note in full on [MATURITY DATE] (the “**Maturity Date**”) and in monthly installments on each date set forth on the Funding Loan Amortization Schedule attached as Schedule 1 hereto in an amount equal to the corresponding amounts set forth thereon (as such Schedule 1 may be replaced by a new Funding Loan Amortization Schedule provided by Permanent Funding Lender on the Conversion Date as provided in Section 2.01(e) of the Funding Loan Agreement), or at such earlier times and in such amounts as may be required, in the event of an optional or mandatory prepayment or acceleration of the Funding Loan pursuant to the Funding Loan Agreement. The outstanding principal hereof is subject to acceleration at the time or times and under the terms and conditions, and with notice, if any, as provided under the Funding Loan Agreement.

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

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

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

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

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

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

9. **Waivers.** Presentment, demand, notice of dishonor, protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for payment, notice of nonpayment, grace and diligence in collecting the Indebtedness are waived by the Obligor and all endorsers and guarantors of this Governmental Note and all other third-party obligors.

10. **Loan Charges.** Neither this Governmental Note nor any of the other Financing Documents will be construed to create a contract for the use, forbearance, or detention of money requiring payment of interest at a rate greater than the rate of interest which results in the maximum amount of interest allowed by applicable law, pursuant to Chapter 1204 of the Texas Government Code (the "**Maximum Interest Rate**"). If any applicable law limiting the amount of interest or other charges permitted to be collected from Obligor in connection with the Funding Loan is interpreted so that any interest or other charge provided for in any Financing Document, whether considered separately or together with other charges provided for in any other Financing Document, violates that law, and Obligor is entitled to the benefit of that law, that interest or charge is hereby reduced to the extent necessary to eliminate that violation. The amounts, if any, previously paid to Funding Lender in excess of the permitted amounts will be applied by Funding Lender to reduce the unpaid principal balance of this Governmental Note. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Obligor has been violated, all indebtedness that constitutes interest, as well as all other charges made in connection with the indebtedness that constitute interest, will be deemed to be allocated and spread ratably over the stated term of this Governmental Note. Unless otherwise required by applicable law, such allocation and spreading will be effected in such a manner that the rate of interest so computed is uniform throughout the stated term of this Governmental Note.

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

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

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

14. **Default Rate.** So long as (a) any monthly installment under this Governmental Note remains past due, or (b) any other Event of Default has occurred and is continuing, interest under this Governmental Note shall accrue on the unpaid principal balance from the earlier of the due date of the first unpaid monthly installment or the occurrence of such other Event of Default, as applicable, at a rate (the “**Default Rate**”) equal to (I) during the Construction Phase, the lower of (a) three percent (3%) per annum plus the Construction Phase Interest Rate otherwise in effect notwithstanding the default or (b) the Maximum Interest Rate; or (II) during the Permanent Phase, the lower of (a) four percent (4%) per annum plus the greater of (i) the Permanent Phase Interest Rate otherwise in effect notwithstanding the default or (ii) the Federal Funds Rate, or (b) the Maximum Interest Rate. If the unpaid principal balance and all accrued interest are not paid in full on the Maturity Date or on the date of any mandatory prepayment or acceleration, the unpaid principal balance and all accrued interest shall bear interest from the Maturity Date or such other date at the lesser of the Default Rate or the Maximum Interest Rate.

15. **Limited Obligation.** **NOTWITHSTANDING ANY OTHER PROVISION OF THIS GOVERNMENTAL NOTE TO THE CONTRARY, ANY OBLIGATION THAT THE OBLIGOR MAY INCUR UNDER THE FUNDING LOAN AGREEMENT OR UNDER ANY INSTRUMENT EXECUTED IN CONNECTION HERewith THAT SHALL ENTAIL THE EXPENDITURE OF MONEY SHALL NOT BE A GENERAL OBLIGATION OF THE OBLIGOR, BUT SHALL BE A SPECIAL, LIMITED OBLIGATION PAYABLE SOLELY FROM THE PLEDGED SECURITY. THIS GOVERNMENTAL NOTE SHALL CONSTITUTE A VALID CLAIM OF THE HOLDER THEREOF AGAINST THE PLEDGED SECURITY, WHICH IS PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF, PREPAYMENT PREMIUM, IF ANY, AND INTEREST ON THE GOVERNMENTAL NOTE AND WHICH SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THE FUNDING LOAN AGREEMENT. THIS GOVERNMENTAL NOTE, TOGETHER WITH INTEREST THEREON, SHALL BE A LIMITED OBLIGATION OF THE OBLIGOR GIVING RISE TO NO CHARGE AGAINST THE OBLIGOR’S GENERAL CREDIT AND PAYABLE SOLELY FROM, AND CONSTITUTE CLAIMS OF THE HOLDERS THEREOF AGAINST ONLY, THE PLEDGED SECURITY. THE PRINCIPAL OF, PREPAYMENT PREMIUM, IF ANY AND INTEREST ON THIS GOVERNMENTAL NOTE SHALL NOT BE DEEMED TO CONSTITUTE DEBT OF THE OBLIGOR (EXCEPT TO THE EXTENT OF THE PLEDGED SECURITY). THIS GOVERNMENTAL NOTE IS NOT AND DOES NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE OF TEXAS (THE “STATE”), OR ANY POLITICAL SUBDIVISION THEREOF, OR CREATE OR CONSTITUTE A**

PLEDGE, GIVING OR LENDING OF THE FAITH, CREDIT, OR TAXING POWER OF THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF, AND EACH OF SUCH ENTITIES IS PROHIBITED BY THE ACT FROM MAKING ANY PAYMENTS WITH RESPECT TO THIS GOVERNMENTAL NOTE. THE OBLIGOR HAS NO TAXING POWER.

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

16. **Funding Loan Agreement Controlling.** The terms of this Note are subject in all respects to the terms of the Funding Loan Agreement. If there is a conflict between the provisions of this Note and the Funding Loan Agreement, the Funding Loan Agreement shall govern and control.

THIS GOVERNMENTAL NOTE SHALL NOT BE ENTITLED to any benefit under the Funding Loan Agreement or be valid or obligatory for any purpose until the Note shall have been authenticated by the execution by Fiscal Agent of the Certificate of Authentication or the manual or electronic execution by the Comptroller of Public Accounts of the State of Texas of the Registration Certificate of Comptroller of Public Accounts hereon or such form of registration as the Comptroller of Public Accounts of the State of Texas may utilize from time to time.

[Signature page follows]

IN WITNESS WHEREOF, the Obligor has caused this Governmental Note to be duly executed in the name of Governmental Lender under its official seal and by the manual or facsimile signature of its Chair or Vice Chair and attested by the manual or facsimile signature of its Secretary or Assistant Secretary, as of the date shown above.

TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS

(SEAL)

By: _____
[Vice] Chair

ATTEST:

By: _____
[Assistant] Secretary

[FORM OF COMPTROLLER REGISTRATION; FOR INITIAL NOTE ONLY]

**REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS**

OFFICE OF THE COMPTROLLER OF
PUBLIC ACCOUNTS
THE STATE OF TEXAS

§
§
§

REGISTER NO. _____

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

Witness my signature and seal of office this _____.

Comptroller of Public Accounts of the State
of Texas

(SEAL)

[FORM OF CERTIFICATE OF AUTHENTICATION; NOT FOR INITIAL NOTE]

CERTIFICATE OF AUTHENTICATION

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

Date of Authentication: _____

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION**, as Fiscal Agent

By: _____
Authorized Signer

SCHEDULE 1

FUNDING LOAN AMORTIZATION SCHEDULE

[TO BE PROVIDED BY PERM LENDER COUNSEL]

EXHIBIT B

**NOTICE OF APPOINTMENT OF
FUNDING LENDER REPRESENTATIVE**

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Fiscal Agent
1801 Main St., Suite 460
Houston, Texas 77002
Attention: Corporate Trust

WATERS AT WATERCHASE, LP
c/o Atlantic Housing Foundation, Inc.
4770 Iberia Ave, Suite 100
Dallas, TX 75207
Attn: Michael N. Nguyen

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
P.O. Box 13941
Austin, Texas 78711
Attention: Director of Multifamily Bonds

FIFTH THIRD BANK, N.A.
100 NE 3rd Avenue, 9th Floor
Fort Lauderdale, FL 33301
Attention: Andrew A. Wong

BARINGS AFFORDABLE HOUSING MORTGAGE FUND III LLC
300 S. Tryon Street, Suite 2500
Charlotte NC 28202
Attention: Legal Department, Real Estate Finance
Loan No.: [_____]

Re: Waters at Waterchase

Ladies and Gentlemen:

The undersigned is the holder (the “**Funding Lender**”) of the Texas Department of Housing and Community Affairs Multifamily Housing Revenue Note (Waters at Waterchase) Series 2026 dated [June] 1, 2026 (the “**Governmental Note**”) delivered pursuant to the Funding Loan Agreement dated as of [June] 1, 2026 (the “**Funding Loan Agreement**”), among Fifth Third Bank, N.A. (the “**Initial Funding Lender**”), the Texas Department of Housing and Community Affairs (the “**Governmental Lender**”) and Zions Bancorporation, National Association (the “**Fiscal Agent**”). Pursuant to Section 10.05 of the Funding Loan Agreement, you are hereby notified that, effective immediately upon receipt of this notice by Fiscal Agent, Funding Lender Representative appointed under Section 10.05 of the Funding Loan Agreement shall be _____ . The Person previously appointed as Funding Lender

Representative, if any, shall upon the effectiveness of this notice no longer have any further rights or obligations as Funding Lender Representative.

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

Name	Signature
_____	_____
_____	_____
_____	_____
_____	_____

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

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

FUNDING LENDER:

_____, a

By: _____
Name: _____
Title: _____

EXHIBIT C

FORM OF TRANSFEREE REPRESENTATIONS LETTER

[To be prepared on letterhead of transferee]

[Date]

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Fiscal Agent
1801 Main St., Suite 460
Houston, Texas 77002
Attention: Corporate Trust

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
P.O. Box 13941
Austin, Texas 78711
Attention: Director of Multifamily Bonds

Re: Waters at Waterchase

Ladies and Gentlemen:

The undersigned representative of _____ (the “Funding Lender”), the funding lender of the Texas Department of Housing and Community Affairs Multifamily Housing Revenue Note (Waters at Waterchase) Series 2026, dated as of [June 1, 2026] (the “Governmental Funding Lender Note”), does hereby certify, represent and warrant for the benefit of the Texas Department of Housing and Community Affairs (the “Governmental Funding Lender”) and Zions Bancorporation, National Association, as fiscal agent (the “Fiscal Agent”), that the Funding Lender is an “accredited investor” as that term is defined in Rule 501(a)(1), (2), (3), (7) or (8), as amended (an “Accredited Investor”), or a “qualified institutional buyer” as defined in Rule 144A under the Securities Act of 1933, as amended (a “QIB”).

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

(1) The Funding Lender is purchasing the Governmental Funding Lender Note with its own funds (or with funds from accounts over which it has sole investment authority) and not the funds of any other person, and for its own account (or for accounts over which it has sole investment authority) and not as nominee or agent for the account of any other person and not with a view to any distribution thereof, other than the deposit of the Governmental Funding Lender Note in a custodial or trust arrangement each of the beneficial owners of which shall be required to be a QIB.

(2) The Funding Lender has such knowledge and experience in business and financial matters and with respect to the purchase and ownership of multifamily housing revenue bonds, tax-exempt securities and other investment vehicles similar in character to the Governmental Funding Lender Note, so as to enable it to understand and evaluate the risks of such investments and form an investment decision with respect thereto, the Funding Lender has no need for liquidity

in such investment and the Funding Lender is (or any account for which it is purchasing is) able to bear the risk of such investment for an indefinite period and to afford a complete loss thereof.

(3) The Funding Lender acknowledges that it has been provided with, and has had the opportunity to review, the documents relating to the issuance of the Governmental Funding Lender Note by the Governmental Funding Lender. The Funding Lender either has been supplied with or has had access to information, including financial statements, and other financial information, and has had the opportunity to ask questions and receive answers from individuals concerning the Governmental Funding Lender, Waters at Waterchase, LP (the “Borrower”), and its credit standing, the Project Loan Agreement dated as of [June 1, 2026], between the Governmental Funding Lender and the Borrower (the “Project Loan Agreement”), the Funding Loan Agreement dated as of [June 1, 2026], among the Governmental Funding Lender, Fifth Third Bank, N.A., as funding lender and the Fiscal Agent (the “Funding Loan Agreement”), and the Governmental Funding Lender Note so that, as a sophisticated investor, the Funding Lender has been able to make its decision to purchase the Governmental Funding Lender Note.

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

(5) The Funding Lender is a nationally- or state-chartered bank that regularly extends credit to state and local governments by making loans the repayment obligations under which are evidenced by obligations such as the Governmental Funding Lender Note; has knowledge and experience in financial and business matters that make it capable of evaluating the Borrower, the Governmental Funding Lender Note and the risks associated with the extension of credit evidenced by the Governmental Funding Lender Note; and has the ability to bear the economic risk of extending the credit evidenced by the Governmental Funding Lender Notes. The Funding Lender is not acting as a broker, dealer, municipal securities underwriter, municipal advisor or fiduciary in connection with its extension of credit evidenced by the Governmental Funding Lender Notes.

(6) The Funding Lender acknowledges that (a) the Governmental Funding Lender Note (i) have not been registered under the Securities Act of 1933, as amended, (ii) have not been registered or otherwise qualified for sale under the securities laws of any state, and (iii) will not be listed on any securities exchange and (b) there is no established market for the Governmental Funding Lender Notes and that none is likely to develop.

(7) THE FUNDING LENDER UNDERSTANDS THAT:

(i) NEITHER THE STATE OF TEXAS NOR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE OF TEXAS, SHALL BE LIABLE OR OBLIGATED (GENERAL, SPECIALLY, MORALLY OR OTHERWISE) TO PAY THE PRINCIPAL OF THE GOVERNMENTAL FUNDING LENDER NOTE OR THE PREMIUM, IF ANY, OR INTEREST THEREON, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE GOVERNMENTAL FUNDING LENDER NOTE; AND

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

(8) The Funding Lender understands that in connection with any proposed transfer or exchange of the Governmental Funding Lender Note, there must be delivered to the Fiscal Agent a letter of the transferee in substantially the same effect as this letter or otherwise as permitted under the Funding Loan Agreement.

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

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

(11) The Funding Lender is acquiring 100% of the Governmental Funding Lender Note.

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

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

(Continues on next page)

IN WITNESS WHEREOF, I have hereunto set my hand the ____ day of _____, 20__.

FUNDING LENDER

By: _____
Name: _____
Title: _____

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

EXHIBIT D

COSTS OF ISSUANCE FUND REQUISITION

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Fiscal Agent

Re: Waters at Waterchase

Fiscal Agent:

You are requested to disburse funds from the Costs of Issuance Fund pursuant to Section 4.11 of the Funding Loan Agreement in the amount(s), to the Person(s) and for the purpose(s) set forth in this requisition (“**Requisition**”). The terms used in this requisition shall have the meaning given to those terms in the Funding Loan Agreement (the “**Funding Loan Agreement**”), dated as of [June] 1, 2026, among Fifth Third Bank, N.A. (the “**Initial Funding Lender**”), Texas Department of Housing and Community Affairs, and Zions Bancorporation, National Association, as Fiscal Agent, securing the Texas Department of Housing and Community Affairs Multifamily Housing Revenue Note (Waters at Waterchase) Series 2026 dated [June] 1, 2026 (the “**Governmental Note**”).

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

The undersigned, on behalf of Waters at Waterchase, LP, a limited partnership duly organized and existing under the laws of the State of Texas (the “**Borrower**”), certifies that:

- (a) the expenditures for which money is requisitioned by this Requisition represent proper charges against the Costs of Issuance Fund, have not been included in any previous requisition and are set forth in the Schedule attached to this Requisition, with invoices attached for any sums for which reimbursement is requested;
- (b) the money requisitioned is not greater than those necessary to meet obligations due and payable or to reimburse the applicable party for funds actually advanced for Costs of Issuance; and
- (c) including amounts paid pursuant to this Requisition, not more than 2% of the Sale Proceeds (as defined in the Tax Exemption Agreement) will have been used for Costs of Issuance.

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

Date of Requisition: _____, 2026.

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

EXHIBIT E

PROJECT LOAN FUND REQUISITION

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Fiscal Agent

Re: Waters at Waterchase

Fiscal Agent:

You are requested to disburse funds from the Project Loan Fund pursuant to Section 4.02 of the Funding Loan Agreement in the amount(s), to the Person(s) and for the purpose(s) set forth in this requisition (“**Requisition**”). The terms used in this requisition shall have the meaning given to those terms in the Funding Loan Agreement (the “**Funding Loan Agreement**”), dated as of [June] 1, 2026, among Fifth Third Bank, N.A. (the “**Initial Funding Lender**”), Texas Department of Housing and Community Affairs, and Zions Bancorporation, National Association, as Fiscal Agent, securing the Texas Department of Housing and Community Affairs Multifamily Housing Revenue Note (Waters at Waterchase) Series 2026 dated [June] 1, 2026 (the “**Governmental Note**”).

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

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

1. The purpose(s) for which disbursement is requested and the party or parties to whom the disbursements shall be made are specified in the Schedule 1 attached hereto (and may include the undersigned in the case of reimbursement for advances and payments made or cost incurred for work done by the undersigned; provided, however, that no reimbursement shall be made for advances and payments made prior to sixty (60) days prior to October 10, 2024).
2. Attached hereto as Schedule 2 is a report setting out the progress of the rehabilitation and all other reports or information relating to the completion of the rehabilitation requested by Initial Funding Lender, if any.
3. Attached hereto as Schedule 3 are copies of any applicable invoices, bills, and appropriate lien waivers for the prior period for which disbursement was made, executed by all contractors and suppliers supplying labor or materials for the rehabilitation.

4. Attached hereto as Schedule 4 is a report prepared by the professional engineer employed by Initial Funding Lender as to the status of the rehabilitation, unless Initial Funding Lender has waived this requirement in writing.
5. The undersigned certifies as follows:
 - (a) The conditions precedent to disbursement set forth in the Construction Continuing Covenant Agreement have been satisfied.
 - (b) The disbursement requested pursuant to this Requisition: (i) will be used solely to pay a cost or costs allowable under the Funding Loan Agreement and the Construction Continuing Covenant Agreement and (ii) is substantially in accordance with the proforma draw schedules previously delivered to and accepted by Initial Funding Lender.
 - (c) None of the items for which disbursement is requested pursuant to this Requisition has formed the basis for any disbursement previously made from the Project Loan Fund and all such items have been properly recorded in Borrower's books and are set forth on Schedule 1, along with paid invoices attached for any sum for which reimbursement is requested and invoices or bills of sales for all other items.
 - (d) All labor and materials for which disbursements have been requested have been incorporated into the Project in accordance with reasonable and standard building practices, the Construction Continuing Covenant Agreement and all applicable laws, ordinances, rules and regulations of any governmental authority having jurisdiction over the Project.
 - (e) The materials, supplies and equipment furnished or installed for the Improvements are not subject to any lien or security interest or that the funds to be disbursed pursuant to this Requisition are to be used to satisfy any such lien or security interest.
 - (f) All of the funds being requisitioned are being used in compliance with all tax covenants set forth in this Funding Loan Agreement, the Project Loan Agreement, the TEL Regulatory Agreement and the Tax Exemption Agreement, including that none of the proceeds of the Funding Loan (including investment earnings thereon) will be used to provide an airplane, a skybox or any other private luxury box, any facility primarily used for gambling, health club facility or any store the principal business of which is the sale of alcoholic beverages for consumption off premises.
 - (g) With respect to amounts from the Project Account of the Project Loan Fund, (1) not less than 95% of the Net Proceeds (as defined in the Tax Exemption Agreement) will have been used for Qualified Project Costs (as defined in the Tax Exemption Agreement); (2) less than 25% of the Net Proceeds (as defined in the Tax Exemption Agreement) will have been used for the cost of acquiring land; and (3) not more than 2% of the Net Proceeds (as defined in the Tax Exemption Agreement)

Agreement) will have been used for Costs of Issuance (as defined in the Tax Exemption Agreement).

- (h) Borrower is not in default under the Project Loan Agreement, the Construction Continuing Covenant Agreement or any of the other Project Loan Documents to which it is a party, and nothing has occurred to the knowledge of Borrower that would prevent the performance of its obligations under such documents.
- (i) No amounts being requisitioned hereby will be used to pay, or reimburse, any Costs of Issuance incurred in connection with the delivery of the Governmental Note or to pay debt service with respect to the Loans.
- (j) Funds deposited with Borrower for further disbursement to third parties shall be paid to such third parties by check dated the date of such deposit and Borrower reasonably expects such funds will be disbursed from its account within five (5) Business Days of such deposit.
- (k) Borrower has not requested any disbursement pursuant to this Requisition for stored items.

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

- 6. Estimated costs of completing the uncompleted rehabilitation as of the date of this Requisition: _____.
- 7. Percent of the rehabilitation completed as of the date this request: _____%.

Date of Requisition: _____, 2026

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

APPROVED BY

LOAN SERVICER:

FIFTH THIRD BANK, N.A.

By: _____
Name: _____
Title: _____