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

**CEDAR RAPIDS BANK AND TRUST COMPANY, an Iowa state-chartered banking  
corporation,  
as Purchaser**

**and**

**TORRINGTON WILMER, LP, a Texas limited partnership,  
as Borrower**

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**LOAN AGREEMENT**

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**Relating to**

**[\$45,000,000]  
Texas Department of Housing and Community Affairs  
Multifamily Housing Revenue Bonds  
(Torrington Wilmer)  
Series 2026**

**Dated as of [April] 1, 2026**

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The interest of the Texas Department of Housing and Community Affairs (the “Issuer”) in this Loan Agreement has been assigned (except for the “Reserved Rights” as defined in the Indenture) pursuant to the Trust Indenture (the “Indenture”) dated as of the date hereof between the Issuer and BOKF, NA, as trustee (the “Trustee”), and is subject to the security interest of the Trustee thereunder.

(This Table of Contents is not a part of the Loan Agreement and is only for convenience of reference.)

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## LOAN AGREEMENT

**THIS LOAN AGREEMENT** (this “**Agreement**” or “**Loan Agreement**”) is entered into as of [April] 1, 2026, among the **TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**, a public and official agency of the State of Texas (the “**Issuer**”), **CEDAR RAPIDS BANK AND TRUST COMPANY**, an Iowa state-chartered banking corporation (the “**Purchaser**”), and **TORRINGTON WILMER, LP**, a Texas limited partnership (the “**Borrower**”).

### W I T N E S S E T H:

**WHEREAS**, the Issuer is authorized under Chapter 2306, Texas Government Code, as amended (the “**Act**”) to enter into loan agreements with respect to one or more projects authorized under the Act for such payments and upon such terms and conditions as the Issuer may deem advisable in accordance with the provisions of the Act; and

**WHEREAS**, the Borrower intends to construct certain Improvements on the real property located at or near 1501 E. Belt Line Road, Wilmer, Dallas County, Texas 75172 (the “**Land**”), which Land is more particularly described in Exhibit A attached hereto. On the Land will be constructed a multifamily apartment housing facility consisting of total of 300 units and related personal property and equipment to be known as Torrington Wilmer (the “**Project**”); and

**WHEREAS**, the Borrower has requested the Issuer to issue its Multifamily Housing Revenue Bonds (Torrington Wilmer) Series 2026 (the “**Bonds**”), the proceeds of which will be utilized to make a mortgage loan to the Borrower (the “**Bond Loan**”) for purposes of paying a portion of the costs of the acquisition, construction and equipping of the Project; and

**WHEREAS**, pursuant to and in accordance with the Act, the Issuer desires to provide funds to finance a portion of the acquisition, construction and equipping of the Project and the payment of certain costs of issuance by issuing the Bonds, pursuant to a Trust Indenture by and between the Issuer and BOKF, NA, as Trustee, of even date herewith (the “**Indenture**”); and

**WHEREAS**, the Purchaser, pursuant to the terms and subject to the conditions of the Continuing Covenant Agreement (as defined in the Indenture), has agreed to purchase the Bonds, the proceeds of which will be used by the Issuer to fund the Bond Loan to the Borrower pursuant to this Loan Agreement; and

**WHEREAS**, the Bond Loan will be evidenced by this Loan Agreement and a promissory note dated the date of delivery of the Bonds and in the form attached hereto as Exhibit B (the “**Note**”) from the Borrower to the Issuer; and

**WHEREAS**, to provide and secure amounts to repay the Bond Loan the Borrower has executed this Loan Agreement, a Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated [the Closing Date], granted by the Borrower with respect to the Project to a trustee named therein, for the benefit of the Issuer (and assigned to the Trustee) (the “**Deed of Trust**”), and other documents executed and delivered for the purpose of securing the Bond Loan; and

**WHEREAS**, the obligations of the Borrower under this Loan Agreement and the Note will be secured by (i) the proceeds of the Bonds deposited in the Project Fund created pursuant to Section 4.01 of the Indenture; and (ii) the Deed of Trust; and

**WHEREAS**, the Issuer has expressly determined and hereby confirms that the issuance of the Bonds will accomplish a valid public purpose of the Issuer by enabling the Issuer to require the Borrower to comply with the provisions of this Loan Agreement with respect to the Project and the Regulatory Agreement, dated as of the same date as this Loan Agreement; and

**WHEREAS**, the acquisition, construction and equipping of the Project will be financed in whole or in part with proceeds of the Bonds; and

**WHEREAS**, the parties hereto, intending to be legally bound hereby, and for and in consideration of the premises and the mutual covenants hereinafter contained, do hereby covenant, agree and bind themselves as follows; provided, that any obligation of the Issuer created by or arising out of this Loan Agreement shall never constitute a debt or a pledge of the faith and credit or the taxing power of the State of Texas (the “**State**”), but shall be payable solely out of the Trust Estate (as defined in the Indenture), anything herein contained to the contrary by implication or otherwise notwithstanding:

## **ARTICLE I DEFINITIONS**

### **1.1. Definitions.**

In this Loan Agreement, all capitalized, undefined terms used herein shall have the same meanings as used in Article I of the Indenture. In addition to the words and terms defined in the Indenture and elsewhere herein, the following words and phrases shall have the following meanings:

“**Anti-Corruption Laws**” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower and its affiliated companies from time to time concerning or relating to bribery or corruption.

“**Arbitration**” means the submitting of a dispute as provided under Section 6.1 of this Loan Agreement regarding the removal of a General Partner, in the manner provided under the Commercial Arbitration Rules of the American Arbitration Association then in effect; such Arbitration shall be conducted before one arbitrator, chosen in accordance with such rules in the State, and shall be binding on all parties to the dispute; judgment on the award of such arbitrator may be rendered by any court having jurisdiction of such parties and the subject matter. The expense of such Arbitration shall be borne equally by the Borrower and the General Partner.

“**Class B Limited Partner**” shall mean Torrington Wilmer SLP, LLC, a Delaware limited liability company and its successors or assigns.

“**Closing Date**” has the meaning set forth for such term in the Indenture.

“**Code**” has the meaning set forth for such term in the Regulatory Agreement.

**“Completion Date”** has the meaning set forth for such term in the Continuing Covenants Agreement.

**“Condemnation”** means any taking of title, of use, or of any other property interest under the exercise of the power of eminent domain, by any governmental body or by any person acting under governmental authority.

**“Eligible Costs”** has the meaning assigned thereto in Section 9.12 hereof.

**“Encumbrance”** means any mortgage, pledge, lien, security interest, charge or other encumbrance, including but not limited to (i) any covenant or agreement restricting, regulating or otherwise affecting the use of, and binding on and running with, the Land or the Property and (ii) utility easements or service agreements which benefit the Property and which do not encroach upon the Improvements.

**“Force Majeure”** means, to the extent the Project is materially adversely affected, fire, earthquake, major flooding, any other condition causing the area within which the Project is located to be declared a federal disaster area, other acts of nature, strike, lockout, acts of public enemy, riot, insurrection, emergency affecting the sale or transportation of materials or supplies needed to construct the Project, or any similar condition not in the control of the Borrower.

**“General Partner”** means DCHFC 2025 Wilmer GP, LLC, a Texas limited liability company, and its permitted successors and assignees.

**“Governmental Requirements”** means all laws, ordinances, orders, rules or regulations of all governmental authorities applicable to the Project, the Issuer, the Borrower or any of the Borrower’s assets or other properties, including without limitation, laws, ordinances, orders, rules and regulations relating to securities or other public disclosures, zoning, licenses, permits, subdivision, building, safety, health, and fire protection and all environmental laws.

**“Hazardous Materials”** means petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives; flammable materials; radioactive materials; polychlorinated biphenyls (“**PCBS**”) and compounds containing them; lead and lead-based paint; asbestos or asbestos-containing materials in any form that is or could become friable; underground or above-ground storage tanks, whether empty or containing any substance; any substance the presence of which at the Project is prohibited by any federal, state or local authority; any substance that requires special handling under any Hazardous Materials Law; and any other material or substance now or in the future defined as a “hazardous substance,” “hazardous material,” “hazardous waste,” “toxic substance,” “toxic pollutant,” “contaminant,” or “pollutant” within the meaning of any Hazardous Materials Law, but does not include any such substance that is a customary and ordinary household, cleaning, office, swimming pool or landscape maintenance product used on the Project by the Borrower or any tenant or agent of the Borrower, or customary construction materials used during the course of construction of the Project by the Borrower, provided such use is in accordance with applicable Hazardous Materials Laws.

**“Hazardous Materials Law”** means all federal, state, and local laws, ordinances and regulations and standards, rules, policies and other Governmental Requirements, administrative

rulings and court judgments and decrees in effect now or in the future and including all amendments, that relate to Hazardous Materials and apply to the Borrower or to the Project. Hazardous Materials Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., the Toxic Substance Control Act, 15 U.S.C. Section 2601, et seq., the Clean Water Act, 33 U.S.C. Section 1251, et seq., and the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, and their state analogs, including laws of the State.

**“Improvements”** has the meaning set forth for such term in the Indenture.

**“Permitted Encumbrances”** means (a) any matters set forth in any policy of title insurance issued to the Trustee and insuring the Trustee’s interest in the Project which are acceptable to the Purchaser as of the date hereof, (b) the Encumbrances and interests of the Deed of Trust, as applicable, (c) any other Encumbrance approved in writing by the Purchaser, (d) the Regulatory Agreement, (e) the Swap Mortgage, (f) liens for property taxes not delinquent or being contested in good faith and by appropriate proceedings, (g) granting liens or other security interests in favor of the Issuer, Trustee or Purchaser, and (h) any agreements, restrictions and covenants existing and required in connection with any tax-exempt bond financing, tax abatement and/or Section 42 of the Code.

**“Permitted Transfers”** means any of the following, subject to (I) the laws of the State as then in effect at the time of such Permitted Transfer and (II) the applicable provisions of Section 10 of the Regulatory Agreement:

(a) a Transfer to which the Purchaser has consented;

(b) prior to the Conversion Date, a Transfer which satisfies the following subparagraphs (A) or (B): (A) that is either: (i) by the Equity Investor of all or a portion of its partnership interest in the Borrower directly or indirectly only to another entity which controls, is controlled by, or is under common control with, the Equity Investor or an Affiliate of the Equity Investor, (ii) by a partner or member of the Equity Investor of its partnership or membership interest in the Equity Investor provided that, immediately after the Transfer, the Equity Investor or the general partner or managing member, as applicable, of the Equity Investor is an Affiliate of the Equity Investor, or (iii) the pledge and encumbrance of the interests of the Equity Investor to or for the benefit of any financial institution which enables the Equity Investor to make its capital contributions to the Borrower as well as the taking of such interests by such financial institution and its admission as a partner or member in the Borrower; or (B) the partners or members owning not less than seventy-five percent (75%) of the ownership interest in the Equity Investor are financial institutions or publicly held corporations with a rating of BBB- or better by Standard & Poor’s or Baa3 or better by Moody’s Ratings, or wholly owned subsidiaries of such entities or otherwise approved by the Purchaser in writing;

(c) after the Conversion Date, a Transfer which satisfies the following subparagraphs (A) or (B): (A) that is either: (i) by the Equity Investor of all or a portion of its partnership interest in the Borrower directly or indirectly to another entity, (ii) by a partner or member of the Equity Investor of its partnership or membership interest in the Equity Investor, or (iii) the pledge and

encumbrance of the interests of the Equity Investor to or for the benefit of any financial institution which enables the Equity Investor to make its capital contributions to the Borrower as well as the taking of such interests by such financial institution and their admission as a partner or member in the Borrower; or (B) the partners or members owning not less than seventy-five percent (75%) of the ownership interest in the Equity Investor are financial institutions or publicly held corporations with a rating of BBB- or better by Standard & Poor's or Baa3 or better by Moody's Ratings, or wholly owned subsidiaries of such entities or otherwise approved by the Purchaser in writing;

(d) the removal of the General Partner or Class B Limited Partner and replacement with the Equity Investor or an Affiliate of the Equity Investor as set forth in the Organizational Documents;

(e) a Transfer that occurs by devise, descent or by operation of law upon the death of a natural person;

(f) the grant of a leasehold interest in an individual dwelling unit for a term of two years or less not containing an option to purchase;

(g) a Transfer of obsolete or worn out personal property or fixtures that are contemporaneously replaced by items of equal or better function and quality, which are free of liens, encumbrances and security interests other than those created by the Documents otherwise consented to by the Purchaser;

(h) other than Permitted Encumbrances, the grant of an easement, servitude or restrictive covenant provided that, before the grant, the Purchaser has determined that the easement, servitude or restrictive covenant will not materially adversely affect the operation or value of the Project or the Purchaser's interest in the Project and the Borrower pays to the Purchaser, within ten (10) days of written demand, all costs and expenses incurred by the Purchaser in connection with reviewing the Borrower's request;

(i) the creation of a tax lien or mechanic's lien or judgment lien against the Project which is bonded off, released of record or otherwise remediated to the Purchaser's satisfaction within sixty (60) days of the date of creation;

(j) the execution, delivery and recordation of documents required in order to exercise the buyout option by and between the General Partner, Class B Limited Partner, or one or more of its respective Affiliates, and the Equity Investor or its Affiliate as set forth in the Organizational Documents, provided that the same is subject, subordinate and inferior to the liens and security interests of the Documents and that the exercise of any rights thereunder shall be subject to the Documents; and

(k) any Permitted Encumbrances.

**"Plans and Specifications"** means the plans and specifications for the Project approved in writing by the Issuer, together with such amendments thereto as are made from time to time in accordance with this Loan Agreement.

**“Project Costs”** shall have the meaning given to such term in the Tax Exemption Agreement.

**“Property”** has the meaning set forth for such term in the Deed of Trust.

**“Qualified Project Costs”** shall have the meaning given to such term in the Tax Exemption Agreement.

**“Tax Exemption Agreement”** shall have the meaning given to such term in the Indenture.

**“Termination Date”** means the date on which the principal of, premium (if any) and interest on the Bonds and the Note have been paid in full, and all of the Borrower’s Obligations and the Issuer’s Obligations are fully satisfied unless an act of bankruptcy shall occur within ninety-one (91) days thereafter, in which event the Termination Date shall not be deemed to occur until the Issuer, the Trustee or the Holders (as the case may be) is or are conclusively entitled (whether by final adjudication or otherwise) to retain such payment.

**“Transfer”** means (a) a sale, assignment, transfer or other disposition (whether voluntary, involuntary, or by operation of law), (b) the grant, creation, or attachment of a lien, encumbrance or security interest (whether voluntary, involuntary, or by operation of law), (c) the issuance or other creation of a direct or indirect ownership interest, (d) the withdrawal, retirement, removal or involuntary resignation of any owner or manager of a legal entity, or (e) the merger, dissolution, liquidation or consolidation of a legal entity. The term “Transfer” shall not mean or include (i) the conveyance of the Project at a judicial or non-judicial foreclosure sale under the Deed of Trust or (ii) the Project becoming part of a bankruptcy estate by operation of law under the United States Bankruptcy Code.

## **1.2. Accounting Terms.**

Unless specifically provided otherwise, all accounting terms shall have the definitions given them in accordance with generally accepted accounting principles as applied to the applicable Person on a consistent basis in the preparation of its previous annual financial statements.

## **1.3. Rules of Construction.**

The words “hereof”, “herein”, “hereunder”, “hereto”, “Agreement”, and other words of similar import refer to this Loan Agreement in its entirety.

The term “including” shall mean “including, but not limited to”.

References to Articles, Sections and other subdivisions of this Loan Agreement are to the designated Articles, Sections and other subdivisions of this Loan Agreement.

The headings of this Loan Agreement are for convenience only and shall not define or limit the provisions thereof.

All references made (a) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, and (b) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well.

Any reference to particular sections or subsections of the Code shall include any successor or predecessor provisions of law or regulations, to the extent the same shall apply to the Bonds.

“Reasonable” in the context of fees and expenses shall mean those fees and expenses charged by nationally recognized Bond Counsel firms; *provided, however*, that all costs and fees awarded by a court are not subject to the “reasonable” standard.

#### **1.4. *Uses of Phrases.***

Any percentage of Bonds, specified herein for any purpose, is to be figured on the unpaid principal amount thereof then Outstanding. All references herein to specific sections of the Code refer to such sections of the Code and all successor or replacement provisions thereto.

## **ARTICLE II REPRESENTATIONS, COVENANTS AND WARRANTIES**

#### **2.1. *Representations, Covenants and Warranties of the Issuer.***

The Issuer represents, covenants and warrants that:

(a) The Issuer is a public and official agency of the State. Under the provisions of the Act, the Issuer is authorized to enter into this Loan Agreement and the Indenture and the transactions contemplated hereunder and thereunder and to carry out its obligations hereunder and thereunder. By proper action of its Board of Directors, the Issuer has been duly authorized to execute and deliver the Issuer Documents and to issue and sell the Bonds.

(b) The Issuer covenants that it will not pledge the amounts derived from this Loan Agreement other than as contemplated by the Indenture.

(c) The Issuer hereby finds and determines that financing the Project by the issuance of the Bonds will achieve the public purposes of the Act.

(d) No member or director of the Issuer, nor any other official or employee of the Issuer, has any interest, financial, employment or other, in the Borrower, the Project or in the transactions contemplated hereby.

(e) There is no action, suit, proceeding, inquiry or investigation pending or, to the knowledge of the Issuer, threatened against the Issuer by or before any court, governmental agency or public board or body, which (i) affects or questions the existence or the title to office of any member of the Issuer; (ii) affects or seeks to prohibit, restrain or enjoin the execution and delivery of any of the Issuer Documents, or the issuance, execution or delivery of the Bonds; (iii) affects or questions the validity or enforceability of any of the Issuer Documents or the Bonds; (iv) questions the exclusion from gross income for federal income taxation of interest on the Bonds; or (v) questions the power or authority of the Issuer to perform its obligations under any of the Issuer

Documents or the Bonds or to carry out the transactions contemplated by any of the Issuer Documents or the Bonds.

(f) The Issuer makes no representation or warranty, express or implied, that the proceeds of the Bonds will be sufficient to finance the acquisition, construction and equipping of the Project or that the Project will be adequate or sufficient for the Borrower's intended purposes.

## ***2.2. Representations, Covenants and Warranties of the Borrower.***

The Borrower represents, covenants and warrants that:

### **(a) Good Standing; Single Purpose Covenants**

(1) The Borrower (i) is a limited partnership duly organized and validly existing under the laws of the State of Texas qualified to transact business in the State, (ii) has the power to own its property and to carry on its business as now being conducted and as contemplated by this Loan Agreement and the Tax Exemption Agreement, and (iii) is duly qualified to do business and is in good standing in each jurisdiction in which the character of the properties owned by it therein or in which the transaction of its business makes such qualification necessary, including, but not limited to, the State. The Borrower's business and purpose have always and shall consist solely of the ownership, development, operation and management of the Project and such other lawful activities as are incidental, necessary or appropriate thereto. The Borrower shall not incur any indebtedness other than Project indebtedness approved by the Issuer, indebtedness required under the Organizational Documents, and normal trade accounts payable in the ordinary course of the Borrower's business and/or advances on account of the Borrower. The Borrower shall not assume or guaranty any other Person's indebtedness or obligations. The Borrower shall not dissolve or liquidate, in whole or in part, consolidate or merge with or into any other entity or convey, transfer or lease its property and assets substantially as an entirety to any entity. The Borrower is not contemplating and shall not institute or consent to any bankruptcy, insolvency or reorganization proceedings with respect to it, consent to the appointment of a receiver or similar official with respect to it, make any assignment for the benefit of its creditors or admit in writing its inability to pay its debts generally as they become due. The Borrower shall: maintain books and records and bank accounts separate from those of any other Person; conduct its business in its own name and use separate stationery, invoices and checks; maintain its assets in such a manner that it is not costly or difficult to segregate and identify such assets; observe all organizational formalities and hold itself out to creditors and the public as a legal entity separate and distinct from any other entity; prepare separate tax returns and financial statements, or if part of a consolidated group, then be shown thereon as a separate member of such group; allocate and charge fairly and reasonably any common employee or overhead shared with Affiliates; and transact all business with Affiliates on an arm's-length basis and pursuant to enforceable agreements. The Borrower shall not commingle its assets or funds with those of any other Person.

(2) The General Partner (i) is a limited liability company duly organized and existing in good standing under the laws of the State, (ii) has the power to own its property and to carry on its business as now being conducted and as contemplated by this Loan Agreement, and the Tax Exemption Agreement, and (iii) is duly qualified to do business and is in good standing in each jurisdiction in which the character of the properties owned by it therein or in which the transaction of its business makes such qualification necessary, including, but not limited to, the State. The General Partner's business and purpose shall consist solely of acting as the General Partner of the Borrower. The General Partner shall not incur any indebtedness other than such obligations under the Project documents, the Organizational Documents and related documents, the Borrower's Project indebtedness approved by the Issuer and normal trade accounts payable in the ordinary course of its and the Borrower's business and shall not assume or guaranty any other Person's indebtedness or obligations. The General Partner shall not dissolve or liquidate, in whole or in part, consolidate or merge with or into any other entity or convey, transfer or lease its property and assets substantially as an entirety to any entity. The General Partner shall not, with respect to itself or the Borrower, institute or consent to any bankruptcy, insolvency or reorganization proceedings, consent to the appointment of a receiver or similar official, make or consent to any assignment for the benefit of creditors or admit in writing its or the Borrower's inability to pay debts generally as they become due. The General Partner shall: maintain books and records and bank accounts separate from those of any other Person; conduct its business in its own name and use separate stationery, invoices and checks; maintain its assets in such a manner that it is not costly or difficult to segregate and identify such assets; observe all organizational formalities and hold itself out to creditors and the public as a legal entity separate and distinct from any other entity; prepare separate tax returns and financial statements, or if part of a consolidated group, then be shown thereon as a separate member of such group; allocate and charge fairly and reasonably any common employee or overhead shared with Affiliates; and transact all business with Affiliates using reasonable and customary terms pursuant to enforceable agreements. The General Partner shall not commingle its assets or funds with those of any other Person.

(b) Authority. The Borrower and the General Partner have full power and authority to (i) execute and deliver the Borrower Documents and (ii) incur the obligations provided for herein and therein, all of which have been duly authorized by all proper and necessary corporate action. All consents or approvals of any public authority which are required as a condition to the validity of this Loan Agreement, the Tax Exemption Agreement, the Note, and the Regulatory Agreement have been obtained.

(c) Binding Agreements. The Borrower Documents have been properly executed by a duly authorized partner or member, as applicable, of the Borrower and the General Partner (as applicable) and constitute valid and legally binding obligations of the Borrower, and are fully enforceable against the Borrower in accordance with their respective terms, subject to bankruptcy, insolvency or other laws affecting creditors' rights generally, and with respect to certain remedies which require, or may require, enforcement by a court of equity, such principles of equity as the court having jurisdiction may impose.

(d) Litigation. There is no litigation or proceeding pending or, to the knowledge of the Borrower, threatened in writing against the Borrower, the General Partner or the Project before any court or administrative agency which, if determined adversely to the Borrower, will materially adversely affect the Borrower or the Project, or the authority of the Borrower to enter into or perform under the Borrower Documents.

(e) No Events of Default. To the Borrower's knowledge, no event has occurred and no condition exists with respect to the Borrower or the Project that would constitute a Default that is continuing or which, with the lapse of time, if not cured, or with the giving of notice, or both, would become a Default.

(f) Conflicts; Defaults. There is (i) no provision of the Borrower's or General Partner's organizational documents or resolutions of the Borrower and no provision of any existing mortgage, indenture, contract or agreement binding on the Borrower or the General Partner or affecting any of the Borrower's property and (ii) to the Borrower's or General Partner's knowledge, no provision of law or order of court binding upon the Borrower or General Partner or affecting any of the Borrower's property, in either case which would conflict with or in any way prevent the execution, delivery, or performance of the terms of the Borrower Documents, or which would be in default or violated as a result of such execution, delivery or performance. The Borrower is not in material default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any material agreement or instrument to which it is a party.

(g) Title to Project. The Borrower has or will have on the Closing Date a leasehold interest in the Land and a fee simple interest in the buildings constituting the site of the Project free and clear of any liens or encumbrances, other than the liens contemplated by the Loan Documents, Permitted Encumbrances and Issuer Documents.

(h) Financial Statements. The financial statements, if any, of the Borrower and the General Partner delivered to the Issuer are each complete and correct and fairly present in all material respects the financial position of the Borrower and the General Partner and the results of operations as of the dates and for the periods referred to and, with respect to the Borrower and General Partner only, have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods involved. There are no liabilities (of the type required to be reflected on balance sheets prepared in accordance with generally accepted accounting principles), direct or indirect, fixed or contingent, of the Borrower or the General Partner as of the date of such financial statements which are not reflected therein or in the notes thereto. There has been no material adverse change in the financial condition or operations of the Borrower or the General Partner since the date of such balance sheet (and to the Borrower's and General Partner's knowledge no such material adverse change is pending or threatened), and none of the Borrower or the General Partner has guaranteed the obligations of, or made any investment in or loans to, any Person except as disclosed in such balance sheet or as provided for in the Documents. The Borrower and General Partner have good and marketable title to all of its properties and assets, including the Property, and all of such properties and assets, including the Property, are free and clear of encumbrances (other than Permitted Encumbrances), except as reflected on such financial statements or in the notes thereto.

(i) Indenture. The Indenture has been submitted to the Borrower for its examination, and the Borrower acknowledges, by execution of this Loan Agreement, that it has reviewed the Indenture, and it hereby approves the Indenture. The Borrower agrees to perform fully and faithfully all the duties and obligations which the Issuer has covenanted and agreed to in the Indenture to cause the Borrower to perform and any duties and obligations which the Borrower or the Issuer is required by the Indenture to perform. The foregoing shall not apply to any duty or undertaking of the Issuer which by its nature cannot be delegated or assigned.

(j) Tax Exemption. The representations and warranties of the Borrower contained in the Tax Exemption Agreement and the Regulatory Agreement are true and correct, and as of the Closing Date, the Borrower is in compliance with all requirements of the Regulatory Agreement and the Tax Exemption Agreement.

(k) Compliance with Laws. The Project is of the type authorized and permitted by the Act and will, from the Closing Date forward, be operated in compliance with the provisions of the Act and the provisions of the Code applicable thereto. The Borrower will use due diligence to cause the Project to be operated in accordance with the Act and all other applicable laws, rulings, regulations and ordinances of the State and the departments, agencies and political subdivisions thereof. The Borrower has obtained or will cause to be timely obtained all requisite approvals of the State and of other federal and local governmental bodies required for the operation of the Project.

(l) No Material Misstatements. The representations and warranties of the Borrower and the General Partner contained in the Borrower Documents (including, without limitation, any information furnished by the Borrower in connection with the preparation of any materials related to the issuance or delivery of the Bonds on the Closing Date), contain no material misstatement of fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading. The representations and warranties of the Borrower and the statements, information and descriptions contained in the Borrower's closing certificates, as of the Closing Date, are true, correct and complete in all material respects, do not contain any untrue statement or misleading statement of material fact, and do not omit to state a material fact necessary to make the certifications, representations, warranties, statements, information and descriptions contained therein, in light of the circumstances under which they were made, not misleading. The estimates and assumptions contained in this Loan Agreement and in any certificate of the Borrower delivered as of the Closing Date are reasonable and based on the most accurate information available to the Borrower.

(m) Interest of Member or Agent of Issuer. To the knowledge of the Borrower, no member or agent of the Issuer has been or is in any manner interested, directly or indirectly, in that Person's own name or in the name of any other Persons, in the loan of the Bond proceeds, the Bonds, the Documents, the Borrower or the Project, in any contract for property or materials to be furnished or used in connection with the Project, or in any aspect of the transactions contemplated by the Documents.

(n) Reserved.

(o) Reserved.

(p) Tax Returns. The Borrower has filed or caused to be filed all required federal, state and local tax returns and has paid all taxes as shown on such returns as such taxes have become due. No claims have been assessed and are unpaid with respect to such taxes.

(q) No Reliance on Issuer. The Borrower acknowledges, represents and warrants that it understands the nature and structure of the transactions relating to the financing of the Project; that it is familiar with the provisions of all of the documents and instruments relating to such financing to which it or the Issuer is a party or of which it is a beneficiary; that it understands the risks inherent in such transactions, including without limitation the risk of loss of the Project; and that it has not relied on the Issuer for any guidance or expertise in analyzing the financial or other consequences of such financing transactions or otherwise relied on the Issuer in any manner except to issue the Bonds.

(r) Fees. The Borrower shall pay all fees as provided under the Note and in this Loan Agreement, including the Issuer's Fees.

(s) Place of Business of Borrower. The Borrower has a place of business in the State.

(t) Name of Borrower and General Partner. The Borrower filed a Certificate of Formation with the State and since its date of filing has done business only under the name of Torrington Wilmer, LP. The General Partner is DCHFC 2025 Wilmer GP, LLC, a Texas limited liability company.

(u) Governmental Requirements. To the Borrower's knowledge, no violation of any Governmental Requirement exists with respect to the Project, the Borrower, or any other asset of the Borrower; the Project conforms in all material respects with all applicable zoning, planning, building and environmental laws, ordinances and regulations of governmental authorities having jurisdiction over the Project; all necessary utilities are available or will be available to the Project; and the Borrower has obtained or will obtain all requisite zoning approvals necessary with respect to the Project.

(v) Condemnation. No condemnation, eminent domain or similar proceeding is pending, or to the knowledge of the Borrower, threatened in writing, with respect to the Project or any portion thereof.

(w) Compliance with Leasing Requirements of Code. At all times during the Qualified Project Period, as defined in the Regulatory Agreement, at least forty percent (40%) of the units in the Project will be occupied by tenants with incomes of sixty percent (60%) or less of the area median income as adjusted for family size and as determined in accordance with the provisions of Section 142(d) of the Code and applicable regulations issued thereunder. Within five (5) days after the commencement of the Qualified Project Period, the Borrower shall provide the Servicer and the Issuer with a certificate confirming that the Project is in compliance with the set-aside requirements of Section 142(d) of the Code.

(x) Exterior Installation Finish System. To the extent applicable, the Borrower will ensure that the installation of Exterior Installation Finish System ("EIFS") material,

will be accompanied by a 5-year warranty on the material and a 1-year warranty on labor and replacement costs.

(y) Not an Employee Benefit Plan. The Borrower is not an “employee benefit plan,” as defined in Section 3(3) of ERISA, subject to Title I of ERISA, and none of the assets of the Borrower constitutes or will constitute “plan assets” of one or more such plans within the meaning of 29 C.F.R. section 2510.3-101.

(z) Regulation U. No part of the proceeds of the Bond Loan will be used for the purpose of purchasing or acquiring any “margin stock” within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or for any other purpose that would be inconsistent with such Regulation U or any other Regulation of such Board of Governors, or for any purpose prohibited by law or any Document.

(aa) Securities Law. The Borrower is not (i) an “investment company” or a company “controlled” by an “investment company,” within the meaning of the Investment Company Act of 1940, as amended; (ii) a “holding company” or a “subsidiary company” of a “holding company” or an “affiliate” of either a “holding company” or a “subsidiary company” within the meaning of the Public Utility Holding Company Act of 1935, as amended; or (iii) subject to any other federal, State, or state law or regulation which purports to restrict or regulate its ability to borrow money.

(bb) No Fraud. The Borrower has not entered into the Bond Loan or any Document with the actual intent to hinder, delay, or defraud any creditor, and the Borrower has received reasonably equivalent value in exchange for its obligations under the Documents.

(cc) Intellectual Property. The Borrower possesses and will at all times possess all franchises, patents, copyrights, trademarks, trade names, licenses and permits, and rights in respect of the foregoing, adequate for the conduct of its business substantially as now conducted or as it is intended to be conducted with respect to the Project, without known conflict with any rights of others.

(dd) Utilities. All utility services necessary and sufficient for the construction, development and operation of the Project are presently or will be, and, to the best of Borrower’s knowledge, will at all times necessary for the construction, development and operation of the Project be, available through dedicated public rights-of-way or through perpetual private easements with respect to which the Deed of Trust creates a valid and enforceable first lien. The Borrower will also promptly obtain all utility installations and connections required for the operation and servicing of the Project for its intended purposes.

(ee) Flood Hazard Insurance. No part of the Property which is essential to the operation of the Project is located in an area identified by the Federal Emergency Management Agency as an area having special flood hazard or to the extent any such part of the Property is in an area identified as an area having special flood hazard, adequate flood insurance has been obtained by the Borrower.

(ff) Anti-Corruption Laws and Sanctions. The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its

subsidiaries and their respective directors, officers, partners, members, employees and agents with Anti-Corruption Laws and applicable sanctions, and the Borrower, its subsidiaries and their respective officers, partners and employees and to the knowledge of the Borrower its directors and agents, are in compliance with Anti-Corruption Laws and applicable sanctions in all material respects. None of (a) the Borrower, any subsidiary or to the knowledge of the Borrower or such subsidiary any of their respective directors, officers, partners, members or employees, or (b) to the knowledge of the Borrower, any agent of the Borrower or any subsidiary that will act in any capacity in connection with or benefit from the Bond Loan established hereby, is a sanctioned person. No advance from the Project Fund or use of proceeds of the Bonds or other transaction contemplated by this Loan Agreement will violate Anti-Corruption Laws or applicable sanctions.

(gg) Governmental Approvals. The Borrower has obtained, or will obtain and has maintained as currently in full force and effect, or will be in full force and effect, all consents, and permits, licenses, accreditations, certifications and other approvals (governmental or otherwise) that:

(i) would constitute a condition precedent to, or the absence of which would materially adversely affect, the enforceability of and the performance by the Borrower of its obligations hereunder; and

(ii) are necessary for the acquisition, construction, financing and operation of the Project.

### **2.3. *Representations, Warranties and Covenants of the Purchaser.***

The Purchaser hereby represents, warrants and covenants as follows:

(a) The Purchaser is a state-chartered banking corporation duly organized and existing under and pursuant to the laws of the state of Iowa. The Purchaser has duly authorized the execution and delivery of this Loan Agreement.

(b) The Purchaser has complied with the provisions of the laws of the State which are prerequisite to the consummation of, and has all necessary power and authority to consummate, all transactions described in this Loan Agreement and all other agreements relating hereto.

### **2.4. *Additional Representations, Warranties and Undertakings of the Borrower.***

The Borrower makes the following additional representations as the basis for their covenants and agreements herein:

(a) The execution and delivery of the Borrower Documents, and the consummation of the transactions herein and therein contemplated, including the application of the proceeds of the Bonds as so contemplated, will not conflict with, or constitute a breach of, or default by it under its formation and governance documents, or any statute, indenture, mortgage, deed of trust, lease, note, loan agreement or other agreement or instrument to which it is a party or by which it or its properties are bound, and will not constitute a violation of any order, rule or regulation of any court or governmental agency or body having jurisdiction over it or any of its

activities or properties. Additionally, the Borrower is not in breach, default or violation of any statute, indenture, mortgage, deed of trust, note, loan agreement or other agreement or instrument which would allow the obligee or obligees thereof to take any action which would preclude performance under the Borrower Documents by the Borrower.

(b) There are no actions, suits or proceedings of any type whatsoever pending or, to its knowledge, threatened in writing against or affecting it or its assets, properties or operations which, if determined adversely to it or its interests, could have a material adverse effect upon its financial condition, assets, properties or operations and it is not in default with respect to any order or decree of any court or any order, regulation or decree of any federal, state, municipal or governmental agency, which default would materially and adversely affect its financial condition, assets, properties or operations, or the completion of the construction of the Project.

(c) Neither any information, exhibit or report furnished to the Issuer by the Borrower in connection with the negotiation of the Borrower Documents nor any of the foregoing representations contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(d) The Borrower shall have the right, without creating a Default hereunder, to contest the validity or amount of any lawful claims against the Borrower or the Property in good faith by timely and appropriate proceedings at its sole cost and expense, *provided that* (i) the Borrower shall give the Servicer, the Issuer and the Trustee written notice of its intention to contest such claims, (ii) the Borrower shall diligently prosecute such claims, (iii) the Borrower shall at all times effectively stay or prevent the imposition of any lien against the Property as a result of such lawful claims and the enforcement of such claim until resolution of the contest, or, to the extent any lien is imposed as a result of any such lawful claim, shall immediately bond off such lien, (iv) the Borrower's ability to pay and perform the Borrower's Obligations or the security for the Borrower's Obligations is not, in the reasonable discretion of the Servicer and the Issuer materially impaired during the period of contest, and (v) the Borrower shall establish reasonable reserves or obtain bonding for such liabilities being contested if the Servicer reasonably determines, after consulting with the Issuer, such reserves or bonding to be necessary. If clauses (i) through (v) are not satisfied, the Borrower shall promptly pay and discharge such claims, and the failure to so pay such claims shall constitute a Default under this Loan Agreement.

(e) The Borrower shall maintain such insurance as required by the Servicer and such other insurance with insurance companies on such of its properties, in such amounts and against such risks, as is customarily maintained by similar businesses operating in the same vicinity, and shall provide evidence of such insurance to the Trustee, the Issuer, and the Servicer as reasonably requested; provided, however, the Trustee shall have no duty to request such evidence. Such insurance shall name the Issuer, the Servicer and the Trustee as additional insureds and as loss payees, as their interest may appear.

(f) The Borrower shall maintain in good standing its existence as a limited partnership under the laws of the State of Texas, and maintain in good standing its qualification to transact business in the State. The General Partner shall maintain in good standing its existence as a limited liability company under the laws of the State.

(g) The Project shall at all times after completion of construction operate and maintain 300 rental units and the Borrower shall not at any time convert any of the rental units in the Project into non-residential space.

(h) The Borrower shall not cause or permit the Property to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials in violation of Governmental Requirements, except for amounts of substances which are customarily used in the construction or operation of a multifamily residential rental project, and then only in compliance with applicable Governmental Requirements; nor shall the Borrower cause or permit, as a result of any intentional or unintentional act or omission on the part of the Borrower or any tenant or occupant, a release of Hazardous Materials onto the Property or the Project or, in the case of the Borrower, onto any other property. The Borrower shall comply with and ensure compliance by all tenants and occupants with all applicable Governmental Requirements concerning Hazardous Materials, whenever and by whoever triggered, and shall obtain and comply with, and shall ensure that all tenants and subtenants obtain and comply with any and all approvals, registrations or permits required thereunder. The Borrower shall conduct all remedial, removal, and other actions necessary to clean up and remove all Hazardous Materials on, from or affecting the Land or the Project in accordance with, and as may be necessary to comply with all applicable Governmental Requirements.

(i) The Borrower shall comply with all restrictive covenants affecting the Land, the Property and the Project, including, without limitation, the Regulatory Agreement.

(j) The Borrower shall promptly notify the Trustee, the Issuer, and the Servicer in writing, with a full description, of all threatened (in writing) or pending litigation of which the Borrower receives written notice, and of all proceedings before any court or any governmental authority in which the Borrower is a party or of which the Borrower receives written notice, which if adversely determined, would materially adversely affect the conduct of the business of the Borrower, the condition (financial or otherwise) of the Borrower or in any manner materially adversely affecting the Property, including, but not limited to, tax deficiencies and any prospective Condemnation, change of zoning or other action affecting the Property or the Project. The Borrower shall provide prior written notice to the Servicer and the Issuer, prior to entering into a settlement in any litigation or proceedings involving (i) a recovery, or an uninsured payment, by the Borrower in excess of \$200,000, so long as (A) any payment under \$200,000 is not made from the revenues of the Project, and (B) all other payments in excess of \$200,000 are approved by the Servicer and the Issuer, such approval not to be unreasonably withheld, (ii) a change in the permitted use of the Property, (iii) the inclusion in gross income of interest on the Bonds, or (iv) the creation of a lien on the Property.

(k) The Borrower shall be solely responsible for, and shall promptly make all disclosures and file or cause to be filed by the Issuer all reports required by all applicable federal and state securities laws in connection with the Bonds, the Bond Loan and the Project, including, if applicable, SEC Rule 15c2-12 and any similar or successor rules hereinafter made applicable to the Bonds, and will provide the Trustee and the Issuer with all information necessary for the Trustee or the Issuer, as applicable, to make any such required disclosures or file such reports. The Servicer shall be provided with a copy of each disclosure or report filed by the Borrower or the Issuer pursuant to the provisions of this paragraph (k).

(l) The Borrower shall keep and maintain the Property and each part thereof in good condition, working order and repair, ordinary wear and tear excepted, and make all necessary or appropriate repairs, replacements and renewals thereto so that each part thereof shall at all times be in good condition, fit and proper for the respective purposes for which it was originally intended, erected or installed and to ensure that the security for the Bonds and the Bond Loan shall not be impaired. The Borrower shall not use or occupy the Property or knowingly permit the same to be used or occupied in any manner which would cause structural injury to the Project or which would cause the value or the usefulness of the Property or any part thereof to diminish (ordinary wear and tear for its business excepted), or which would constitute a public or private nuisance or waste. Upon the written demand of the Servicer, the Borrower shall commence and proceed promptly and diligently to maintain and repair the Project in good condition, working order and repair and to correct any structural injuries or defects in the Project. In the event the Borrower fails to maintain and repair the Property or to correct structural injuries or defects in accordance with the terms of this subsection, the Servicer shall have the right to enter onto the Property, subject to the rights of tenants, in order to take any and all actions deemed necessary by the Servicer to so maintain and repair the Property, and all sums expended by the Servicer in connection therewith shall be payable by the Borrower with interest, on demand.

(m) The Borrower shall make such capital improvements as may be required to satisfy the Borrower's obligation to maintain the Property as set forth in Section 2.4(l) hereof.

(n) The Borrower shall not, without the prior written consent of the Servicer and the Issuer, create, assume or suffer to exist any other indebtedness or liability for the debts or obligations of any other Person except the Bond Loan.

(o) The Borrower shall not enter into any agreement, contract or undertaking containing any provision which would be violated or breached by the performance by the Borrower of any obligations hereunder or under any other Document.

(p) The Borrower shall deliver to the Servicer, the Issuer and the Trustee, on demand by either or both, as applicable, any contracts, bills of sale, statements, receipted vouchers or agreements, under which the Borrower claims title to any materials, fixtures or articles incorporated in the Project or subject to the lien of this Loan Agreement or the Deed of Trust.

(q) *Intentionally omitted.*

(r) *Intentionally omitted.*

(s) The Borrower agrees to provide to the Issuer or the Trustee, as applicable, all information necessary to enable the Issuer or the Trustee, as applicable, to complete and file all forms and reports required by the laws of the State and the provisions of the Code in connection with the Project and the Bonds.

(t) At all times during the term of the Bond Loan, the Borrower shall comply, and take all necessary steps to ensure compliance, with all requirements of Section 42 of the Code and all rules and regulations promulgated pursuant thereto by the Federal government or the applicable tax credit housing agency relating to the Section 42 low-income housing tax credits,

including, but not limited to, all restrictive covenants and agreements with the applicable tax credit housing agency.

(u) At all times during the term of the Bond Loan, the Borrower warrants and represents that neither it nor any person or entity who holds any direct or indirect interest in the Borrower or the General Partner, the Project or the proceeds of the Bond Loan described herein, or is in any way affiliated with or will benefit from any of the above, (i) is described in, covered by, or specially designated pursuant to or affiliated with any person or entity described in, covered by, or specially designated pursuant to “Executive Order 13224 Blocking Terrorist Property and a Summary of the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), Terrorism List Governments Sanctions Regulations (Title 31, Part 596 of the U.S. Code of Federal Regulations), and Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of U.S. Code of Federal Regulations)” (“**Executive Order 13224**”), or any other list or designation promulgated by the United States of America or any department or agency thereof of persons or entities transactions with which are blocked or prohibited by any statute, regulation or governmental order and (ii) is not, and shall not become a person or entity with whom any individual or entity is restricted from doing business with under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, as amended from time to time (the “**USA Patriot Act**”) or Executive Order 13224, and any regulations promulgated pursuant thereto.

(v) The Borrower shall pay all actual, out-of-pocket fees, costs and expenses required to be paid by the Borrower under the terms of this Loan Agreement.

(w) The Borrower shall notify the Trustee promptly in writing of the receipt of any prepayment of the Note, whether upon acceleration, by reason of application of insurance or condemnation proceeds, optional prepayment or otherwise. If such prepayment results in revisions to the Amortization Schedule, the Purchaser or Majority Owner, as applicable, shall provide the revised Amortization Schedule to the Trustee, the Issuer and the Borrower in accordance with Section 3.09 of the Indenture.

All representations of the Borrower contained herein and in any certificate or other instrument delivered by the Borrower pursuant to the Borrower Documents or in connection with the transaction contemplated thereby, shall survive the execution and delivery thereof and the issuance, sale and delivery of the Bonds.

## **2.5. Tax-Exempt Status of the Bonds.**

Excluding any representations made therein by or on behalf of another party thereto, the Borrower hereby represents, warrants and agrees that the Tax Exemption Agreement executed and delivered by the Borrower concurrently with the issuance and delivery of the Bonds is true, accurate and complete in all material respects as of the date on which executed and delivered.

## **2.6. Commencement and Completion.**

The Borrower shall, within sixty (60) days of the Closing Date, deliver to its general contractor for the Project (with a copy to the Purchaser) a “notice to proceed” with respect to the construction of the Project. Construction of the Project shall be completed no later than the

Completion Date (as defined in the Continuing Covenants Agreement), or such earlier date as required to ensure compliance with Section 42 of the Code relating to the “in service” requirements for the Section 42 low-income housing tax credits relating to the Project. The Borrower shall cause the Project to be completed in a good and workmanlike manner substantially in accordance with the Plans and Specifications (with such changes as approved by the Purchaser) and in accordance with the Budget (with such changes as approved by the Purchaser) and applicable Governmental Requirements. The Plans and Specifications shall be construed in such a manner that any work, structures or parts thereof exhibited in the Plans and not mentioned in the Specifications, or vice versa, shall be completed the same as if they were exhibited in the Plans and mentioned in the Specifications. The Borrower shall install and pay for all work provided in the Plans and Specifications. The Borrower shall obtain at its expense all permits and licenses which may be required by any governmental agency, including municipal, county and state authorities. The Borrower further agrees that the Purchaser, the Issuer and their designated representatives may audit the books of account pertaining to the Project covered by this Loan Agreement.

**2.7. *Notice of Determination of Taxability.***

Promptly after the Borrower first becomes aware of any investigation relating to the tax status of the Bonds, or a Determination of Taxability, the Borrower shall give written notice thereof to the Issuer, the Purchaser and the Trustee at the address of each party listed in Article I of the Indenture.

**2.8. *State Law Verifications.***

The Borrower and Purchaser make the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended. As used herein, “affiliate” means an entity that controls, is controlled by, or is under common control with the Borrower or Purchaser, as applicable, 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 this Agreement shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited, notwithstanding anything herein or therein to the contrary.

(a) Each of the Borrower and Purchaser 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 Borrower, the Purchaser, and Borrower’s or Purchaser’s, as applicable, 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) For purposes of Chapter 2271, Texas Government Code, Chapter 2274, Texas Government Code, and Chapter 2276, Texas Government Code, the Borrower hereby represents that it does not have at least 10 full-time employees.

(c) The Purchaser 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.

(d) The Purchaser 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.

(e) The Purchaser 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.

(f) The Purchaser 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>). The Purchaser 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 2.8] (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. The Purchaser further represents and verifies that its Standing Letter remains in effect as of the date of this Regulatory Agreement and that the Texas Attorney General has not notified the Purchaser that a determination has been made that such entity 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 Purchaser 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 Regulatory Agreement through the Closing Date (the “Bringdown Verification”). The Governmental Lender reserves the right, and the Purchaser hereby expressly authorizes the Governmental Lender, to provide such Bringdown Verifications to the Texas Attorney General.

**ARTICLE III**  
**CONSTRUCTION OF THE PROJECT; ISSUANCE OF THE BONDS**

**3.1. *Agreement to Construct the Project.***

The Borrower agrees to make all contracts and do all things necessary for the construction of the Project. The Borrower further agrees that it will construct the Project with all reasonable dispatch and use its best efforts to cause construction of the Project to be completed by the Completion Date, or as soon thereafter as may be practicable, except due to delays caused by Force Majeure or with the written consent of the Servicer and Issuer; but if for any reason such construction is not completed by said Completion Date there shall be no resulting liability on the part of the Borrower or the Issuer and no diminution in or postponement of the payments required in Section 4.2 hereof to be paid by the Borrower.

**3.2. *Agreement to Issue, Sell and Deliver the Bonds; Deposit of Bond Proceeds.***

In order to provide funds for the payment of the Qualified Project Costs, the Issuer, concurrently with the execution of this Loan Agreement, will issue, sell, and deliver the Bonds and deposit the proceeds thereof with the Trustee, which amounts shall be immediately deposited into the Project Fund.

**3.3. *Disbursements from the Project Fund.***

In the Indenture, the Issuer has authorized and directed the Trustee to make disbursements from the Project Fund to pay Qualified Project Costs upon satisfaction of the requirements of the Indenture.

Disbursements from the Project Fund for the payment of Qualified Project Costs shall be made by the Trustee only to, or at the written direction of, the Borrower, upon satisfaction of all of the following conditions:

(i) The receipt by the Trustee of a completed Requisition, in the form required by Section 5.02 of the Indenture, providing the amount of the disbursement request (a "Disbursement Amount") and the expected date of disbursement.

(ii) Promptly upon receipt of a completed and fully-executed Requisition, the Trustee will notify the Borrower if (A) the Disbursement Amount exceeds the available account balance of the Project Fund or (B) the Trustee has actual knowledge that an Event of Default has occurred and is continuing. If such an Event of Default has occurred and is continuing to the knowledge of the Trustee, the Trustee shall make no further disbursements from the Project Fund so long as such Event of Default continues to exist.

(iii) Upon satisfaction of the conditions set forth in clauses (i) and (ii) above, the Trustee shall be unconditionally and irrevocably obligated to disburse funds from the Project Fund in accordance with the Requisition.

The Borrower hereby acknowledges and agrees that it shall submit Requisitions to the Trustee no more frequently than once each calendar month and that it shall not request, and the Trustee shall not be required to make, any disbursement which is in excess of the amount of Eligible Investments then available to be withdrawn or liquidated at par and without penalty. Each such Requisition shall be consecutively numbered.

The Borrower shall not request disbursements from the Project Fund the aggregate amount of which exceeds the aggregate principal amount of the Bond Loan.

The Trustee may conclusively rely on the Borrower's Requisitions as to the eligibility of costs included in the Requisitions.

Any money in the Project Fund remaining after the Completion Date and payment, or provision for payment, in full of the Qualified Project Costs promptly shall be transferred into the Bond Fund for payment of principal and interest on the Bonds when due.

**3.4. *Intentionally omitted.***

**3.5. *Establishment of Completion Date.***

(a) The Borrower shall evidence completion of the Project and the actual date of completion by delivery to the Issuer and the Trustee of Completion Certificate in the form attached hereto as Exhibit D executed by an Authorized Borrower Representative. The Completion Certificate shall be furnished by the Borrower to the Issuer and the Trustee promptly following the completion of the Project.

(b) If, as of the date of the Completion Certificate, at least ninety-five percent (95%) of the proceeds of the Bonds have not been used to pay Qualified Project Costs, any amount (exclusive of amounts retained by the Trustee in the Project Fund for payment of Qualified Project Costs not then due and payable) remaining in the Project Fund shall be transferred by the Trustee into the Bond Fund and used by the Trustee (i) to pay the principal of and interest on the Bonds or (ii) for any other purpose; provided that, in each case, the Trustee is furnished with a Favorable Opinion of Bond Counsel (as defined in the Tax Exemption Agreement). Until used for one or more of the foregoing purposes, such segregated amount may be invested as permitted by the Indenture provided that prior to any such investment the Trustee is provided with an opinion of Bond Counsel to the effect that such investment will not cause interest on the Bonds to be included in gross income for federal income tax purposes.

**3.6. *Borrower Required to Pay in Event Project Fund Insufficient.***

In the event the moneys in the Project Fund are not sufficient to pay the Project Costs in full, the Borrower agrees to complete the Project and to pay that portion of the Project Costs in excess of the moneys available therefor in the Project Fund. The Issuer does not make any warranty, either express or implied, that the moneys paid into the Project Fund and available for payment of the Project Costs will be sufficient to pay all of the Project Costs. The Borrower agrees that if after exhaustion of the moneys in the Project Fund, the Borrower should pay any portion of the Project Costs pursuant to the provisions of this Section, the Borrower shall not be entitled to any reimbursement therefor from the Issuer, the Trustee or the Holders of any of the Bonds, nor

shall the Borrower be entitled to any diminution of the amounts payable under this Loan Agreement.

## **ARTICLE IV LOAN PROVISIONS**

### **4.1. *Loan of Proceeds.***

The Issuer agrees, upon the terms and conditions contained in this Loan Agreement and the Indenture, to finance the Bond Loan to the Borrower with the proceeds received by the Issuer from the sale of the Bonds by causing such proceeds to be deposited with the Trustee for disposition as provided in the Indenture. Such proceeds shall be disbursed to or on behalf of the Borrower as provided in Section 3.3 hereof.

### **4.2. *Amounts Payable.***

(a) The Borrower hereby covenants and agrees to repay the Bond Loan on or before any date that any payment of interest or principal is required to be made in respect of the Bonds pursuant to the Indenture, until the principal of and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, in immediately available funds, a sum which, together with any other moneys available for such payment in any account of the Bond Fund, will enable the Trustee to pay the amount payable on such date as principal of (whether at maturity or acceleration or otherwise) and interest on the Bonds as provided in the Indenture. Payments by the Trustee of principal and interest on the Bonds from amounts in the Bond Fund shall be credited against the Borrower's obligation to pay principal and interest on the Bond Loan. The Borrower also covenants and agrees to pay any additional amounts that may be due (1) as a result of a Determination of Taxability or (2) in connection with any prepayment of the Bond Loan required to allow the Bonds to be redeemed such that the Outstanding principal amount thereof is equal to the Permanent Loan Amount in accordance with Section 4.2(d) hereof.

It is understood and agreed that all payments of principal and interest payable by the Borrower under subsection (a) of this Section 4.2 are assigned by the Issuer to the Trustee for the benefit of the Holders of the Bonds (excluding amounts on deposit in the Costs of Issuance Fund and the Rebate Fund). The Borrower consents to such assignment.

(b) In the event the Borrower should fail to make any of the payments required in this Section 4.2, the item or installment so in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid, and the Borrower agrees to pay the same with interest thereon, to the extent permitted by law, from the date when such payment was due, at the rate of interest borne by the Bonds.

(c) *Intentionally omitted.*

(d) On or prior to the Conversion Date, the Borrower shall deliver, or shall cause to be delivered, to the Trustee, for deposit into the Bond Fund, moneys other than proceeds of the Bonds in an amount which is sufficient to pay the redemption price of the Bonds pursuant

to Section 3.02(b) of the Indenture. The Trustee shall apply such funds as set forth in Section 3.03 of the Indenture.

(e) After the Conversion Date, the Borrower shall pay to the Trustee, for deposit into the Bond Fund, on the Business Day immediately preceding each Bond Payment Date, an amount equal to the sum of (i) the interest due on the Bonds on such date, plus (ii) the principal due on the Bonds on such date, including the amount of mandatory redemption payments, if any, required pursuant to Section 3.03 of the Indenture (to the extent of money not already on deposit with the Trustee with respect to such mandatory redemption payments). Amounts so paid to the Trustee by the Borrower shall be in immediately available funds or shall be such that on the Bond Payment Date they are available funds. In the event that any required payment of principal or interest hereunder is not made within ten (10) days after the due date thereof, Borrower shall pay to Issuer a late payment charge equal to five percent (5.00%) of the amount of the overdue payment, in accordance with Section 2.7 of the Continuing Covenants Agreement.

(f) The Borrower understands that the interest rate applicable under the Note and with respect to the Bonds is based upon the assumption that interest on the Bonds is excludable from gross income for federal income tax purposes. In the event that a Determination of Taxability shall occur, then the interest rate on the Note and the Bonds, and on all obligations under this Loan Agreement shall, effective on the date of such Determination of Taxability, be increased to a rate equal to the Taxable Rate. The Borrower shall also indemnify, defend and hold the Owners, Issuer and Trustee (and each of their directors, members, officers and employees) harmless from any penalties, interest expense or other costs, including reasonable attorneys' fees (including all reasonably allocated time and charges of Owners', Issuer's and Trustee's "in-house" and "outside" counsel) and accountants' costs, resulting from any dispute with the Internal Revenue Service concerning the proper tax treatment of the Bonds and any interest payable to any Owner with respect to the Bonds. The obligations of the Borrower under this Section 4.2(f) shall survive termination of this Loan Agreement and the Note and repayment of the Bond Loan. If, following any increase in interest rates pursuant to this Section 4.2(f), a final determination is made, to the reasonable satisfaction of the Owners, that interest paid on the Bonds is excludable from the Owners' gross income under Section 103 of the Code and applicable state law, the Owners shall promptly refund to the Borrower any additional amounts paid by the Borrower pursuant to this Section 4.2(f).

**4.3. *Intentionally omitted.***

**4.4. *Fees and Expenses.***

On or prior to the Closing Date, the Borrower agrees to cause to be deposited the Costs of Issuance Deposit into the Costs of Issuance Fund as required under the Indenture, to pay, from moneys on deposit therein or in the Expense Fund or from other funds, the Issuer's Fees, the Trustee's Fees and the fee of the Rebate Analyst (including the reasonable fees and expenses of their respective counsel actually incurred) in connection with the issuance of the Bonds and the performance of their duties in connection with the transactions contemplated hereby, including, without limitation, all costs of recording and filing, to the extent such fees and expenses are not otherwise paid from the Expense Fund or the Costs of Issuance Fund in accordance with Section 4.06 or Section 4.08 of the Indenture. All such amounts shall be paid directly to the parties entitled

thereto for their own account as and when such amounts become due and payable. The Borrower will also pay any reasonable expenses actually incurred in connection with any redemption of the Bonds. Additionally, and without limiting the foregoing, the Borrower agrees to pay to the Issuer, the Trustee or to any payee designated by the Issuer (whether such amounts are due on the Closing Date or not), all reasonable costs and expenses incurred by the Issuer for post-closing actions including but not limited to consents, review, and modifications, all reasonable costs and expenses incurred by the Trustee in its administration of the trusts created by the Indenture and in the performance of its duties under the Documents, and all reasonable third-party expenses incurred by the Trustee, the Servicer, or the Issuer in servicing the Bond Loan and the Bonds.

The obligations of the Borrower under this Section shall survive the resignation or removal of the Trustee, termination of this Loan Agreement and the payment and performance of all of the other obligations of the Borrower hereunder and under the other Borrower Documents, including the Regulatory Agreement.

#### **4.5. *Obligations of the Borrower Unconditional.***

The obligations of the Borrower to make the payments required under this Loan Agreement, and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, irrespective of any defense or any right of notice, setoff, recoupment or counterclaim it might otherwise have against the Issuer, the Trustee or any other Person. Subject to termination as provided herein, the Borrower (i) will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for under this Loan Agreement, (ii) will perform and observe all of its other agreements contained in this Loan Agreement and (iii) will not terminate this Loan Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, commercial frustration of purpose, or change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State or any political subdivision of either, any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Loan Agreement, whether express or implied, or any failure of the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Indenture, whether express or implied.

### **ARTICLE V SPECIAL COVENANTS**

#### **5.1. *No Warranty of Condition or Suitability by Issuer.***

THE ISSUER MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AND SPECIFICALLY DISCLAIMS ANY WARRANTY AS TO THE PROJECT OR THE CONDITION THEREOF, OR THAT THE PROJECT WILL BE SUITABLE FOR THE PURPOSES OR NEEDS OF THE BORROWER. THE ISSUER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AND SPECIFICALLY DISCLAIMS ANY WARRANTY THAT THE BORROWER WILL HAVE QUIET AND PEACEFUL POSSESSION OF THE PROJECT. THE ISSUER MAKES NO

REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AND SPECIFICALLY DISCLAIMS ANY WARRANTY WITH RESPECT TO THE MERCHANTABILITY, CONDITION OR WORKMANSHIP OF ANY PART OF THE PROJECT OR ITS SUITABILITY FOR THE BORROWER'S PURPOSES.

**5.2. *Access to the Property.***

Subject to the rights of the tenants under the Leases, the Borrower agrees that the Issuer, the Trustee and their duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right to inspect the Property and the construction thereof at all reasonable times with 48 hours' advance notice. The Borrower acknowledges that the Issuer shall monitor the construction of the Project. The Issuer, the Trustee and their duly authorized agents shall also be permitted, at all reasonable times with 48 hours' advance written notice, to examine the books, accounts, contracts, documents, and other papers of the Borrower with respect to the Project which shall all be maintained by the Borrower in reasonable condition and for audit.

**5.3. *Alterations, Additions and Improvements.*** Except for the construction of the Project substantially in accordance with the Plans and Specifications, and as may otherwise be provided in the Documents, the Borrower will not construct any additional improvements on the Land without the prior written consent of the Servicer and the Issuer, such consent not to be unreasonably withheld, conditioned or delayed, and no material portion of the Project or any other improvements or equipment now or hereafter covered by the lien and security interest of this Loan Agreement or the Deed of Trust, shall be removed demolished or materially altered, without the prior written consent of the Servicer and the Issuer, such consent not to be unreasonably withheld, conditioned or delayed.

Subject to the provisions of Article III with respect to the construction of the Project, the Borrower will complete and pay for, within a reasonable time, any structure or improvement permitted or required under this Loan Agreement, and will:

(a) Compliance With Restrictions. Construct, erect and complete any permitted improvements (including but not limited to the Project) on any part of the Land (i) in good and workmanlike manner and strictly in accordance with all applicable Governmental Requirements and in accordance with the orders, rules and regulations of the National Board of Fire Underwriters, or any other body hereafter constituted exercising similar functions, (ii) except as otherwise set forth in the Plans and Specifications, entirely on lots or parcels of Land, (iii) except as otherwise set forth in the Plans and Specifications, so as not to encroach upon any easement or right of way or upon the land of others, (iv) except as otherwise set forth in the Plans and Specifications, wholly within the building restriction lines however established, and (v) so as not to violate use and other restrictions contained in prior conveyances, zoning ordinances or restrictions;

(b) Insurance. Furnish, in connection with any such work, general public liability insurance for the benefit of the Issuer, the Trustee and the Holders, as their interest may appear, in the limits required by the Servicer;

(c) Payment. Promptly pay for all such improvements; and

(d) Liens; Surety Bond. Discharge any and all encumbrances (other than the Permitted Encumbrances) filed against the Property (unless the Borrower in good faith contests any such liens by appropriate and diligent proceedings), and upon the reasonable request of the Servicer or the Issuer, deposit with the Trustee for the benefit of the Holders a one hundred percent (100%) surety bond, twenty-five percent (25%) letter of credit or other security reasonably satisfactory to the requesting party to assure the payment for and completion of any such changes, additions, alterations, substitutions, replacements, removals or improvements.

All such changes, additions, alterations, substitutions, replacements, removals and improvements shall become a part of the Project and subject to the lien and security interest of this Loan Agreement and the Deed of Trust.

#### **5.4. *Further Assurances and Corrective Instruments.***

The Issuer and the Borrower agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Loan Agreement.

#### **5.5. *Issuer and Borrower Representatives.***

Whenever under the provisions of this Loan Agreement the approval of the Issuer or the Borrower is required or the Issuer or the Borrower is required to take some action at the request of the other, such approval or such request shall be given in writing both for the Issuer by an authorized representative of the Issuer and for the Borrower by an Authorized Borrower Representative. The Trustee shall be authorized to act on any such approval or request pursuant to the Indenture.

#### **5.6. *Financing Statements.***

The Borrower shall, or shall cause to be executed and filed any and all financing statements, or any amendments thereof or continuation statements thereto, to perfect the security interests granted in the Indenture, in the manner prescribed in the Indenture; provided, pursuant to the Indenture the Trustee shall file all necessary continuation statements with respect to any such original financing statements listing the Trustee as a secured party, of which a legible copy showing the date and place of filing is delivered to the Trustee. The Borrower shall pay all costs of filing such instruments and any fees and expenses (including reasonable attorney's fees) associated therewith. The Trustee shall otherwise have no duty or obligation related to the creation, preservation or perfection of any security interest.

#### **5.7. *Insurance.***

The Borrower shall obtain and keep in force such insurance coverage as may be required by the Servicer. All insurance policies and renewals thereof relating to the Project shall be in a form acceptable to the Issuer in its reasonable discretion and shall designate the Issuer and the Trustee as additional insureds for liability insurance. The Trustee is not responsible for receiving or reviewing insurance policies or certificates. The Issuer shall be furnished with full copies of all policies within fifteen (15) calendar days of Borrower's receipt and shall have the right to receive

duplicate copies of policies and renewals, and the Borrower shall promptly furnish the Issuer and the Purchaser with copies of all renewal notices and all receipts for paid premiums within thirty (30) calendar days of receipt thereof. The Borrower shall notify the Issuer at least thirty (30) days in advance of an endorsement or of any change in the terms of coverage adverse to the Issuer. In the event of loss, the Borrower shall give prompt notice to the insurance carrier and the Issuer.

With respect to any casualty insurance, it shall (i) be in an amount equal to the greater of the actual cash value of the replacement cost of the insurable, then existing improvements and equipment in the Project and (ii) be provided by an insurance company with a claims paying ability rating of not less than “A” by the A.M. Best.

#### **5.8. Requisitions.**

(a) At such time as the Borrower shall desire to obtain an advance from the Project Fund, the Borrower shall complete, execute and deliver to the Issuer a Requisition. Each Requisition shall be signed on behalf of the Borrower and shall be in the form set forth as *Exhibit B* to the Indenture. The Trustee is not responsible for receiving or reviewing backup for requisitions.

(b) The amounts deposited into the Project Fund may be disbursed by the Trustee only in accordance with Section 3.3 hereof and Section 5.02 of the Indenture, including delivery of a written Requisition of the Borrower satisfying the requirements of this Section 5.8 and Section 5.02 of the Indenture.

#### **5.9. Covenants Regarding Tax Credits.**

The Borrower hereby agrees to comply with all of the following covenants and with the practices and procedures related to the monitoring of Tax Credits (each, a “**Tax Credit Covenant**”):

(a) To observe and perform all obligations imposed on the Borrower in connection with the federal low income housing tax credits awarded to the Project (the “Tax Credits”), including the obligation to have the Project “placed in service” (within the meaning given in Section 42 of the Code) in a timely manner; and to operate the residential units of the Project, and to use the Borrower’s best efforts to cause all appropriate parties to operate the same, in accordance with all requirements, statutes, and regulations governing the Tax Credits;

(b) To preserve, to the best of Borrower’s ability, at all times the award and availability of the Tax Credits;

(c) Not to release, forego, or materially alter, amend, or modify its rights to the Tax Credits without the Servicer’s prior written consent, which the Servicer may give or withhold in the Servicer’s reasonable discretion;

(d) Not to execute any residential lease of all or any portion of the Project that does not comply fully with all requirements, statutes, and regulations governing the Tax Credits, without the Servicer’s prior written consent, which the Servicer may give or withhold in the Servicer’s reasonable discretion;

(e) To cause to be kept all records, and cause to be made all elections and certifications, pertaining to the number and size of apartment units, occupancy thereof by tenants, income level of tenants, set-asides for low-income tenants, and any other matters now or hereafter required to qualify for and maintain the Tax Credits in connection with the low-income occupancy of the Project;

(f) To comply with the appropriate minimum low-income set-aside requirements under the Code or applicable federal regulations (the “**Federal Laws**”), all requirements of the allocating authority in respect of the Tax Credits (the “**Allocation Authority**”) and all applicable laws and regulations (the “**Local Laws**”) applicable to the creation, maintenance and continued availability of the Tax Credits;

(g) To certify compliance with the set-aside requirements and report the dollar amount of qualified basis and maximum applicable percentage, date of placement in service and any other information required for the Tax Credits at such time periods as required by Federal Laws, the Allocation Authority or Local Laws for such Tax Credits, as applicable;

(h) To set aside the appropriate number of units for households with incomes meeting the required standards of the median income of the jurisdiction in which the Project is located to qualify for the Tax Credits (as determined pursuant to Section 42 of the Code and/or Local Laws), adjusted for family size, and to operate and maintain all such units as “low-income units” qualifying for the Tax Credits under Section 42(i)(3) of the Code and/or Local Laws;

(i) To exercise good faith in all activities relating to the operation and maintenance of the Project in accordance with the requirement of Federal Laws and Local Laws;

(j) To deliver within ten (10) Business Days to the Issuer and the Servicer true and correct copies of all notices or other documents or communications received or given by the Borrower with regard to or relating in any way to the Borrower’s membership interests and/or the Tax Credits that could have a material adverse impact on the Project. Promptly upon receipt thereof, the Borrower shall deliver to the Servicer a copy of (i) the fully-executed 42(m) letters for the Project; (ii) the basis audit (as required by Section 42 of the Code) for the Project (including a certificate of the Borrower’s accountant and attorneys, if requested by them); (iii) the first annual income certification for all tenants of the Project showing that the tenants are qualified for purposes of the Borrower’s obtaining Tax Credits, and (iv) the fully-completed Form 8609 (required by the Code) issued for the Project. The Borrower shall deliver within ten (10) Business Days to the Issuer and the Servicer such other certificates, income certificates, reports and information as they may request; and

(k) The Borrower understands and acknowledges that the Holders are purchasing the Bonds based, in part, upon the value of the Tax Credits, and the Tax Credits, directly or indirectly, constitute part of the Trustee’s security on behalf of the Holders for the Bond obligations. The Borrower agrees to indemnify, defend and hold the Holders harmless for, from, and against any and all actions, suits, claims, demands, liabilities, losses, damages, obligations, and costs or expenses, including litigation costs and reasonable attorneys’ fees, arising from or in any way connected with the Borrower’s failure in a material manner to comply with one or more Tax Credit Covenants that results in the Borrower having to repurchase the Equity Investor’s

limited partnership interests in the Borrower or a reduction in the Equity Investor's remaining Capital Contributions pursuant to the Organizational Documents, excepting, with respect to any Holder, those arising out of, or resulting, solely from such Holder's gross negligence or willful misconduct.

All of the proceeds of the Bonds shall be used in a manner that complies with the applicable sections of the Code.

**5.10. *Intentionally omitted.***

**5.11. *Borrower's Obligations Upon Redemption of Bonds.***

In connection with a redemption of the Bonds pursuant to Section 3.02 of the Indenture, for the purpose of paying the redemption price of the Bonds, the Borrower will cause to be paid to the Trustee by the applicable times provided in the Indenture, an amount equal to the amount by which the redemption price of the Bonds, together with interest accrued to the date of redemption, exceeds the amount otherwise available to redeem the Bonds in full.

**5.12. *Option to Terminate.***

The Borrower shall have the option to cancel or terminate this Loan Agreement at any time when (a) the Indenture shall have been released in accordance with its provisions, and (b) sufficient money or security acceptable to the Issuer and the Trustee are on deposit with the Trustee to meet all Loan Payments due or to become due through the date on which the last of the Bonds is then scheduled to be retired or redeemed. Such option shall be exercised by the Borrower giving the Issuer and the Trustee five (5) days' notice in writing of such cancellation or termination and such cancellation or termination shall become effective at the end of such notice period. The provisions of this Section shall not be deemed to permit a prepayment of the Note other than in accordance with its terms.

**5.13. *Covenants Related to Rate Cap.***

Upon request by Purchaser, a Rate Cap meeting the Rate Cap Requirements shall be and remain in full force and effect and shall secure the Bonds, the Note and the Bond Loan. If the Rate Cap is terminated for any reason, the Borrower shall cooperate in obtaining the delivery and assignment to the Trustee of a substitute or replacement Rate Cap with substantially the same economic terms (including payment dates, strike price, termination provisions) as the original Rate Cap within thirty (30) days of notice of such termination. The Borrower acknowledges and agrees that the Majority Owner may arrange for the delivery of any such substitute or replacement Rate Cap on the Borrower's behalf. Any replacement Rate Cap and Rate Cap Provider must be acceptable to the Majority Owner in its sole discretion. Any consent, request, action, decision or any other matter pertaining or arising with respect to the Rate Cap (including any request for full or partial termination thereof or any other modification or replacement thereof or with respect to the security provided therefor) shall be determined in the sole and absolute discretion of the Majority Owner. With respect to any such matter pertaining or arising with respect to the Rate Cap, the Trustee and the Servicer shall only act upon the written direction of the Majority Owner, shall provide a copy of such direction to the Issuer, and shall be permitted to conclusively rely and fully protected in their reliance on any such written direction.

#### **5.14. *Servicing.***

Borrower hereby acknowledges that the Bonds, the Bond Loan and the Documents will be serviced by the Servicer. Notwithstanding anything herein to the contrary, Borrower agrees it will direct all deliverables, notices, questions, requests or other communications required by or otherwise regarding this Agreement directly to the Servicer, will provide a copy of such communication to the Issuer, and acknowledges that Servicer will coordinate with the Majority Owner with respect to the same.

### **ARTICLE VI RESTRICTION ON TRANSFER; ASSIGNMENT, SELLING, LEASING; INDEMNIFICATION**

#### **6.1. *Restriction on Transfer; Removal of General Partner.***

(a) Except for Permitted Transfers and Permitted Encumbrances and as otherwise set forth in this Section 6.1, in the event the Borrower intends to sell, lease (except to the tenants who will occupy units in the Project), sublease or otherwise materially encumber the whole of or any part of the Project or sell, assign or otherwise, except as otherwise provided herein, transfer any interest in the Borrower (a “**transfer**”), it shall apply to the Issuer and the Servicer for consent to transfer, provided that consent of the Issuer shall only be given subject to the conditions, and as provided, in Section 10 of the Regulatory Agreement.

(b) In addition, in connection with a proposed transfer, the Borrower and any transferee shall comply with all applicable provisions of the laws and regulations of the State in effect at that time regarding notice to tenants, and tenants’ rights generally. The transferee shall expressly assume the Borrower’s duties and obligations under this Loan Agreement and any other Documents to which the Borrower is a party in writing simultaneously with any approved transfer as set forth in this Section 6.1. The Borrower shall make available to the Issuer copies of any documents reflecting an amendment to membership interests in the Borrower or other organizational documents relating to the sale or other transfer of membership interests of the Borrower.

(c) Except as otherwise provided for herein, Permitted Transfers and/or Permitted Encumbrances or with the prior written consent of the Issuer in its reasonable discretion, the Borrower will not, directly or indirectly, by operation of law or otherwise, sell, assign, grant a deed of trust, pledge, hypothecate, transfer or otherwise dispose of the Project or any interest in the Project, and will not encumber, alienate, hypothecate, grant a security interest in or grant any other ownership or control interest whatsoever in the Project, in the leases or in the rents, issues and profits therefrom.

(d) Except as otherwise provided for herein, Permitted Transfers and/or Permitted Encumbrances, no interest in the Borrower and no ownership interest in the General Partner may be sold, conveyed, transferred, assigned, pledged or otherwise transferred, in whole or in part, directly or indirectly, by operation of law or otherwise other than the transfer of the Equity Investor interests after the Equity Investor has paid all installments of the equity contribution required to be contributed under the Organizational Documents and such transfer shall

be expressly permitted hereunder without the consent of the Issuer, except to the extent required under Section 10 of the Regulatory Agreement.

(e) The Borrower shall not, without the prior written consent of the Servicer and the Issuer, enter into any merger, consolidation, other business combination or dissolution or sell, lease, or otherwise dispose of any of the collateral or its other assets (except assets customarily consumed, leased, or customarily disposed of and replaced in the ordinary course of operating an apartment project).

(f) Notwithstanding anything herein to the contrary, no transfers shall be permitted except as otherwise expressly permitted pursuant to the terms of the Continuing Covenant Agreement.

(g) The Borrower will not seek the dissolution or winding up, in whole or in part, of the Borrower or voluntarily file, or consent to the filing of, a petition for bankruptcy, reorganization, or assignment for the benefit of creditors or similar proceedings.

(h) The Borrower will not take any action that would adversely affect the exclusion of interest on the Bonds from gross income, for purposes of federal income taxation, nor omit or fail to take any action required to maintain the exclusion of interest on the Bonds from gross income, for purposes of federal income taxation.

(i) The General Partner and Class B Limited Partner shall be subject to removal by the Equity Investor or an Affiliate thereof in accordance with the Borrower Documents.

Any successor General Partner that is not the Equity Investor or an Affiliate of the Equity Investor shall be selected and approved in accordance with this Loan Agreement and the Organizational Documents and approved by the Issuer in accordance with Section 10 of the Regulatory Agreement.

(j) This Loan Agreement may not be sold, transferred or otherwise disposed of by the Borrower without the prior written consent of the Issuer in accordance with Section 10 of the Regulatory Agreement. Nothing contained in this Section shall be construed to supersede any provisions regarding assignment and transfer of the Project contained in the Regulatory Agreement. In the event of a conflict between the provisions of this Loan Agreement and the Regulatory Agreement, the provisions of the Regulatory Agreement shall control.

(k) The Borrower shall maintain its existence, not dissolve or sell, transfer or otherwise dispose of all or substantially all of its assets and not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it; provided, that it may do so if the surviving, resulting or transferee entity is other than the Borrower, it assumes in writing all of the obligations of the Borrower under the Borrower Documents and it has a net worth equal to or greater than that of the Borrower immediately prior to such consolidation, merger, sale or transfer. The Borrower shall not permit one or more other entities to consolidate with or merge into it; or take any action or allow any action to be taken to terminate the existence of the Borrower except as provided herein. No sale, assignment or transfer of title to the Project, except as may be otherwise required by the Purchaser, shall be made unless (a) the Purchaser consents to such assignment or transfer, (b) the transferee or assignee, as the case may

be, assumes all the duties of the Borrower under the Borrower Documents, provided that such assumption may contain an exculpation of the assignee from personal liability with respect to any obligation hereunder, except the Borrower's obligation to indemnify the Issuer and Trustee and reimburse the Issuer and the Trustee for the fees and expenses of the Issuer and Trustee, and (c) no Default as certified in writing to the Issuer and the Trustee by the Borrower shall have occurred and be continuing under the Indenture or this Loan Agreement. Upon the assumption of the duties of the Borrower by an assignee as provided herein, the outgoing Borrower shall be released from all executory obligations so assumed; provided, however, the Borrower shall not be released from its obligation to pay or reimburse the fees and expenses of the Issuer and the Trustee and to indemnify the Trustee and the Issuer without the express written consent of the Trustee and the Issuer, as applicable, which consent shall not be unreasonably withheld.

Nothing contained in this Section shall be construed to supersede any provisions regarding assignment and transfer of the Project contained in the Loan Documents.

## **6.2. *Indemnification by Borrower.***

(a) TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE BORROWER HEREBY COVENANTS AND AGREES AS FOLLOWS: TO PROTECT, INDEMNIFY AND SAVE THE ISSUER AND ITS GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES (EACH, A "GOVERNMENTAL INDEMNIFIED PARTY") HARMLESS FROM AND AGAINST ALL LIABILITY, LOSSES, DAMAGES, COSTS, EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES), TAXES, CAUSES OF ACTION, SUITS, CLAIMS, DEMANDS AND JUDGMENTS OF ANY NATURE OR FORM, BY OR ON BEHALF OF ANY PERSON ARISING IN ANY MANNER FROM THE TRANSACTION OF WHICH THIS LOAN AGREEMENT IS A PART OR ARISING IN ANY MANNER IN CONNECTION WITH THE PROJECT OR THE FINANCING OF THE PROJECT (COLLECTIVELY, "GOVERNMENTAL INDEMNITY LIABILITIES") INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ARISING FROM (I) THE WORK DONE ON THE PROJECT OR THE OPERATION OF THE PROJECT DURING THE TERM OF THIS LOAN AGREEMENT OR (II) ANY BREACH OR DEFAULT ON THE PART OF THE BORROWER IN THE PERFORMANCE OF ANY OF ITS OBLIGATIONS UNDER THIS LOAN AGREEMENT, OR (III) THE PROJECT OR ANY PART THEREOF, OR (IV) ANY VIOLATION OF CONTRACT, AGREEMENT OR RESTRICTION RELATING TO THE PROJECT EXCLUDING THE PAYMENT OF THE PRINCIPAL, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, OR (V) ANY LIABILITY, VIOLATION OF LAW, ORDINANCE OR REGULATION AFFECTING THE PROJECT OR ANY PART THEREOF OR THE OWNERSHIP OR OCCUPANCY OR USE THEREOF. UPON NOTICE FROM ANY GOVERNMENTAL INDEMNIFIED PARTY, THE BORROWER SHALL DEFEND THE GOVERNMENTAL INDEMNIFIED PARTIES IN ANY ACTION OR PROCEEDING BROUGHT IN CONNECTION WITH ANY OF THE ABOVE; PROVIDED, HOWEVER, THAT THE GOVERNMENTAL INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO EMPLOY SEPARATE COUNSEL IN ANY ACTION DESCRIBED IN THE PRECEDING SENTENCE AT THE EXPENSE OF THE BORROWER.

IT IS THE INTENTION OF THE PARTIES HERETO THAT THE GOVERNMENTAL INDEMNIFIED PARTIES SHALL NOT INCUR PECUNIARY LIABILITY BY REASON OF

THE TERMS OF THIS LOAN AGREEMENT OR BY REASON OF THE UNDERTAKINGS REQUIRED OF THE GOVERNMENTAL INDEMNIFIED PARTIES IN CONNECTION WITH THE ISSUANCE OF THE BONDS, INCLUDING BUT NOT LIMITED TO THE EXECUTION AND DELIVERY OF THE INDENTURE, THIS LOAN AGREEMENT, THE TAX EXEMPTION AGREEMENT, THE REGULATORY AGREEMENT, AND ALL OTHER INSTRUMENTS AND DOCUMENTS REQUIRED TO CLOSE THE TRANSACTION; THE PERFORMANCE OF ANY ACT REQUIRED OF THE GOVERNMENTAL INDEMNIFIED PARTIES BY THIS LOAN AGREEMENT; OR THE PERFORMANCE OF ANY ACT REQUESTED OF THE GOVERNMENTAL INDEMNIFIED PARTY BY THE BORROWER OR IN ANY WAY ARISING FROM THE TRANSACTION OF WHICH THIS LOAN AGREEMENT IS A PART OR ARISING IN ANY MANNER IN CONNECTION WITH THE PROJECT OR THE FINANCING OF THE PROJECT, INCLUDING BUT NOT LIMITED TO THE EXECUTION AND DELIVERY OF THE INDENTURE, THIS LOAN AGREEMENT, THE TAX EXEMPTION AGREEMENT, THE REGULATORY AGREEMENT AND ALL OTHER INSTRUMENTS AND DOCUMENTS REQUIRED TO CLOSE THE TRANSACTION; NEVERTHELESS, IF ANY GOVERNMENTAL INDEMNIFIED PARTY SHOULD INCUR ANY SUCH PECUNIARY LIABILITY WITH RESPECT TO EVENTS OCCURRING AFTER THE DATE HEREOF, THEN IN SUCH EVENT THE BORROWER SHALL INDEMNIFY AND HOLD THE GOVERNMENTAL INDEMNIFIED PARTIES HARMLESS AGAINST ALL CLAIMS BY OR ON BEHALF OF ANY PERSON, ARISING OUT OF THE SAME, AND ALL COSTS AND EXPENSES INCURRED IN CONNECTION WITH ANY SUCH CLAIM OR IN CONNECTION WITH ANY ACTION OR PROCEEDING BROUGHT THEREON, AND UPON TIMELY NOTICE FROM ANY GOVERNMENTAL INDEMNIFIED PARTY THE BORROWER SHALL DEFEND THE GOVERNMENTAL INDEMNIFIED PARTIES IN ANY SUCH ACTION OR PROCEEDING, AND PROVIDE COMPETENT COUNSEL SATISFACTORY TO THE GOVERNMENTAL INDEMNIFIED PARTIES AND THE BORROWER SHALL PAY THE GOVERNMENTAL INDEMNIFIED PARTIES' EXPENSES INCLUDING PAYMENT OF THE COUNSEL USED BY THE GOVERNMENTAL INDEMNIFIED PARTIES; PROVIDED HOWEVER, THAT THE GOVERNMENTAL INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO EMPLOY SEPARATE COUNSEL IN ANY ACTION DESCRIBED IN THE PRECEDING SENTENCE AT THE EXPENSE OF THE BORROWER.

NOTWITHSTANDING ANY PROVISION OF THIS LOAN AGREEMENT TO THE CONTRARY, EACH GOVERNMENTAL INDEMNIFIED PARTY SHALL BE INDEMNIFIED BY THE BORROWER WITH RESPECT TO LIABILITIES ARISING FROM SUCH PARTY'S OWN GROSS NEGLIGENCE, NEGLIGENCE OR BREACH OF CONTRACTUAL DUTY, BUT NOT FOR ANY LIABILITIES ARISING FROM SUCH PARTY'S OWN BAD FAITH, FRAUD OR WILLFUL MISCONDUCT.

Notwithstanding anything else in this Loan Agreement to the contrary, the Borrower shall be responsible for the fees, costs and expenses of counsel to the Issuer at all times; provided that the Issuer maintains control of the selection of its counsel at all times.

This indemnification covenant shall survive repayment of the Bond Loan and the Bonds.

(b) Notwithstanding any transfer of the Project to another owner in accordance with the provisions of this Loan Agreement and the Regulatory Agreement, the Borrower shall remain obligated to indemnify each Indemnified Party pursuant to this Article VI for Indemnity liabilities with respect to any claims based on actions or events occurring prior to the date of such transfer, but only if the Majority Owner, the Issuer and the Trustee have consented to such transfer. In that event, such subsequent owner shall indemnify any Indemnified Party hereunder following such transfer under all of the terms and conditions applicable to Borrower.

(c) The Borrower (the “**Indemnitors**”) hereby agrees to indemnify and save harmless the Trustee from and against all liabilities, obligations, suits, actions, claims, judgments, demands, damages, penalties, fines, assessments, losses, expenses, fees (including all fees of attorneys, auditors, and consultants), taxes (including rebate to the United States) but exclusive of income taxes on fees earned by the Trustee, contributions, and costs of every kind and nature (including litigation and court costs, amounts paid in settlement by or with the approval of the Borrower and amounts paid to discharge judgments) (collectively, “**Claims**”) incurred by, asserted or imposed against a Trustee Indemnified Party (hereinafter defined), the Indemnitors or any other Person directly or indirectly resulting from or arising out of or relating to (but excluding such Claims to the extent liability is finally adjudicated by a court of competent jurisdiction to have directly resulted from the negligence or willful misconduct of a Trustee Indemnified Party):

(i) the design, construction, installation, operation, use, occupancy, maintenance, repair, management or ownership of the Project;

(ii) the enforcement of (a) the provisions of this Loan Agreement, the other Borrower Documents and any other document executed by the Borrower in connection with issuance of the Bonds and the making of the Bond Loan and (b) the obligations of the Borrower imposed hereby or thereby;

(iii) any untruthful, misleading or inaccurate information supplied by the Borrower relating to the Project, the Borrower, the Project manager or to the terms of financing relating to the Project, including, but not limited to, any breach of any representation or warranty of the Borrower set forth in the Borrower Documents or any certificate delivered pursuant thereto, and any representation, or warranty of the Borrower, or any information provided by the Borrower that contains or contained any untrue or misleading statement of fact or omits or omitted to state any material fact necessary to make the statements made therein not misleading in light of the circumstances under which they were made;

(iv) any breach or alleged breach (except in the case of a breach alleged by the Trustee and such alleged breach is not found by a court of competent jurisdiction) by the Borrower of the covenants contained herein;

(v) any injury to or death of any Person or damage to property in or upon the Project or growing out of or connected with the repair, management, ownership, operation, use, non-use, maintenance, construction, design, installation, rehabilitation, condition or occupancy of the Project or any part thereof, including any and all acts or operations relating to any construction, rehabilitation, operation, use, non-use, design,

management, ownership, condition, occupancy, maintenance, installation or repair performed by the Borrower in connection with the Project;

(vi) violation or breach of any agreement, covenant, representation, warranty or condition of this Loan Agreement (except in the case of a breach alleged by the Trustee and such alleged breach is not found by a court of competent jurisdiction) or the Note, except by the Trustee;

(vii) any Determination of Taxability with respect to the Bonds, including, but not limited to, the fees and expenses of the Trustee and their counsel with respect to such Determination of Taxability in responding to any inquiry or audit by the Internal Revenue Service;

(viii) the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Project of Hazardous Materials in violation of any Hazardous Materials Law or official interpretation thereof in connection with the Project or the Land;

(ix) all expenses reasonably incurred in the investigation of, preparation for or defense of any litigation, proceeding or investigation of any nature whatsoever related to the Project or the Bonds, commenced or threatened in writing against the Project or a Trustee Indemnified Party;

(x) any action, suit, claim, demand or proceeding contesting or affecting title to the Project;

(xi) any suit, action, administrative proceeding, enforcement action, or governmental or private action of any kind whatsoever commenced against the Project or a Trustee Indemnified Party that might adversely affect the validity or enforceability of the Bonds, the Borrower Documents, or the performance by the Borrower or by any Trustee Indemnified Party of their respective obligations under the Borrower Documents, the Indenture or any other document executed in connection therewith by the Borrower or any Trustee Indemnified Party;

(xii) failure of the Borrower to pay the Issuer's Fees, the Trustee's Fees or the fees of the Rebate Analyst, or other amounts that the Borrower is obligated to pay pursuant to the reimbursement rights granted to such parties under this Loan Agreement or any of the other Documents;

(xiii) information provided by the Borrower or required and failed to be furnished by the Borrower relating to the Borrower or the Project, including, without limitation, any information furnished by the Borrower for, and included in, or used as a basis for preparation of, any certifications, information statements or reports furnished by the Issuer, any other information or certification obtained from the Borrower to assure the exclusion of the interest on the Bonds from gross income of the Holders thereof for federal income tax purposes, and the transactions contemplated by the Indenture, the Bonds, and the Borrower Documents and the carrying out by the Borrower of any of the transactions contemplated by the Bonds, the Indenture and the Borrower Documents.

All references to the Trustee in this Section shall be deemed to include all of its respective past, present, and future officers, directors, members, employees, commissioners, and agents and their permitted successors and assigns (collectively with the Trustee, also referred to herein as “**Trustee Indemnified Parties,**” and the Trustee Indemnified Parties together with the Governmental Indemnified Parties, the “**Indemnified Parties**”).

The Indemnitors shall indemnify and save each Indemnified Party harmless from any such Claims (but excluding such Claims to the extent liability is finally adjudicated by a court of competent jurisdiction to have directly resulted from the willful misconduct of the Issuer or the negligence or willful misconduct of the Trustee) and upon notice from such Trustee Indemnified Party, the Indemnitors shall defend them or either of them in any such action or proceeding as provided below.

Any Trustee Indemnified Party, after receipt of notice of the existence of a Claim in respect of which indemnity hereunder may be sought or of the commencement of any action against a Trustee Indemnified Party in respect of which indemnity hereunder may be sought, shall notify the Indemnitors in writing of the existence of such Claim or commencement of such action. The Indemnitors shall undertake promptly to defend, at their sole cost and expense, any and all Claims against a Trustee Indemnified Party in connection with any of the matters indemnified against in this Section. In the event that any action or proceeding is brought against any Trustee Indemnified Party with respect to which indemnity may be sought under this Loan Agreement, the Indemnitors, upon receipt by either of written notice from the Trustee Indemnified Party, shall assume the investigation and defense of the Claims, including the employment of counsel selected by the Indemnitors, subject to the approval of the Trustee Indemnified Party in such party’s sole discretion. The Indemnitors shall pay all expenses related to the action or proceeding, with full power to litigate, compromise or settle the same, provided that the Trustee shall have the right to review and approve or disapprove any such compromise or settlement. If (i) a Trustee Indemnified Party determines that a potential conflict of interest exists or may arise as a result of any of the Indemnitors assuming the investigation and defense of any claims, (ii) a Trustee Indemnified Party shall have been advised by counsel that there may be legal defenses available to it which are different from or additional to those available to the Indemnitors, or that a conflict exists that could affect the zealous defense of such Claims by the Indemnitors, (iii) the Indemnitors shall not have assigned the defense of such action and employed counsel therefor satisfactory to the Trustee Indemnified Party within a reasonable time after notice of commencement of such action, such Trustee Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense of the action or proceeding, and the Indemnitors shall pay the fees and expenses of such separate counsel.

(d) Failure of an Indemnified Party to provide notification to the Indemnitors required under this Section shall not operate as a waiver of the Indemnitors’ indemnification obligations in this Section.

(e) Notwithstanding anything to the contrary contained herein, neither the Borrower nor its respective partners, shareholders, members, directors, officers, employees and/or

agents shall have any liability to indemnify the Trustee or any Trustee Indemnified Party against Claims to the extent liability is finally adjudicated by a court of competent jurisdiction to have directly resulted from such Trustee's or Trustee Indemnified Party's negligence or willful misconduct.

This indemnification shall extend to and include, without limitation, all reasonable costs, counsel fees, expenses or liabilities incurred in connection with any such claim, or proceeding brought with respect to such claim, except that in the case of the foregoing indemnification of any Trustee Indemnified Party, to the extent such damages are caused by the negligence or willful misconduct of such Person, and in the case of the foregoing indemnification of a Governmental Indemnified Party, the willful misconduct of such Person. The obligations of the Indemnitors under this Section are joint and several, and are in addition to and shall not be limited by any other provisions hereof and shall survive the termination of this Loan Agreement and the resignation or removal of the Trustee.

**6.3. *Issuer to Grant Security Interest to Trustee.***

The parties hereto agree that pursuant to the Indenture, the Issuer shall assign to the Trustee, in order to secure payment of the Bonds, all of the Issuer's right, title and interest in and to this Loan Agreement and the Note, except for Reserved Rights of the Issuer.

**ARTICLE VII  
DEFAULTS AND REMEDIES**

**7.1. *Defaults Defined.***

The following shall be "Defaults" under this Loan Agreement and the term "Default" shall mean, whenever it is used in this Loan Agreement, the occurrence of any one or more of the following events and continuation thereof beyond all applicable grace or cure periods:

(a) Failure by the Borrower to pay any amount required to be paid under Section 4.2 hereof when the same are due and payable.

(b) Failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed herein other than as referred to in subsection (a) of this Section or failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed in the Tax Exemption Agreement, for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, will have been given to the Borrower by the Issuer or the Trustee; provided, with respect to any such failure covered by this subsection (b), no Default will be deemed to have occurred so long as a course of action adequate to remedy such failure will have been commenced within such 60 day period and will thereafter be diligently prosecuted to completion and the failure will be remedied thereby.

(c) The dissolution or liquidation of the Borrower, or the voluntary initiation by the Borrower of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Borrower of any such proceeding which shall remain undismissed for ninety (90) days, or failure by the Borrower to promptly have discharged any execution,

garnishment or attachment of such consequence as would impair the ability of the Borrower to carry on its operations at the Project, or assignment by the Borrower for the benefit of creditors, or the entry by the Borrower into an agreement of composition with its creditors or the failure generally by the Borrower to pay its debts as they become due.

- (d) The occurrence of a Default under the Indenture or any Loan Document.

Notwithstanding the foregoing, there shall be no payment-related default under the Bonds, the Indenture, this Loan Agreement, the Note, the Regulatory Agreement or any other Document in the event of default thereunder (including without limitation foreclosure of the Deed of Trust) to the extent that such Default is a “payment default” resulting from the failure of the Swap Counterparty to make its required payment(s) under the Swap Documents; *provided*, that the Swap Counterparty makes such payment within sixty (60) days after notice of such payment default has been provided by the Issuer or Trustee to the Swap Counterparty (with copies to the Borrower and Equity Investor).

The provisions of subsection (b) of this Section are subject to the following limitation: if by reason of Force Majeure it is impossible for the Borrower in whole or in part, despite its best efforts, to carry out any of its agreements contained herein (other than its obligations contained in Article IV hereof), the Borrower shall not be deemed in Default during the continuance of such inability. Such Force Majeure event does not affect any obligations of the Borrower other than the timing of performance of such obligations. The Borrower agrees, however, to use its best efforts to remedy with all reasonable dispatch the cause or causes preventing the Borrower from carrying out its agreement. The settlement of strikes and other industrial disturbances shall be entirely within the discretion of the Borrower and the Borrower shall not be required to settle strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Borrower unfavorable to the Borrower.

## **7.2. Remedies on Default.**

Whenever any Default referred to in Section 7.1 hereof shall have happened and be continuing beyond the expiration of any applicable cure period, the Trustee, as the assignee of the Issuer’s rights hereunder, in its sole discretion may take (but only with the approval of the Servicer and after Notice to the Issuer), and upon written direction of the Servicer and Notice to the Issuer shall take, or the Issuer (in the event the Trustee fails to act) may take, one or any combination of the following remedial steps:

- (a) If the Trustee has declared the Bonds immediately due and payable pursuant to Section 9.01 of the Indenture, by written notice to the Borrower, declare an amount equal to all amounts then due and payable on the Bonds, whether by acceleration of maturity (as provided in the Indenture) or otherwise, to be immediately due and payable, whereupon the same shall become immediately due and payable; and

- (b) *Reserved.*

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

the Note, the Regulatory Agreement or any other Document in the event of default thereunder (including without limitation foreclosure of the Deed of Trust).

Any amounts collected pursuant to action taken under this Section shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture.

**7.3. *No Remedy Exclusive.***

Subject to Section 9.01 of the Indenture, no remedy herein conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power nor shall it be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article. Such rights and remedies as are given the Issuer hereunder shall also extend to the Trustee, and the Trustee and the Holders of the Bonds, subject to the provisions of the Indenture, including, but not limited to the Reserved Rights of the Issuer, shall be entitled to the benefit of all covenants and agreements herein contained.

**7.4. *Agreement to Pay Attorneys' Fees and Expenses.***

In the event the Borrower should default under any of the provisions of this Loan Agreement or under the Note and the Issuer and/or Trustee should employ attorneys or incur other expenses for the collection of payments required hereunder or under the Note, or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower contained herein or in the Note, the Borrower agrees that it will on demand therefor pay to the Issuer and the Trustee, as the case may be, the fees and expenses of such attorneys and such other expenses so incurred by the Issuer and/or the Trustee. This Section 7.4 will continue in full force and effect notwithstanding the full payment of the obligations under this Loan Agreement or the termination of this Loan Agreement for any reason.

**7.5. *No Additional Waiver Implied by One Waiver.***

In the event any agreement contained in this Loan Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

**7.6. *Right to Cure.***

Notwithstanding anything herein to the contrary, if the Borrower shall, for whatever reason, at any time fail to pay any amount or perform any act which it is obligated to pay or perform and, as a result a default or event of default occurs or may occur, the General Partner, the Class B Limited Partner and the Equity Investor shall have the right, but not the obligation, to perform such act or pay such amount on behalf of the Borrower and thereby cure or prevent such default or event of default, provided such default or event of default is cured within any applicable cure period or

grace period provided herein to the Borrower, and the Issuer shall accept or reject such cure on the same basis as if tendered by the Borrower.

## **ARTICLE VIII DAMAGE TO THE PROPERTY; APPLICATION OF INSURANCE PROCEEDS**

**8.1. *Damage to the Property.*** If at any time prior to the Termination Date, the Project or any part thereof is damaged, either temporarily or permanently, the Borrower shall be obligated to continue to pay the amounts specified herein and in the Note, and any insurance proceeds resulting from any damage will be applied as set forth in the Deed of Trust.

## **ARTICLE IX MISCELLANEOUS**

### **9.1. *Term of Agreement.***

This Loan Agreement shall remain in full force and effect from the date hereof until such time as all of the Bonds and all amounts payable hereunder and under the Indenture shall have been fully paid or provision made for such payments, whichever is later, provided, that all representations and certificates of the Borrower and the General Partner as to matters affecting the tax-exempt status of the Bonds, and the provisions of Sections 4.2(f), 4.4, 6.2, and 7.4 hereof shall survive termination of this Loan Agreement.

### **9.2. *Notices.***

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, addressed to each party's Notice Address. A duplicate copy of each notice, certificate or other communication given hereunder by the Issuer or the Borrower shall also be given to the Trustee. The Issuer, the Borrower, the Equity Investor and the Trustee may, by written notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

### **9.3. *Nonrecourse Liability of Borrower.***

(a) **General Rule.** After the Conversion Date (as defined in the Continuing Covenants Agreement), the liability of all principal and interest due under the Note shall be only against the Project, and the rents, issues and profits thereof, and any other security for the Borrower's Obligations, and not against the Borrower, any direct or indirect member, partner, officer or director of the Borrower, the General Partner or the Class B Limited Partner, or any successor or assign of the Borrower, any direct or indirect partner, shareholder, manager, officer or director of the Borrower, the General Partner or the Class B Limited Partner. The Issuer and the Trustee shall look respectively thereto or to such other security as may from time to time be given or have been given for payment of the Bonds, and any judgment rendered against the Borrower, the General Partner or the Class B Limited Partner under this Loan Agreement shall be limited as described above and any other security including the Guaranties so given for satisfaction thereof; and no deficiency or other personal judgment shall be sought or rendered against the

Borrower, the General Partner or the Class B Limited Partner or their respective successors, transferees or assigns, in any action or proceeding arising out of this Loan Agreement, or any judgment, order or decree rendered pursuant to any such action or proceeding; provided, however, that nothing herein shall limit the Issuer's or the Trustee's ability to exercise any right or remedy with respect to any property pledged or granted to the Issuer or any Trustee under this Loan Agreement, or both, or to exercise any right against the Borrower, the General Partner or the Class B Limited Partner, on account of any claim for fraud and deceit. Notwithstanding anything herein to the contrary, nothing in this Section shall limit the rights of indemnification against the Borrower and the Class B Limited Partner pursuant to Section 6.2 hereof. Furthermore, notwithstanding anything to the contrary, the Borrower and the Class B Limited Partner shall be fully liable for: (1) amounts payable to the Issuer constituting Reserved Rights of the Issuer, (2) any amount due and owing as a result of any calculation or determination which may be required in connection with the Bonds for the purpose of complying with Section 148 of the Code (including rebate liability) or any applicable Treasury regulation, and (3) the indemnification and the payment obligations to the Issuer under Sections 6.2 and 7.4 hereof.

(b) No Application to Indemnification Obligations. Nothing in this Section 9.3 shall be deemed to limit in any way whatsoever any obligation of the Borrower to indemnify the Issuer, the Holders, the Servicer, any Indemnified Party (as defined herein) or the Trustee under the terms of this Loan Agreement or any of the other Documents, including indemnification for environmental liability, each of which shall be recourse obligations of the Borrower.

The limit on the Borrower's liability set forth in this Section shall not, however, be construed, and is not intended to in any way, to constitute a release, in whole or in part, of the indebtedness evidenced by this Loan Agreement or a release, in whole or in part, or an impairment of the security interest, or in case of any Default or enforcing any other right of the Issuer under this Loan Agreement or to alter, limit or affect the liability of any Person or party who may now or hereafter or prior hereto guarantee, or pledge, grant or assign its assets or collateral as security for, the obligations of the Borrower under this Loan Agreement.

Notwithstanding the foregoing, the provisions of this Section shall be null and void and have no force and effect to the extent of any loss suffered by the Issuer, the Trustee, any Owner or any beneficiary of or the trustee under the Deed of Trust as a result of the Borrower's: (a) committing any act of fraud; (b) misapplication of any condemnation award or casualty insurance proceeds; (c) failure to apply the revenues of the Project in the manner and for the purposes provided in the Issuer Documents, whether before or after a Default; or (d) violation of any environmental laws. Nothing herein shall be deemed to prohibit the naming of the Borrower in an action to realize upon the remedies provided herein either at law or in equity, subject to the foregoing limitation against a personal money judgment or deficiency decree against the Borrower or its heirs, personal representatives, successors and assigns, or to prohibit the naming of any person in any action to realize upon the remedies provided in the Organizational Documents or any other guaranty given in favor of the Issuer, the Trustee or the Servicer.

The provisions of this Section shall survive the termination of this Loan Agreement.

**9.4. *No Pecuniary Liability of Issuer.***

No agreements or provisions contained in this Loan Agreement or any agreement, covenant or undertaking by the Issuer contained in any document executed by the Issuer in connection with the Project or any property of the Borrower financed, directly or indirectly, out of proceeds of the Bonds or the issuance, sale and delivery of the Bonds will give rise to any pecuniary liability of the Issuer (including tax and rebate liability) or its past, present or future officers, directors, employees, commissioners, agents or members of its governing body and their successors and assigns or constitute a charge against the Issuer's general credit, or obligate the Issuer financially in any way, except with respect to the Trust Estate. No failure of the Issuer to comply with any terms, covenants or agreements in this Loan Agreement or in any document executed by the Issuer in connection with the Bonds will subject the Issuer or its past, present or future officers, directors, employees, commissioners, agents and members of its governing body and their successors and assigns to any pecuniary charge or liability except to the extent that the same can be paid or recovered from the Trust Estate. Without limiting the requirement to perform its duties or exercise its rights and powers under this Loan Agreement upon receipt of appropriate indemnity or payment, none of the provisions of this Loan Agreement or the Indenture will require the Issuer to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Loan Agreement. Nothing in this Loan Agreement will preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant or agreement in this Loan Agreement or in the Indenture; provided that no costs, expenses or other monetary relief will be recoverable from the Issuer except as may be payable from the funds available under this Loan Agreement or made available under the Indenture by the Borrower and pledged to the payment of the Bonds.

No covenant, agreement or obligation contained herein or in any other financing instrument executed in connection with the Project or the making of the Bond Loan shall be deemed to be a covenant, agreement or obligation of any past, present or future director, officer, employee, commissioner, or agent of the Issuer in his or her individual capacity so long as he or she does not act in bad faith, and no such director, officer, employee, commissioner or agent of the Issuer in his or her individual capacity shall be subject to any liability under any agreement to which the Issuer is a party or with respect to any other action taken by him or her so long as he or she does not act in bad faith.

**9.5. *Binding Effect.***

This Loan Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Borrower, the Trustee, the Holders of Bonds and their respective successors and assigns.

**9.6. *Severability.***

In the event any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**9.7. *Amounts Remaining in Funds.***

Subject to the provisions of the Indenture, it is agreed by the parties hereto that any amounts remaining in any account of the Bond Fund, the Project Fund or any other fund (other than the Rebate Fund) created under the Indenture upon expiration or earlier termination of this Loan Agreement, as provided in this Loan Agreement, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) and the fees and expenses of the Trustee and the Issuer in accordance with the Indenture, shall belong to and be promptly paid to the Borrower by the Trustee so long as those remaining amounts do not constitute proceeds of the Bonds.

**9.8. *Amendments, Changes and Modifications.***

Subsequent to the issuance of the Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), and except as otherwise herein expressly provided, this Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Trustee, in accordance with the provisions of the Indenture.

**9.9. *Execution in Counterparts.***

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

**9.10. *Applicable Law.***

This Loan Agreement shall be governed by and construed in accordance with the laws of the State.

**9.11. *Captions***

The captions and headings in this Loan Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Loan Agreement.

**9.12. *Use of Proceeds of the Bonds***

Notwithstanding anything contained in any of the documents executed in connection with the issuance of the Bonds to the contrary, all of the proceeds of the Bonds shall, for federal income tax purposes, be (i) allocated on a pro rata basis to each building in the Project and the land on which such building is located and (ii) used exclusively to pay costs of the acquisition or construction of the Project which are includible in the aggregate basis of any building and the land on which the building is located (“**Eligible Costs**”) in a manner such that each building satisfies the requirements of Section 42(h)(4)(B) of the Code. No proceeds of the Bonds will be deemed or considered to have been used to fund any reserve accounts other than a Project Fund to be used to pay Eligible Costs.

[Balance of Page Intentionally Left Blank]

**IN WITNESS WHEREOF**, the Issuer, the Borrower and the Purchaser have caused this Loan Agreement to be executed in their respective official names all as of the date first above written.

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

By: \_\_\_\_\_  
Name: James B. "Beau" Eccles  
Title: Secretary to Board

**TORRINGTON WILMER, LP,**  
a Texas limited partnership

By: DCHFC 2025 Wilmer GP, LLC  
a Texas limited liability company,  
its General Partner

By: Dallas County Housing Finance  
Corporation 2025,  
a Texas non-profit housing finance  
corporation,  
its sole member

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**CEDAR RAPIDS BANK AND TRUST  
COMPANY,**  
an Iowa state-chartered banking corporation,  
as Purchaser

By: \_\_\_\_\_  
Name: Sam Kramer  
Title Vice President

Purchaser Signature Page to Loan Agreement

**EXHIBIT A**  
**PROPERTY DESCRIPTION**

[to come]

**EXHIBIT B**  
**FORM OF PROMISSORY NOTE**

**PROMISSORY NOTE**

[Note and Allonge to be included from form provided by Lender's Counsel]



**EXHIBIT C**

**AMORTIZATION SCHEDULE**

Principal on the loan will be due according to the following schedule:

<b>Payment Date</b>	<b>Principal Amount</b>	<b>Day Count for Int Calc</b>	<b>Int Pmt</b>	<b>Principal &amp; Interest</b>
<b>[TO COME]</b>				

## EXHIBIT D

[\$45,000,000]

Texas Department of Housing and Community Affairs  
Multifamily Housing Revenue Bonds  
(Torrington Wilmer)  
Series 2026

### COMPLETION CERTIFICATE

Pursuant to Section 3.5(a) of the Loan Agreement (the “**Loan Agreement**”) among the Texas Department of Housing and Community Affairs (the “**Issuer**”) and Torrington Wilmer, LP, a Texas limited partnership (the “**Borrower**”) and Cedar Rapids Bank and Trust Company, an Iowa state-chartered banking corporation, dated as of [April] 1, 2026, relating to the captioned Bonds, the undersigned Authorized Borrower Representative hereby certifies that (with capitalized words and terms used and not defined in this Certificate having the meanings assigned or referenced in the Loan Agreement or the Tax Exemption Agreement):

(a) The Project was substantially completed and available and suitable for use as multifamily housing on \_\_\_\_\_ (the “**Completion Date**”).

(b) The acquisition, construction, equipping and improvement of the Project has been accomplished in such a manner as to conform in all material respects with all applicable zoning, planning, building, environmental and other similar governmental regulations.

(c) The costs of the Project financed with the loan from the Issuer were \$ \_\_\_\_\_.

(d) The applicable government having jurisdiction over the Project has issued certificates of occupancy with respect to each building in the Project.

(e) The proceeds of the Bonds were used in accordance with the requirements of the Tax Exemption Agreement, including the requirement that at least 95% of the proceeds of the Bonds be expended for Qualified Project Costs and no more than 2% of the proceeds of the Bonds be expended for Costs of Issuance. The Project will be operated in accordance with the terms of the Tax Exemption Agreement and the Regulatory Agreement.

(f) All obligations and costs in connection with the Project and payable out of the Project Fund have been paid and discharged except for amounts retained by the Trustee for the payment of Project Costs not then due and payable or then in dispute as provided in the Loan Agreement.

(g) This Certificate is given without prejudice to any rights against third parties that now exist or subsequently may come into being.

IN WITNESS WHEREOF, the Authorized Borrower Representative has set his or her hand  
as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Authorized Borrower Representative

By: \_\_\_\_\_