

[Waters at Waterchase/TEL Loan]

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

**LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT, AND ASSIGNMENT OF RENTS**

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THIS LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT AND ASSIGNMENT OF RENTS is executed effective as of, although not necessarily on \_\_\_\_\_ 1, 2026, by WATERS AT WATERCHASE, LP, a Texas limited partnership, file number 805689437 ("**Borrower**") whose address for notice hereunder is 4770 Iberia Ave., Suite 100, Dallas, Texas 75207, to Corey R. Bailey of Dallas County, Texas, as Trustee, for the benefit of TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, a public and official agency of the State of Texas ("**Governmental Lender**"). All capitalized terms not defined herein shall have the respective meaning set forth in the Construction Funding Agreement (defined below)

**RECITALS:**

A. Borrower hereby executes and delivers this Security Document to secure an acquisition and renovation loan, in the original principal sum of Eighteen Million and 00/100 Dollars (\$18,000,000.00) (the "**Project Loan**"), being made by the Governmental Lender to Borrower pursuant to the terms of that certain Project Loan Agreement, dated \_\_\_\_\_ 1, 2026 (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Project Loan Agreement**"), among Borrower, Zions Bancorporation, National Association, a national banking association ("**Fiscal Agent**"), and Governmental Lender evidenced by a Promissory Note, dated \_\_\_\_\_, 2026, made by Borrower in favor of Governmental Lender (such promissory note, together with all extensions, renewals, replacements, restatements or modifications thereof being hereinafter referred to collectively as the "**Project Loan Note**"). The proceeds of the Project Loan will be utilized to fund renovation and other costs relative to a multi-family housing project to be rehabilitated on the Land, as further described in the hereafter defined Construction Funding Agreement.

B. The Project Loan will be made with the proceeds of a loan (the "**Funding Loan**") evidenced by the Texas Department of Housing and Community Affairs Multifamily Housing Revenue Note (Waters at Waterchase) Series 2026 (the "**Governmental Note**") dated \_\_\_\_\_, 2026, issued by the Governmental Lender to the order of Fifth Third Bank, N.A. (the "**Initial Funding Lender**") pursuant to

the Funding Loan Agreement (“**Funding Loan Agreement**”) dated \_\_\_\_\_  
1, 2026, among Initial Funding Lender, Fiscal Agent, and Governmental Lender.

C. As provided for in the Funding Loan Agreement, Governmental Lender assigned the Project Loan to the Fiscal Agent, and the Initial Funding Lender was authorized to service and administer the Project Loan for and on behalf of the Governmental Lender and Fiscal Agent.

D. Initial Funding Lender will service and administer the Project Loan subject to and as provided for in the Construction Funding Agreement dated as of \_\_\_\_\_ 1, 2026, between Borrower and the Initial Funding Lender (“**Construction Funding Agreement**”).

E. Borrower desires to secure (1) the payment of the Project Loan Note together with all interest, premiums and other amounts, if any, due from Borrower and any guarantor of the Project Loan (the “**Guarantor**”) in accordance with the terms of the Construction Funding Agreement, the Project Loan Agreement, the Funding Loan Agreement, and the Project Loan Note, as well as the payment of any additional indebtedness accruing to Initial Funding Lender (in its own right or on behalf of the Fiscal Agent or the Governmental Lender) on account of any future payments, advances or expenditures made by Governmental Lender pursuant to the Funding Loan Agreement, Project Loan Note, the Project Loan Agreement, or this Security Document or any of the other loan documents evidencing or securing the Project Loan (“**Project Loan Documents**”) or otherwise in connection with the Project Loan or under the Construction Funding Agreement, including, but not limited to, protective advances by Initial Funding Lender (in its own right or on behalf of the Fiscal Agent or the Governmental Lender) (all payment obligations are hereinafter referred to, collectively, as the “**Indebtedness**”), (2) the performance of all obligations under the Project Loan Note, the Project Loan Agreement and the other Project Loan Documents by Borrower and any Guarantor, and under the Construction Funding Agreement, and (3) all amounts payable by Borrower under a Hedging Agreement.

F. Payment, fulfillment, and performance by Borrower of obligations thereunder and under the other Project Loan Documents and the Construction Funding Agreement is secured hereby.

#### A. DEFINITIONS

Capitalized terms used and not specifically defined herein have the meanings given to such terms in the Construction Funding Agreement. The following terms shall have the defined meaning ascribed to such terms, as set forth below:

1. “**BORROWER**” shall initially have the meaning ascribed to that term in the introductory paragraph, together with each such person’s heirs, personal representatives, successors and assigns.

2. **"CODE"** shall mean the Texas Business and Commerce Code, as now written or as hereafter amended, revised or replaced from time to time.
3. **"CONTRACTS"** shall mean any and all (a) contracts for the sale of all or any portion of the Property, whether such Contracts are now or at any time hereafter existing, and together with all payments, earnings, income, and profits arising from sale of all or any portion of the Property (defined below) or from the Contracts, and all other sums due or to become due under and pursuant thereto; (b) contracts, licenses, permits, and rights relating to utility services whether executed, granted, or issued by a private person or entity or a governmental or quasi-governmental agency, which are directly or indirectly related to, or connected with, the Property; (c) all other contracts, licenses, permits and rights which in any way relate to the use, enjoyment, occupancy, operation, maintenance, or ownership of the Property (including, if applicable, any and all leases, subleases or other agreements pursuant to which Borrower is granted a possessory interest in or the right to possess, use or enjoy any of the Property), including but not limited to restrictive covenants, easements, condominium documents, planned development documents, maintenance agreements, and service contracts; and (d) all renewals, extensions, amendments and other modifications with respect to any of the foregoing.
4. **"DEED OF TRUST"** shall mean this Leasehold Deed of Trust, Security Agreement and Assignment of Rents and all renewals, extensions, amendments and other modifications hereto.
5. **"EVENT OF DEFAULT"** shall mean any occurrence described in Section E hereof.
6. **"FEE ESTATE"** shall mean the fee estate of the Master Lessor under the Master Lease.
7. **"FIXTURES"** shall mean all materials, supplies, equipment, apparatus and other items now or hereafter attached to, installed in or used (temporarily or permanently) in connection with any of the Improvements (as defined below) or the Leasehold Estate (as defined below), and all renewals, replacements, and substitutions thereof and additions thereto, including but not limited to any and all: partitions; ducts; shafts; pipes; radiators; conduits; wiring; window screens and shades; drapes; rugs and other floor coverings; awnings; motors; engines; boilers; stokers; pumps; dynamos; transformers; generators; fans; blowers; vents; switchboards; elevators; mail conveyors; escalators; compressors; furnaces; cleaning systems; sprinkler systems; fire extinguishing apparatus; water tanks; swimming pools; heating, ventilating, plumbing, laundry, incinerating, air conditioning and air cooling systems; water, gas and electric equipment; disposals; dishwashers; washers; dryers; refrigerators and ranges; cafeteria equipment; recreational equipment; and facilities of all kinds, all of which property and things are hereby declared to be permanent accessions to the Leasehold Estate.

8. **“GOVERNMENTAL AUTHORITY”** shall mean any and all governmental or quasi-governmental entities or instrumentalities of each and every nature whatsoever, whether federal, state, county, district, city or otherwise, and whether now or hereafter in existence.
9. **“GOVERNMENTAL REQUIREMENTS”** shall mean all laws, ordinances, statutes, codes, rules, regulations, orders and decrees of each Governmental Authority exercising jurisdiction over Borrower or the Property and including, without limitation, all laws, codes, ordinances, rules, regulations, orders, decrees and directives pertaining to Hazardous Materials or otherwise intended to regulate or improve health, safety or the environment.
10. **“GUARANTOR”** shall mean, as the context dictates, any person(s) (other than the Borrower) who or which shall, at any time, guaranty or otherwise be or become obligated for the repayment or performance of all or any part of the Indebtedness (as defined below) including, without limitation, Atlantic Housing Foundation, Inc.
11. **“HAZARDOUS MATERIALS”** shall mean (a) any “hazardous waste” as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901 et seq.), as amended from time to time, and regulations promulgated thereunder; (b) any “hazardous substance” as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 9601 et seq.) (“CERCLA”), as amended from time to time, and regulations promulgated thereunder; (c) asbestos; (d) polychlorinated biphenyls; (e) any substance the presence of which on the Property is prohibited by any Governmental Requirement; (f) any petroleum or petroleum-based products; (g) underground storage tanks; (h) flammable explosives; (i) radioactive materials; (j) toxic materials; and (k) any other substance which by any Governmental Requirement requires special handling or notification of any Governmental Authority in its use, collection, storage, treatment, or disposal or is otherwise deemed to be a hazardous, toxic or dangerous waste, substance or material under any Governmental Requirement. Hazardous Materials does not include any material or substance commonly used in residential apartment units, or in the construction, renovation, and/or maintenance of properties similar to the Property, but only to the extent used in accordance with all applicable Governmental Requirements.
13. **“HAZARDOUS MATERIALS CONTAMINATION”** shall mean the contamination (whether presently existing or hereafter occurring) of the Property or any facilities, soil, groundwater, air or other elements on or of the Property by Hazardous Materials in violation of any Governmental Requirement, or the contamination of any other property or the buildings, facilities, soil, groundwater, air or other elements on or of any other property as a result of Hazardous Materials at any time (whether before or after the date of this Deed of Trust) emanating from the Property in violation of any Governmental Requirement.
13. **“IMPOSITIONS”** shall mean all rates and charges (including deposits) for: insurance; taxes (both realty and personalty); water, gas, sewer, electricity,

telephone and other utilities; easements, licenses, agreements and other Contracts maintained for the benefit of the Property; and all other charges (and any interest, costs or penalties with respect thereto) of each and every nature whatsoever which may now or hereafter be assessed, levied or imposed upon the Property or the Rents (as defined below) or the ownership, use, occupancy or enjoyment thereof.

14. **“IMPROVEMENTS”** shall mean any and all buildings, parking areas and other improvements, and any and all additions, alterations, or appurtenances thereto, now or at any time hereafter placed or constructed upon the Land or any part thereof.
15. **“INDEBTEDNESS”** shall have the meaning in the above Recitals but in any event shall include all loans, advances, indebtedness, obligations and liabilities of Borrower or any other Loan Party to Governmental Lender (or the Initial Funding Lender, as the case may be) under this Deed of Trust, the Project Loan Note, the Construction Funding Agreement (as defined below), or any other Project Loan Document (as defined below), together with all other indebtedness, obligations and liabilities whatsoever of Borrower to Governmental Lender (or the Initial Funding Lender, as the case may be), whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, joint or several, due or to become due, now existing or hereafter arising, voluntary or involuntary, known or unknown, or originally payable to Governmental Lender (or the Initial Funding Lender, as the case may be) or to a third party and subsequently acquired by Governmental Lender (or the Initial Funding Lender, as the case may be) including, without limitation, any: late charges; loan fees or charges; overdraft indebtedness; costs incurred by Governmental Lender, Fiscal Agent and/or Initial Funding Lender in establishing, determining, continuing, or defending the validity or priority of any security interest, pledge or other Lien or in pursuing any of its right or remedies under any Project Loan Document or in connection with any proceeding involving the Governmental Lender, Fiscal Agent and/or Initial Funding Lender as a result of any financial accommodation to Borrower; debts, obligations and liabilities for which the Borrower would otherwise be liable to the Governmental Lender (or the Initial Funding Lender, as the case may be) were it not for the invalidity or unenforceability of them by reason of any bankruptcy, insolvency or other law or for any other reason; and reasonable costs and expenses of attorneys and paralegals, whether inside or outside counsel is used, and whether any suit or other action is instituted, and whether any such fees, costs or expenses are incurred at the trial court level or on appeal, in bankruptcy, in administrative proceedings, in probate proceedings or otherwise; provided, however, that the term Indebtedness shall not include any consumer loan to the extent treatment of such loan as part of the Indebtedness would violate any Legal Requirement.
16. **“LAND”** shall mean the real estate (or interest therein) as described in Exhibit “A” attached hereto and incorporated herein by this reference, all Improvements and Fixtures, and all rights, titles and interests appurtenant thereto.

17. **"LEASEHOLD ESTATE"** shall mean Borrower's leasehold interest in the Land, and any other real property leased by Borrower pursuant to the Master Lease, if applicable, including all of the following:
- (a) All rights of Borrower to renew or extend the term of the Master Lease.
  - (b) All amounts deposited by Borrower with Master Lessor under the Master Lease.
  - (c) Borrower's right or privilege to terminate, cancel, surrender, modify or amend the Master Lease.
  - (d) All other options, privileges and rights granted and demised to Borrower under the Master Lease and all appurtenances with respect to the Master Lease.
18. **"LEASES"** shall mean all leases (including, oil, gas and other mineral leases), master leases, subleases, licenses, concessions, contracts or other agreements (written or oral, now or hereafter in effect) which grant a possessory interest in and to, or the right to use, any portion of the Property, together with all security and other deposits or payments made in connection therewith and any and all guaranties of leases related thereto. The defined term "Leases" as used herein does not include the Master Lease.
19. **"LEGAL REQUIREMENTS"** shall mean any and all of the following that may now or hereafter be applicable to Borrower or the Property: (a) judicial decisions, statutes, rulings, rules, regulations, permits, certificates or ordinances of any Governmental Authority; (b) as applicable, Borrower's bylaws and articles of incorporation or regulations and articles of organization, or certificate of limited partnership, agreement of limited partnership or partnership agreement, or joint venture agreement or trust agreement or declaration of trust, or other agreements pertaining to any other form of Borrower's business entity; (c) Leases; (d) restrictions of record; and (e) other written or oral agreements or promises of any nature.
20. **"LIEN"** shall mean any valid and enforceable interest in any property, whether real, personal or mixed, securing an indebtedness, obligation or liability owed to or claimed by any person other than the owner of such property, whether such indebtedness is based on the common law or any statute or contract and including, but not limited to, a security interest, pledge, mortgage, assignment, conditional sale, trust receipt, lease, consignment or bailment for security purposes.
21. **"LOAN PARTY"** shall mean the Borrower, each Guarantor, and each other person who or which shall be liable for the payment or performance of all or any portion of the Indebtedness or who or which shall own any property that is subject to (or

purported to be subject to) a Lien which secures all or any portion of the Indebtedness.

22. **“MASTER LEASE”** shall mean the Lease Agreement dated \_\_\_\_\_, 2026, between Borrower, as tenant, and AHF-WATERCHASE, LLC, as landlord (**“Master Lessor”**).
23. **“MINERALS”** shall mean any and all substances in, on, or under the Property which are now, or may become in the future, intrinsically valuable, that is, valuable in themselves, and which now or may be in the future enjoyed through extraction or removal from the Property, including without limitation, oil, gas, and all other hydrocarbons, coal, lignite, carbon dioxide and all other nonhydrocarbon gases, uranium and all other radioactive substances, and gold, silver, copper, iron and all other metallic substances or ores, upon extraction or removal from the Property. The term “Minerals” shall include “oil and gas production” and “as extracted collateral” as such terms are defined in the Code.
24. (Reserved)
25. **“PERMITTED EXCEPTIONS”** shall mean the items listed in Exhibit “B” attached hereto.
26. **“PERSONALTY”** shall mean all of the right, title, and interest of Borrower (if any) in and to (a) furniture, furnishings, equipment, machinery, goods (including, but not limited to, crops, farm products, timber and timber to be cut and extracted Minerals); (b) general intangibles, money, insurance proceeds, accounts chattel paper (including without limit electronic chattel paper and tangible chattel paper), rights to payment evidenced by chattel paper, documents or instruments, health care insurance receivables, commercial tort claims, letters of credit, letter of credit rights, supporting obligations, and rights to payment for money or funds advanced or sold, contract and subcontract rights, trademarks, trade names, inventory; (c) all refundable, returnable, or reimbursable fees, deposits or other funds or evidences of credit or indebtedness deposited by or on behalf of Borrower (or otherwise existing for Borrower’s benefit) with any governmental agencies, boards, corporations, providers of utility services (public or private) or other person(s) including specifically, but without limitation, all refundable, returnable, or reimbursable tap fees, utility deposits, commitment fees and development costs, any awards, remunerations, reimbursements, settlements, or compensation heretofore made or hereafter to be made by any Governmental Authority pertaining to the Land (or the Leasehold Estate, as the case may be), Fixtures, Contracts, or Personalty, including but not limited to those for any vacation of, or change of grade in, any streets affecting the Land and those for municipal utility district or other utility costs incurred or deposits made in connection with the Property; (d) all software (for purposes of this Deed of Trust, “software” consists of all (i) computer programs and supporting information provided in connection with a transaction relating to the program, and (ii) computer programs embedded in goods and any supporting information provided in connection with a transaction relating to the

program whether or not the program is associated with the goods in such a manner that it customarily is considered part of the goods, and whether or not, by becoming the owner of the goods, a person acquires a right to use the program in connection with the goods, and whether or not the program is embedded in goods that consist solely of the medium in which the program is embedded), (e) if and to the extent permitted and enforceable by applicable law, all right, title, and interest of Borrower in and to any Low-Income Housing Tax Credit (as that term is used in Section 42 of the Internal Revenue Code of 1986, as amended) relating to the Property and the use thereof; (f) All right, title and interest in all development fees due on or with respect to the Property; (g) all other personal property of any kind or character as defined in and subject to the provisions of the Code (Article 9 Secured Transactions); any or all of which are now owned or hereafter acquired by Borrower, and which are now or hereafter situated in, on, or about the Property, or used in or necessary or desirable to the complete and proper planning, development, construction, renovation, financing, use, occupancy, or operation thereof, or acquired (whether delivered to the Land or stored elsewhere) for use in or on the Property, together with all accessions, replacements, and substitutions thereto or therefor and the proceeds thereof.

26. **“PROPERTY”** shall mean the Land, the Master Lease and the Leasehold Estate, Minerals, Improvements, Fixtures, Personalty, Contracts, Leases and Rents, together with all or any part of, and any interest in, the following: (a) rights, privileges, tenements, hereditaments, rights of way, easements, licenses, appendages, and appurtenances in any way pertaining thereto, and rights, titles, and interests of Borrower in and to any streets, ways, alleys, strips of land adjoining the Land or any part thereof; (b) additions, substitutions, replacements and revisions thereof and thereto and all reversions and remainders therein; and (c) other security and collateral of any nature whatsoever, now or hereafter given for the repayment or performance of the Indebtedness. In the definition of Property, a reference to a type of collateral shall not be limited by a separate reference to a more specific or narrower type of that collateral.

27. **“RENTS”** shall mean the rents, revenues, income, proceeds, profits, security and other types of deposits (after Borrower acquires title thereto), and other benefits paid or payable by parties to the Contracts and/or Leases (other than Borrower) for using, leasing, licensing, possessing, operating from, residing in, selling, or otherwise enjoying all or any portion of the Property.

28. **“TRUSTEE”** shall mean Corey R. Bailey, Trustee, and his or her substitutes, successors and assigns.

## B. GRANT

To secure the full and timely payment and performance of the Indebtedness, and in consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration in hand paid to Borrower, the receipt and legal sufficiency of which is hereby acknowledged, subject to the Permitted Exceptions, Borrower has GRANTED, BARGAINED,

ASSIGNED, SOLD and CONVEYED, and by these presents does GRANT, BARGAIN, ASSIGN, SELL and CONVEY, unto Trustee all of its right, title and interest in and to the Leasehold Estate and the other Property in trust hereunder, for the use and benefit of the Governmental Lender (and Fiscal Agent as its assignee), TO HAVE AND TO HOLD the Leasehold Estate and the other Property unto Trustee forever. It is specifically contemplated by Borrower and Initial Funding Lender (acting in its own right and on behalf of the Governmental Lender and the Fiscal Agent) and that the Indebtedness secured hereby may be increased and rearranged by subsequent amendments, restatements, supplements and other modifications and additions to the Project Loan Documents and that additional promissory notes and loan agreements may be issued and entered into in connection therewith. Borrower and each person who, at any time, may claim an interest in or Lien or encumbrance against all or any portion of the Property agree that all Indebtedness shall be secured by this Deed of Trust with the same priority as if all had been advanced, had arisen or had become owing or performable on the date of this Deed of Trust. This Deed of Trust shall remain in full force and effect as to all future Indebtedness and to all subsequent advances or subsequently arising portions of the Indebtedness without loss of priority until (a) the Indebtedness is fully and finally paid, performed and satisfied, and (b) all agreements and obligations, if any, of the Initial Funding Lender (acting in its own capacity and on behalf of Governmental Lender and Fiscal Agent) for further advances or for the extension of additional credit have been terminated (including, without limitation, any loans made by the Bank to the Borrower even if advances or loans thereunder shall be optional or non-obligatory), and (c) this Deed of Trust has been released of record by the Initial Funding Lender (acting in its own capacity and on behalf of Governmental Lender and Fiscal Agent). **WITHOUT LIMITING THE FOREGOING, BORROWER ACKNOWLEDGES AND AGREES THAT THE PROJECT LOAN AND ALL OTHER ADVANCES AND DISBURSEMENTS FROM TIME TO TIME MADE UNDER ANY OF THE PROJECT LOAN DOCUMENTS SHALL BE SECURED BY THIS DEED OF TRUST WITH THE SAME PRIORITY AS IF ALL OF THE SAME HAD BEEN DISBURSED AND ADVANCED, HAD ARISEN OR HAD BECOME OWING OR PERFORMABLE ON THE DATE OF THIS DEED OF TRUST, AND NO REDUCTION OF THE OUTSTANDING PRINCIPAL BALANCE UNDER THE PROJECT LOAN NOTE OR ANY OTHER PROJECT LOAN DOCUMENT SHALL EXTINGUISH, RELEASE OR SUBORDINATE ANY RIGHT, TITLE, INTEREST, LIEN, POWER OR PRIVILEGE CREATED OR ARISING HEREUNDER OR UNDER ANY OTHER PROJECT LOAN DOCUMENT.**

C. WARRANTIES, REPRESENTATIONS, COVENANTS AND OTHER AGREEMENTS

Borrower unconditionally warrants, represents, covenants and agrees that:

1. The Indebtedness is legal, valid and binding on Borrower and, to Borrower's knowledge and to the extent provided in the Project Loan Documents, on each other Loan Party, in accordance with its terms, and the execution and delivery of, and performance under, the Project Loan Documents to which Borrower is a party or by which Borrower or any of Borrower's property is (or is purported to be) bound: (a) are within Borrower's powers and have been duly authorized by all requisite

action (corporate, partnership, trust or otherwise); (b) have received all requisite approval by all Governmental Authorities; and (c) will not violate, conflict with, breach or constitute a default under, any Legal Requirement or result in the imposition of any Lien, charge or encumbrance of any nature upon any of Borrower's assets, except as contemplated in the Project Loan Documents.

2. Borrower has good and indefeasible title to the Leasehold Estate, Improvements, Fixtures and Personalty, free and clear of any Liens, encumbrances or adverse claims (except for the Permitted Exceptions). This Deed of Trust shall constitute a valid, subsisting, first Lien on the Leasehold Estate, Improvements and Fixtures and a valid, subsisting, exclusive, perfected and prior security interest in and to the Personalty and Leases, all in accordance with the terms hereof. Initial Funding Lender shall have the right at its option and at such time or times as it, in its sole discretion, deems necessary or desirable, to take whatever action it may deem necessary or desirable to defend or uphold the Liens of this Deed of Trust or otherwise enforce any of its rights under this Deed of Trust or any obligations secured by this Deed of Trust including, without limit, the right to institute appropriate legal proceedings for these purposes. With respect to the right, title, or Lien of any person which is superior to any Lien of this Deed of Trust, which Lien is not a Permitted Exception, Initial Funding Lender has the right, but not the obligation, to acquire and/or pay off the holder of such right, title or Lien and add the amount paid to the Indebtedness.
3. The Property forms no part of any property owned, used or claimed by Borrower as a residence or business homestead, is not exempt from forced sale under the laws of the State of Texas, and Borrower hereby disclaims and renounces all and every claim to the Property as a homestead.
4. Borrower and, to Borrower's knowledge, each Loan Party are now solvent, and no bankruptcy or insolvency proceedings are pending or contemplated by or against any of them, and all reports, statements, cost estimates and other data, furnished by or on behalf of any of them are true and correct.
5. Borrower will promptly and fully comply with all present and future Legal Requirements, and all Improvements included or to be included in the Property comply and will comply with all Legal Requirements upon Completion of the Improvements.
6. Borrower is validly and legally created and is authorized to do business in the State of Texas; Borrower's exact name is the name set forth in this Deed of Trust; and Borrower's principal place of business is, and at all times shall be, located in the following place: 4770 Iberia Avenue, Suite 100, Dallas, Texas 75207, unless Borrower notifies Bank in writing of a change to such principal place of business. Borrower's organization filing number is 805689437.
7. Borrower, as its interests appear and as stipulated in the Project Loan Documents, will duly and punctually pay and perform the Indebtedness, as and when called for

in the Project Loan Documents, and Borrower will duly and punctually cause each of the Impositions to be paid and discharged not later than the due dates thereof and shall immediately furnish Initial Funding Lender with evidence of such payments.

8. Borrower will cause the Property to be maintained and operated in first-class order and condition and will make all interior and exterior repairs, replacements, additions, improvements and alterations thereof and thereto, both structural and non-structural, which are appropriate to keep same in such first-class order and condition.
9. Borrower shall obtain and maintain at Borrower's sole expense all insurance as required by the Construction Funding Agreement.
10. At any time during the continuance of an Event of Default, upon request by Initial Funding Lender, Borrower will deposit with Initial Funding Lender each month in advance a monetary sum estimated by Initial Funding Lender to equal on a monthly basis all or such portion of the ad valorem taxes, other Impositions (during the continuance of an Event of Default) and insurance premiums for the Property. At least thirty (30) days prior to the date on which any tax, Imposition or insurance premium must be paid to prevent delinquency thereof, Borrower will, on request of Initial Funding Lender, deliver to Initial Funding Lender the statement or statements showing the amount of tax or premium required to be paid and the concern or authority to which same is payable and will, at the same time, deposit with Initial Funding Lender such amount as will, when added to the amount of such deposits previously made and then remaining available for the purpose, be sufficient to pay such insurance or tax obligations. Initial Funding Lender shall then make payment to the applicable taxing authority, insurance carrier or other person. After the occurrence of an Event of Default, Initial Funding Lender shall have the right (but not the obligation), at its sole discretion, to apply any or all of the foregoing deposits in payment of such insurance, taxes and other Impositions or toward payment of the Indebtedness in such manner and order of priority as Initial Funding Lender, in its sole discretion, may elect. Initial Funding Lender shall keep the foregoing deposits in a separate blocked deposit account.
11. Borrower will: (a) duly and punctually perform and comply with all representations, warranties, covenants and agreements binding upon it under the Leases and Contracts; (b) not voluntarily terminate or waive its rights under any of the Leases or Contracts; (c) use all reasonable efforts to maintain each of the Leases and Contracts in force and effect during the full term thereof; and (d) appear in and defend any action or proceeding in any manner connected with any of the Leases or Contracts.
12. Subject to and in accordance with the terms of the Construction Funding Agreement, Borrower will permit Trustee, Governmental Lender, Fiscal Agent, and Initial Funding Lender, and their agents, attorneys, representatives and employees, to enter upon and inspect the Property at all reasonable times and

intervals. If Initial Funding Lender reasonably determines that the Property requires inspection, testing, appraisal, repair, care, alteration or attention of any kind, and Borrower fails to perform such inspection, testing, appraisal, repair, care, alteration or attention in violation of the Project Loan Documents, Initial Funding Lender or its representatives may (but shall not be obligated to) enter upon the Property and inspect, test, appraise, repair, alter or maintain the Property as Initial Funding Lender may reasonably deem necessary or desirable, and Borrower shall reimburse Initial Funding Lender upon demand for all resulting costs and expenses incurred by Initial Funding Lender. Any inspection, audit, appraisal or examination by Initial Funding Lender or its representatives of the Property or of information or documents pertaining to the Property is for the sole purpose of protecting Initial Funding Lender's interests under this Deed of Trust and is not for the benefit or protection of Borrower or any third party. Initial Funding Lender has no obligation to provide Borrower or any third party with information concerning, or results of, any inspection, audit, appraisal or examination by Initial Funding Lender or its representatives. If Initial Funding Lender, in its sole discretion, discloses information to Borrower, this disclosure is for the sole protection of Initial Funding Lender, does not constitute an agreement to further disclosure and does not create a representation or warranty by Initial Funding Lender as to the accuracy, sufficiency or any other aspect of disclosure.

13. Borrower will defend and hold Initial Funding Lender, Governmental Lender, and the Fiscal Agent harmless from any action, proceeding or claim affecting the Property or the Project Loan Documents or the Liens created thereby, except to the extent arising solely and exclusively from the gross negligence or willful misconduct of Initial Funding Lender or Bank. Further, Borrower will notify Initial Funding Lender, in writing, promptly upon Borrower receiving notice, of the commencement of any legal proceedings affecting the Property, or any part thereof, and will take such action as necessary to preserve Initial Funding Lender's rights affected thereby, and Initial Funding Lender may, at its election, take such action on behalf of and in the name of Borrower and at Borrower's expense.
14. Borrower will promptly pay all debts and liabilities of each and every character (including, without limitation, all debts and liabilities for labor, material and equipment) incurred in the renovation, operation or development of the Property and will complete in a good and workmanlike manner any Improvements that may be renovated or repaired thereon.
15. Except as otherwise provided for in the Construction Funding Agreement, Borrower will keep separate and proper books of record and account pertaining to the Property in accordance with generally accepted accounting principles and practices and set aside from its earnings for each fiscal year, and cause to be reflected in its books, reserves for Impositions and other appropriate reserves required by Initial Funding Lender under the Project Loan Documents, during such fiscal year determined in accordance with generally accepted accounting principles and practices consistently applied. Initial Funding Lender shall have the right to examine the books of account of Borrower and to discuss the affairs,

finances and accounts of Borrower with, and to be informed as to the same by, its and their officers or any other party, all at such reasonable times and intervals as Initial Funding Lender may desire, subject to and in accordance with the Construction Funding Agreement. Borrower shall provide or cause to be provided to Initial Funding Lender such financial statements, income and expense statements, cash flow statements, copies of income tax returns, operating statements, rent rolls and other reports, statements and information relating to Borrower or the Property as Initial Funding Lender shall require, from time to time, and in the format and containing such detail as Initial Funding Lender may require, subject to and in accordance with the Construction Funding Agreement. All financial statements and information regarding Borrower or the Property delivered to Initial Funding Lender shall be true and correct in all material respects and fairly present the financial condition of Borrower and the Property as of the date thereof. No material adverse change shall have occurred in the financial condition of Borrower or the Property reflected therein since the date thereof, and no additional borrowings shall have been made or committed to by Borrower since the date thereof other than those disclosed in a supplemental writing accompanying such financial statement.

16. Upon request from time to time and at any time, Borrower will promptly correct any defect, error or omission, which may be discovered in the contents of this Deed of Trust or the Project Loan Documents and will execute and deliver any and all additional instruments as may be requested by Initial Funding Lender to correct such defect, error or omission or to identify any additional properties which are or become subject to this Deed of Trust.
17. Borrower will give written notice to Initial Funding Lender of any condemnation proceeding or casualty loss affecting the Property promptly upon Borrower receiving notice of same, and, in each such instance, afford Initial Funding Lender an opportunity to participate in any such proceeding or in the settlement of any awards thereunder.
18. Borrower will promptly pay and hold Initial Funding Lender, Governmental Lender, and Fiscal Agent harmless from all appraisal fees, recording fees, taxes, abstract fees, title policy fees, escrow fees, reasonable attorneys' fees, and all other costs of every character incurred by Borrower or Initial Funding Lender, Governmental Lender, and Fiscal Agent in connection with the closing of the loan evidenced by the Project Loan Note or the performance of the covenants of this Deed of Trust or any other Project Loan Document to which Borrower is a party or the Property is or is purported to be bound, or otherwise attributable or chargeable to Borrower as owner of the Property, subject to and in accordance with the Construction Funding Agreement.
19. Borrower will not use or occupy, or permit any use or occupancy of, the Property in any manner which: (a) violates any Legal Requirement or the requirements of the Construction Funding Agreement; (b) may be unreasonably dangerous; (c)

constitutes a public or private nuisance; or (d) makes void or voidable any of the Leases or any insurance on the Property.

20. Except in accordance with the terms and provisions of the Construction Funding Agreement and except for demolition and construction done in connection with the planned rehabilitation of the Improvements in accordance with the Construction Funding Agreement, Borrower will not permit: (a) any waste or deterioration of any part of the Property (including, without limitation, any failure to repair and maintain the Property, pay property taxes or other Impositions or comply with covenants respecting the physical care, maintenance, construction, renovation, demolition or insurance of the Property); or (b) any alterations or additions or improvements to the Property of a material nature regardless of whether the alterations, additions or improvements would increase the value of the Property, without Initial Funding Lender's prior written consent. This consent may be withheld by Initial Funding Lender in its sole discretion. If Initial Funding Lender consents to the making of any alterations, additions or improvements, and the same are not completed with due diligence in accordance with the plans and specifications approved in writing by Initial Funding Lender, or if renovation of the alterations, additions or improvements should cease before completion for a period of 30 days, then and in either event, it shall be an Event of Default under this Deed of Trust, and Initial Funding Lender (acting in its own right and/or on behalf of the Governmental Lender and the Fiscal Agent) shall have all the rights and remedies provided in this Deed of Trust, including without limitation, the right (but not the obligation) to enter or cause entry to be made upon the Property and complete the alterations, additions or improvements, and the costs shall be added to the Indebtedness, shall be payable on demand, and shall bear interest from the date paid by Initial Funding Lender (acting in its own right and/or on behalf of the Governmental Lender and the Fiscal Agent) until reimbursed at the highest interest rate per annum applicable to any of the Indebtedness, but not in excess of the highest rate permitted by applicable law. Further, if any action is threatened or commenced which affects Initial Funding Lender's, Governmental Lender's, and/or Fiscal Agent's interest in the Property including, without limit, building, environmental or zoning proceedings, Initial Funding Lender may take such action as it deems necessary or desirable to protect its interests, and its costs shall be added to the Indebtedness, shall be payable on demand and shall bear interest from the date paid by Initial Funding Lender (acting in its own right and/or on behalf of the Governmental Lender and the Fiscal Agent) until repaid at the highest per annum interest rate applicable to any of the Indebtedness, but not to exceed the highest rate permitted by applicable law. Except in connection with the rehabilitation, demolition and/or construction of Improvements permitted under the Construction Funding Agreement, Borrower further covenants and agrees that it will not permit any of the Fixtures or Personalty to be removed at any time from the Land or Improvements unless the removed item is removed temporarily for maintenance and repair or, if removed permanently, is replaced by an article of at least substantially equal suitability and value and owned by Borrower free and clear of any other Lien.

21. Except as expressly permitted by the Construction Funding Agreement, Borrower will not, without the prior written consent of Initial Funding Lender: (a) create, place or permit to be created or placed, or allow to remain, any mortgage, pledge, encumbrance or charge, conditional sale or other title retention agreement or other Lien, regardless of whether same are expressly subordinate to the Liens of the Project Loan Documents, with respect to the Property or the Leases; or (b) permit any person, other than Initial Funding Lender (acting in its own right and/or on behalf of the Governmental Lender and the Fiscal Agent) to have possession or control (as defined in the Code) of any Property of such nature that perfection of a security interest may be accomplished by control; or (c) sell, lease, exchange, assign, convey, transfer possession of or otherwise dispose of all or any portion of the Property, or any interest therein, but if ownership of the Property or any part thereof or interest therein becomes vested in any person or entity other than Borrower, Initial Funding Lender, Governmental Lender, Fiscal Agent, or any other holder of the Indebtedness may, without notice to Borrower, deal with such successor or successors in interest with reference to this Deed of Trust and the Indebtedness in the same manner as with Borrower without in any way discharging Borrower or any Loan Party from the Indebtedness. Without limiting the right of Initial Funding Lender to withhold its consent or to make other requirements prior to granting its consent, Initial Funding Lender: (i) may require evidence satisfactory to Initial Funding Lender that transferee is creditworthy and has such management ability as Initial Funding Lender shall deem in its sole discretion to be necessary; and (ii) may require transferee to execute such written modification and assumption agreements with regard to the Project Loan Documents as Initial Funding Lender shall deem necessary or desirable, including but not limited to provisions increasing the interest rate on the Project Loan Note. No transfer of the Property, no forbearance by Initial Funding Lender, no extension of the time for the payment or performance of the Indebtedness granted by Initial Funding Lender, no amendment or other modification of this Deed of Trust or other Project Loan Document, no release of any security for or guaranty of any Indebtedness, and no exercise of any right Initial Funding Lender (acting in its own right and/or on behalf of the Governmental Lender and the Fiscal Agent) may have hereunder or under any other Project Loan Document shall release, discharge or affect in any way Borrower's or any other Loan Party's liability hereunder or under any other Project Loan Document. In the event any Lien shall exist on all or any portion of the Property (no consent by Initial Funding Lender to the existence of any such Lien shall be implied hereby), it is expressly understood and agreed that no such lienholder may exercise any rights with respect to the Property, and all rents and other proceeds from the Property which may be received by such lienholder shall be held in trust by such lienholder for the benefit of Initial Funding Lender (acting in its own right and/or on behalf of the Governmental Lender and the Fiscal Agent) and shall be immediately paid over to Initial Funding Lender (on behalf of the Governmental Lender and the Fiscal Agent) until the release of this Deed of Trust.
22. Except as otherwise expressly provided for in the Phase I Environmental Site Assessment dated October 2, 2025, prepared by Partner Engineering and Science, Inc. (Partner Project No. 25-553899.1), the Construction Funding

Agreement and in the other Project Loan Documents, Borrower represents and covenants that (i) Borrower has not used Hazardous Materials on or affecting the Property in any manner which violates any Governmental Requirement and that there is no condition concerning the Property which could require remediation pursuant to any Governmental Requirement, and that neither Borrower nor, to Borrower's knowledge, any other person has ever caused or permitted any Hazardous Materials to be placed, held, located or disposed of on, under or at the Property or any part thereof in any manner that violates any Governmental Requirement; (ii) no part of the Property is being used or, to Borrower's knowledge, has ever been used for the disposal, storage, treatment, processing, manufacturing or other handling of Hazardous Materials, and no part of the Property is affected by any Hazardous Materials Contamination; (iii) to the best of Borrower's knowledge, no property adjoining the Property is or has ever been used for the disposal, storage, treatment, processing, manufacturing or other handling of Hazardous Materials, and no other property adjoining the Property is affected by Hazardous Materials Contamination; (iv) to the best of Borrower's knowledge, no investigation, administrative order, consent order and agreement, litigation or settlement with respect to Hazardous Materials or Hazardous Materials Contamination is proposed, threatened, anticipated or in existence with respect to the Property; and the Property is not currently on, and, to Borrower's knowledge, has never been on, any federal or state "Superfund" or "Superlien" list. Notwithstanding that one or more of the foregoing warranties and representations are "to Borrower's knowledge", the existence at or with respect to the Property of any Hazardous Materials which is in violation of any Governmental Requirement or Hazardous Materials Contamination at any time during the term of the Indebtedness shall constitute an Event of Default hereunder. Borrower covenants and agrees that neither it nor any occupant of all or any portion of the Property shall use, introduce or maintain Hazardous Materials on the Property unless done in strict compliance with all Governmental Requirements. Borrower shall conduct and complete all investigations, environmental audits, studies, sampling and testing, and all remedial removal and other actions necessary to clean up and remove all Hazardous Materials on or affecting the Property, whether caused by Borrower or a third party, in accordance with all Governmental Requirements to the satisfaction of Initial Funding Lender and in accordance with the orders and directives of all Governmental Authorities, and Borrower shall notify Initial Funding Lender in writing prior to taking, and continually after that of the status of, all such actions. Borrower shall, promptly upon Initial Funding Lender's request, provide Initial Funding Lender with copies of the results of all such actions and all related documents and information. Any remedial, removal or other action by Borrower shall not automatically be deemed a cure or waiver of any default under this Deed of Trust or Event of Default due to the presence or use of Hazardous Materials on or affecting the Property, and Initial Funding Lender shall determine whether or not the remedial, removal or other action by Borrower cures the default under this Deed of Trust or Event of Default. Borrower has never received any notice ("**Environmental Complaint**") of any potential violation of any Governmental Requirement with respect to Borrower or the Property (and within five days of receipt of any Environmental Complaint, Borrower shall give Initial Funding Lender

a copy of it), and to the best of Borrower's knowledge, there have been no actions commenced or threatened by any party with respect to Borrower or the Property for noncompliance with any Governmental Requirement. In the event this Deed of Trust is foreclosed or Borrower tenders a deed in lieu of foreclosure, Borrower shall deliver the Property to Initial Funding Lender, the purchaser or the grantee, as the case may be, free of Hazardous Materials so that the condition of the Property shall not be in violation of any Governmental Requirement.

23. Borrower will (a) give notice to Initial Funding Lender immediately upon Borrower's acquiring knowledge of the presence of any Hazardous Materials on or affecting the Property that violates any Governmental Requirement or of any Hazardous Materials Contamination with a full description thereof, and (b) promptly comply with all Governmental Requirements relating to the Property including, without limit, any Hazardous Materials or Hazardous Materials Contamination affecting the same, and (c) provide Initial Funding Lender with satisfactory evidence of such compliance.

D. (Reserved)

E. EVENTS OF DEFAULT

The term "**Event of Default**" as used in this Deed of Trust, shall mean the occurrence at any time, and from time to time, of any one or more of the following:

1. The occurrence of an Event of Default under and as defined in the Construction Funding Agreement;
2. Except as expressly permitted herein, in the Construction Funding Agreement, or in any of the other Project Loan Documents, any sale or other disposition by Borrower or any other Loan Party of any substantial portion of its assets or Property or voluntary suspension of the transaction of its business or the death, dissolution, termination of existence, merger, consolidation, insolvency, business failure, or assignment for the benefit of creditors of or by Borrower or any other Loan Party, or commencement of any proceedings under any state or federal bankruptcy or insolvency law or laws for the relief of debtors by or against Borrower or any other Loan Party or the appointment of a receiver, trustee, court appointee, sequestration or otherwise for all or any part of the property of Borrower or any other Loan Party;
3. Default under any deed of trust, mortgage or security agreement or other Lien instrument against all or any portion of the Property;
4. The Property is (a) abandoned or (b) substantially damaged so that in Initial Funding Lender's judgment it cannot be restored with available funds (including insurance proceeds, deferral of developer fee, and any additional funding sources

secured by Borrower) to achieve Completion by the Completion Date, or, if Completion had already been achieved by the Completion Date, then within ninety (90) days following the occurrence of the damage or destruction to its value immediately prior to such damage or destruction and to approximately the same condition and character that existed immediately preceding such damage or destruction;

5. The holder of any Lien on any part of the Property (notwithstanding that the creation of the same may constitute a separate default hereunder) institutes foreclosure or other proceedings for the enforcement of its remedies;
6. Any condemnation proceeding is instituted which would, in Initial Funding Lender's sole judgment, materially impair the use or enjoyment of the Property for its intended purposes and Borrower does not cause such proceeding to be dismissed within sixty (60) days of filing;
7. Except for: (i) Permitted Exceptions, (ii) as expressly permitted by the Construction Funding Agreement, (iii) the right of Investor Limited Partner to remove and replace the General partner pursuant to the terms and conditions in the Partnership Agreement, (iv) utility easements which serve the Project and neither unduly burden the Project nor allow the holder of such easement to cause damage to the Improvements and (v) residential leases for individual apartment units on the form of residential lease approved by Initial Funding Lender, and otherwise in compliance with the LURA (as defined in the Construction Funding Agreement), if Borrower shall cause or permit any sale, lease, conveyance, assignment, pledge, encumbrance, or transfer of all or any part of the Property or any interest therein, voluntary or involuntary, whether by operation of law or otherwise, except sales or other transfers of items of personal property which have become obsolete or worn beyond practical use and which have been replaced by adequate substitutes, owned by Borrower, having a value equal to or greater than the replaced items when new, or if Borrower shall cause or permit the sale, pledge, encumbrance, assignment or transfer, voluntarily or involuntarily, whether by operation of law or otherwise, of any interest in Borrower (or if Borrower is a partnership or limited partnership, any general partner of Borrower) without the prior written consent of the Bank;

Notwithstanding anything to the contrary contained herein, Investor Limited Partner shall have the right, but not the obligation, to cure a default hereunder within the same applicable time period afforded to Borrower hereunder, and Initial Funding Lender agrees to accept or reject such cure on the same basis as if provided by Borrower itself.

#### F. DEFAULT AND FORECLOSURE

To the fullest extent permitted in equity or at law, by statute or otherwise:

1. If an Event of Default shall occur, subject to the terms and provisions of the Construction Funding Agreement, Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) may, at Initial Funding Lender's sole election and by or through Trustee or otherwise, exercise any or all of the following:
  - a. Declare all unpaid amounts under the Project Loan Note and any other unpaid portion of the Indebtedness immediately due and payable without further notice, presentment, protest, demand, notice of demand or intent to demand, or notice of acceleration or intent to accelerate or action of any nature whatsoever (each of which is hereby expressly waived by Borrower), whereupon the same shall become immediately due and payable. Subject to Section N, Paragraph 8 of this Deed of Trust, acceleration of any Indebtedness shall trigger any applicable pre-payment premium or formula. Without limiting when a pre-payment premium may be due, it is agreed that, at any time after acceleration, a tender of payment of the amount necessary to satisfy the entire Indebtedness must include any applicable pre-payment premium or formula subject, however, to the terms and provisions of Section N, Paragraph 8 of this Deed of Trust.
  - b. Enter upon the Property and take exclusive possession thereof and of all books, records and accounts relating thereto, and if necessary to obtain such possession, Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) may invoke any and all legal remedies to dispossess Borrower including, specifically, one or more actions for forcible entry and detainer, trespass to try title and writ of restitution.
  - c. Hold, lease, manage, operate or otherwise use or permit the use of the Property, either itself or by other persons, in such manner, for such time and upon such other terms as Initial Funding Lender may deem necessary or desirable under the circumstances (making such repairs, alterations, additions and improvements thereto and taking such other action from time to time as Initial Funding Lender shall deem necessary or desirable) and apply all Rents collected in connection therewith in accordance with the provisions of Paragraph 7 of this Section F.
  - d. Sell or offer for sale the Property in such portions, order and parcels as Initial Funding Lender may, in its sole discretion, determine, with or without having first taken possession of same, to the highest bidder for cash at public auction. Such sale or sales shall be made at the courthouse door of the county where the Land is situated (or if the Land is situated in more than one county, then such Property may be sold at the courthouse door of any of such counties as designated in the notices of sale provided for herein) on the first Tuesday of any month between 10:00 A.M. and 4:00 P.M. after giving adequate legal notice of the time, place and terms of sale, by posting or causing to be posted written or printed notices thereof at least twenty-one (21) days preceding the date of any such sale at the courthouse door of the foregoing county, and if the Land

- is situated in more than one county, one notice shall be posted at the courthouse door of each county in which the Land is situated, and by Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) serving written notice of such proposed sale on each debtor obligated to pay the Indebtedness at least twenty-one (21) days preceding the date of said sale by certified mail at the most recent address for such parties in the records of Initial Funding Lender, or by accomplishing all or any of the aforesaid in such manner as permitted or required by V.T.C.A. Property Code Section 51.002 (as now written or as hereafter amended or succeeded) relating to the sale of real estate and/or by Chapter 9 of the Code relating to the sale of collateral, or by any other present or subsequent laws. At any such sale: (i) Trustee shall not be required to have physically present, or to have constructive possession of, the Property to be sold (Borrower hereby covenanting and agreeing to deliver to Trustee any portion of the Property not actually or constructively possessed by Trustee immediately upon demand by Trustee) and the title to and right of possession of any such property shall pass to the purchaser thereof as completely as if the same had been actually present and delivered to purchaser at such sale; (ii) each instrument of conveyance executed by Trustee shall contain a general warranty of title, binding upon Borrower; (iii) each and every recital contained in any instrument of conveyance made by Trustee shall conclusively establish the truth and accuracy of the matters recited therein including, without limitation, nonpayment of the Indebtedness, advertisement and conduct of such sale in the manner provided herein and otherwise by law and appointment of any successor Trustee hereunder; (iv) any and all prerequisites to the validity of such sale shall be conclusively presumed to have been performed; (v) the receipt of Trustee or of such other party making the sale shall be a sufficient discharge to the purchaser for the purchase money, and no such purchaser, or the Purchaser's assigns or personal representatives, shall thereafter be obligated to see to the application of such purchase money or be in any way answerable for any loss, misapplication or nonapplication thereof; (vi) Borrower shall be completely and irrevocably divested of all right, title, interest, claim and demand whatsoever, either at law or in equity, in and to the Property sold, and such sale shall be a perpetual bar both at law and in equity against Borrower and against any and all other persons claiming or to claim the Property sold, or any part thereof; and (vii) Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) may be a purchaser at any such sale.
- e. Upon, or at any time after, commencement of foreclosure of any Lien provided for herein, or any legal proceedings hereunder, make application to a court of competent jurisdiction as a matter of strict right and without notice to Borrower or regard to the adequacy of the Property or any other security for the repayment of the Indebtedness, for appointment of a receiver of the Property, and Borrower does hereby irrevocably consent to such appointment. Any such receiver shall have all the usual powers and duties of receivers in similar cases.

- f. Exercise any and all other rights, remedies and recourses granted under the Project Loan Documents or as may be now or hereafter existing in equity or at law, by virtue of statute or otherwise.
2. Should the Property be sold in one or more parcels, the right of sale arising out of any Event of Default shall not be exhausted by any one or more such sales, but other and successive sales may be made until all of the Property has been sold or until the Indebtedness has been fully satisfied.
3. All rights, remedies and recourses of Governmental Lender (as may have been assigned to Fiscal Agent and is now administered by the Initial Funding Lender) granted in the Project Loan Documents or otherwise available at law or equity: (a) shall be cumulative and concurrent; (b) may be pursued separately, successively or concurrently against Borrower or any Loan Party, or against the Property, or against any one or more of them, at the sole discretion of Initial Funding Lender; (c) may be exercised as often as occasion therefor shall arise, it being agreed by Borrower that the exercise or failure to exercise any of same shall in no event be construed as a waiver or release thereof or of any other right, remedy or recourse; and (d) shall be non-exclusive.
4. Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) may release, regardless of consideration, any part of the Property without, as to the remainder, in any way impairing, affecting, subordinating or releasing the Liens evidenced by the Project Loan Documents or affecting the obligations of Borrower or any other Loan Party to pay or perform the Indebtedness. For payment of the Indebtedness, Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) may resort to any of the security therefor in such order and manner as Initial Funding Lender may elect. No security heretofore, herewith or subsequently taken by Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) shall in any manner impair or affect the security given by the Project Loan Documents, and all security shall be taken, considered and held as cumulative.
5. Borrower hereby irrevocably and unconditionally waives and releases: (a) all benefits that might accrue to Borrower by virtue of any present or future law exempting the Property from attachment, levy or sale on execution or providing for any appraisalment, valuation, stay of execution, exemption from civil process, redemption or extension of time for payment; (b) all notices of any default or Event of Default (except as may specifically be required by the Construction Funding Agreement or a Project Loan Document) or of Initial Funding Lender's or Trustee's exercise of any right, remedy or recourse provided for under Construction Funding Agreement or the Project Loan Documents or otherwise; and (c) any right to a marshaling of assets or a sale in inverse order of alienation.
6. In case Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) shall have proceeded to invoke any right,

remedy or recourse permitted under the Project Loan Documents or otherwise and shall thereafter elect to discontinue or abandon same for any reason, Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) shall have the unqualified right so to do, and in such event, Borrower and Initial Funding Lender (in such capacity) shall be restored to their former positions with respect to the Indebtedness, the Project Loan Documents, the Property and otherwise, and the rights, remedies, recourses and powers of Initial Funding Lender (whether acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) shall continue as if same had never been invoked.

7. Any proceeds of any sale of, and any Rents, or other amounts generated by the holding, leasing, operation or other use of the Property shall be applied in the such order of priority as Initial Funding Lender, in its sole discretion, may elect including, without limitation, the following order of priority: (a) first, to the payment of all costs and expenses of taking possession of the Property and of holding, leasing, operating, using, repairing, improving and selling the same including, without limitation, fees of the Trustee and attorneys retained by Initial Funding Lender, Governmental Lender, Fiscal Agent, or Trustee (whether inside or outside counsel is used); fees of any receiver or accountants; recording and filing fees; court costs; costs of advertisement; and the payment of any and all Impositions, Liens or other rights, titles or interests equal or superior to the Liens of this Deed of Trust (without in any way implying Initial Funding Lender's consent to the creation thereof); (b) second, to the payment of all accrued and unpaid interest due on the Project Loan Note; (c) third, to the payment of the unpaid principal balance of the Project Loan Note; (d) fourth, to the payment of all amounts, other than unpaid principal and accrued interest on the Project Loan Note, which may be due to Initial Funding Lender under the Project Loan Documents, together with interest thereon as provided therein; (e) fifth, to the payment of any Indebtedness remaining unpaid; and (f) sixth, to Borrower or such other person who may be entitled thereto by law.
8. In addition to the remedies set forth in this Section F, upon the occurrence of an Event of Default the Initial Funding Lender and Trustee shall have available to them the remedies set forth in Sections G and H herein as well as all other remedies available to them at law or in equity.
9. The remedies in this Section F are in addition to other remedies available to the Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent), and the exercise of the remedies in this Section shall not be deemed to be an election of non-judicial or judicial remedies otherwise available to the Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent). The remedies in this Section F are available under and governed by the real property laws of Texas and, except as described in Section G hereof, are not governed by the personal property laws of Texas, including but not limited to, the power to dispose of personal property in a commercially reasonable manner under Section 9.504 of the Code until July 1, 2001 and Section 9.610 of the Code on and after July 1,

2001. No action by Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) taken pursuant to this Section F shall be deemed to be an election to dispose of personal property under Section 9.505 of the Code until July 1, 2001 or Section 9.620 of the Code on and after July 1, 2001.

10. In the event an interest in any of the Property is foreclosed upon pursuant to a judicial or non-judicial foreclosure sale, Borrower and each other Loan Party hereby make the agreements as set forth in this paragraph. Notwithstanding the provisions of Sections 51.003, 51.004, and 51.005 of the Texas Property Code (as the same may be amended from time to time), and to the extent permitted by law, Borrower and each other Loan Party agree that Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) shall be entitled to seek a deficiency judgment from such party, to the extent such party would otherwise be liable therefor, equal to the difference between the amount of the Indebtedness and the amount for which the Property was sold pursuant to judicial or non-judicial foreclosure sale. Borrower and each other Loan Party expressly recognize that this Paragraph constitutes a waiver of the above-cited provisions of the Texas Property Code which would otherwise permit Borrower and/or other persons against whom recovery of deficiencies is sought to present competent evidence of the fair market value of the Property that was sold as of the date of the foreclosure sale and offset, against any deficiency, the amount by which the foreclosure sale price is determined to be less than such fair market value. Borrower and each other Loan Party further recognize and agree that this waiver creates an irrebuttable presumption that the foreclosure sale price is equal to the fair market value of the Property that was sold for purposes of calculating deficiencies owed by Borrower and others against whom recovery of a deficiency is sought.
11. In the event the waiver provided for in the immediately preceding Paragraph is determined by a court of competent jurisdiction to be unenforceable and under every circumstance where any of the Property which is the subject matter of a disposition under this Deed of Trust gives rise to a calculation of any surplus or deficiency under Section 9.615 (f) of the Code (as in effect on or after July 1, 2001), the following shall be the basis for the finder of fact's (a) determination of the fair market value of the Property that was sold as of the date of the foreclosure sale in proceedings governed by Sections 51.003, 51.004 and 51.005 of the Texas Property Code (as amended from time to time) and (b) calculation of surplus or deficiency under Section 9.615 of the Code (as in effect on or after July 1, 2001): (i) the Property shall be valued in an "as is" condition as of the date of the foreclosure sale, without any assumption or expectation that the Property will be repaired or improved in any manner before a resale of the Property after foreclosure; (ii) the valuation shall be based upon an assumption that the foreclosure purchaser desires a resale of the Property for cash promptly (but no later than 30 days in the case of Personalty and 12 months in the case of all other Property) following the foreclosure sale; (iii) all reasonable closing costs customarily borne by the seller in commercial real estate transactions should be

deducted from the gross fair market value of the Property including, without limitation, brokerage commissions, title insurance, a survey of the Property, tax prorations, attorneys' fees, whether inside or outside counsel is used, and marketing costs; (iv) the gross fair market value of the Property that was sold shall be further discounted to account for any estimated holding costs associated with maintaining such Property pending sale including, without limitation, utilities expenses, property management fees, taxes and assessments (to the extent not accounted for in (iii) above), and other maintenance, operational and ownership expenses; and (v) any expert opinion testimony given or considered in connection with a determination of the fair market value of the Property must be given by persons having at least 5 years experience in appraising property similar to the Property and who have conducted and prepared a complete written appraisal of the Property taking into consideration the factors set forth above. Furthermore, for purposes of determining the amount of proceeds which would have been realized in a disposition to a transferee other than a secured party, a person related to a secured party or a secondary obligor under Section 9-615(f) of the Code (as in effect on or after July 1, 2001), the value of Property that is the subject of the disposition shall be determined in accordance with this Paragraph.

12. If the Initial Funding Lender for and on behalf of Governmental Lender and Fiscal Agent takes possession and control of the Property, then the Initial Funding Lender may exclude Borrower and its representatives from the Property, subject to Master Lessor's right of entry under the Master Lease.

#### G. INSURANCE AND CONDEMNATION PROCEEDS AND OTHER AWARDS

All proceeds of insurance and all judgments, decrees or awards now or hereafter arising or resulting from or in connection with any injury, damage, taking or other loss to the Property, or awards, settlements or other compensation now or hereafter made by any Governmental Authority, including those for any variation of, or change of grade in, any streets affecting the Land or the Improvements, are hereby assigned in their entirety to Governmental Lender (or Fiscal Agent or Initial Funding Lender, as the case may be) and shall be paid directly to Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent). Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) is hereby authorized, in the name of Borrower, to execute and deliver valid acquittances for, and to appeal from, any such award, judgment or decree. Initial Funding Lender and each of Initial Funding Lender's employees is irrevocably appointed attorney-in-fact and is duly authorized and empowered to receive, receipt for, discharge and satisfy any judgment, decree or award, whether joint or several, on behalf of Borrower. None of the Governmental Lender, Fiscal Agent, nor Initial Funding Lender shall be liable for failure to collect any judgment, decree or award, regardless of the cost of such failure. Any proceeds received by Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) from any insurance, judgment, decree or award or otherwise arising or resulting from any injury, damage, taking or other loss to the Property shall, after deduction therefrom of all reasonable expenses actually incurred by Initial Funding Lender, including reasonable attorneys' fees, whether inside or outside

counsel is used, at Initial Funding Lender's sole option (unless otherwise expressly provided herein), (a) be released to Borrower, or (b) applied (upon compliance with such terms and conditions as may be required by Initial Funding Lender) to repair or restoration, either partly or entirely, of the Property, or (c) applied to the payment of the Indebtedness in such order and manner as Initial Funding Lender, in its sole discretion, may elect, whether or not due. If Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) elects to apply insurance proceeds to the payment of the Indebtedness, Borrower shall not be obligated to restore or repair the Property. In any event, any unpaid portion of the Indebtedness shall remain in full force and effect, and the payment thereof shall not be excused or postponed. Borrower shall at all times comply with the requirements of the insurance policies required hereunder and of the issuers of such policies and of any board of fire underwriters or similar body as applicable to or affecting the Property. If any act or occurrence of any kind or nature (including any condemnation or any casualty for which insurance was not obtained or obtainable) shall result in damage to or loss or destruction of the Property, Borrower shall give prompt notice thereof to Initial Funding Lender, and Borrower shall promptly, at Borrower's sole cost and expense and regardless of whether insurance, condemnation or other proceeds (if any) shall be available or sufficient for the purpose, commence and continue diligently to completion to restore, repair, replace and rebuild the Property to its value and, as nearly as possible, to its condition and character immediately prior to the damage, loss or destruction. Notwithstanding anything to the contrary contained in this Deed of Trust or any other Project Loan Document, (i) if the Property shall be damaged or destroyed or if a portion thereof shall be taken by condemnation or an agreement reached under threat of condemnation, and (ii) if the Initial Funding Lender in good faith determines that the insurance or condemnation proceeds together with such additional cash amounts that Borrower shall make available for the repair or restoration of the Property and shall pledge to Initial Funding Lender as additional security for the payment and performance of the Indebtedness are sufficient to restore, repair, replace and rebuild the Property to achieve Completion prior to the Completion Date or, if Completion had already been achieved by the Completion Date, then within ninety (90) days following the occurrence of the damage, destruction or taking to its value immediately prior to such damage, loss or destruction and to approximately the same condition and character that existed immediately preceding such damage, loss or destruction, and (iii) provided that no default or Event of Default shall then exist, then the insurance and condemnation proceeds together with such additional cash amounts provided by Borrower shall be placed in a special depository account (which may be a non-interest bearing account) with Initial Funding Lender (or, at Initial Funding Lender's option, a financial institution approved by Initial Funding Lender) and disbursed in scheduled payments approved by Initial Funding Lender to restore, repair, replace and rebuild the Property to a value at least equal to that which existed immediately prior to the damage, loss or destruction and to approximately the same condition and character which existed immediately prior to such damage, loss or destruction. Notwithstanding the foregoing, Initial Funding Lender shall have no obligation to disburse any such proceeds or other cash amounts if the total disbursements made prior to completion of the work would exceed 90% of the value of the work then completed, and each disbursement shall be conditioned upon receipt by Initial Funding Lender (in form and content satisfactory to Initial Funding Lender) of architect certificates, contractor and subcontractor sworn

statements and waivers and releases of Liens together with satisfactory evidence of the total cost to complete the work, evidence of costs paid by Borrower as the work progresses, evidence that the work is being completed Lien free and in a good and workmanlike manner, and evidence that the proceeds and other cash amounts then on deposit are sufficient for the completion of the work. The special depository account and all amounts deposited therein together with all interests and profits, if any, accruing with respect thereto and all rights, privileges and benefits existing with respect thereto shall be and are hereby pledged as additional security for the payment and performance of the Indebtedness. All work to be performed in connection with the repair, restoration, replacement or rebuilding of the Property shall be performed pursuant to a written contract, which contract shall be subject to the prior written approval of the Initial Funding Lender and which shall set forth the manner and schedule of payments to be made thereunder. If, at any time, the Initial Funding Lender determines that the insurance or condemnation proceeds together with other cash amounts made available by the Borrower are insufficient to repair, restore, replace and rebuild the Property to the value and condition required hereunder, Borrower shall deposit additional cash amounts to the special depository account established (or to be established) for such purpose.

#### H. SECURITY AGREEMENT

Borrower hereby grants to Governmental Lender a security interest in and to certain property as follows:

1. If this Deed of Trust secures future advances and disbursements to be used for renovation of improvements on the Land, this Deed of Trust constitutes a "construction mortgage" under the Code. This Deed of Trust shall also constitute and serve as a "security agreement" on personal property and a "fixture filing" within the meaning of, and shall constitute a first and prior security interest under, Chapter 9 of the Code with respect to the Personalty, Fixtures, Contracts and Leases. To this end, Borrower grants to Governmental Lender, as a secured party, a first and prior security interest in, to and under the Personalty, Fixtures, Contracts and Leases, to secure the full and timely payment and performance of the Indebtedness.
2. Borrower agrees to execute and deliver to Initial Funding Lender (on behalf of Governmental Lender), in form and substance satisfactory to Initial Funding Lender, such financing statements and such further assurances as Initial Funding Lender may, from time to time, request to create, perfect, and preserve the security interest herein granted, and Initial Funding Lender may cause any financing statements and assurances to be recorded and filed at such times and places as may be required or permitted by law to create, perfect and preserve such security interest. Without limiting the foregoing, Borrower shall, upon request of Initial Funding Lender take such actions as Initial Funding Lender shall request to establish exclusive control (as defined in the Code) by Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) over any Property which is of such a

nature that perfection of a security interest may be accomplished by control. Furthermore, Borrower (a) irrevocably appoints Initial Funding Lender or any agent of Initial Funding Lender (which appointment is coupled with an interest) the true and lawful attorney of Borrower (with full power of substitution) to act in the name, place and stead of, and at the expense of, Borrower and (b) authorizes Initial Funding Lender or any agent of Initial Funding Lender, in its own name, at Borrower's expense, to do any of the following, as Initial Funding Lender, in its sole discretion, deems appropriate: (i) to demand, receive, sue for, and give receipts or acquittances for any moneys due or to become due on any Property (including, without limit, to draft against Property) and to endorse any item representing any payment on or proceeds of the Property; (ii) to execute and file in the name of and on behalf of Borrower all financing statements or other filings or collateral control agreements deemed necessary or desirable by Initial Funding Lender to evidence, perfect, or continue the security interests granted in this Deed of Trust; and (iii) to do and perform any act on behalf of Borrower permitted or required under this Deed of Trust.

3. Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent), as well as Trustee on Initial Funding Lender's behalf acting in any such capacity, shall have all the rights, remedies and recourses with respect to the Personalty, Fixtures, Contracts and Leases afforded a "secured party" by Chapter 9 of the Code in addition to, and not in limitation of, the other rights, remedies and recourses afforded Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) and/or Trustee by the Project Loan Documents.
4. The security interest herein granted shall not be deemed or construed to constitute Trustee Governmental Lender, Fiscal Agent, or Initial Funding Lender as a party in possession of any portion of the Property or to obligate Trustee or Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) to lease the Property or to take any other action or to incur any expenses or to perform any obligation whatsoever under any of the Contracts or Leases or otherwise.
5. Upon the occurrence of an Event of Default and at any time thereafter:
  - a) Trustee and Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) shall have, with regard to the Personalty, Fixtures, Contracts and Leases the remedies provided in this Deed of Trust and in the Code (no such remedy granted by the Code being excepted, modified or waived herein). Trustee and Initial Funding Lender (in any such capacity, as applicable) may, respectively, use his or its discretion in exercising the rights and electing the remedies; provided, however, all acts shall be in compliance with the standards of the Code where applicable and required. For purposes of the notice requirements of the Code and this Section H, it is agreed that notice sent or given not less

than ten (10) calendar days prior to the taking of the action to which the notice relates is reasonable notice.

- b) Trustee and Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) shall, respectively, be entitled, acting in his or its sole discretion, to apply the proceeds of any disposition of the Personalty, Fixtures, Contracts and Leases in the order set forth in Chapter 9 of the Code, or, if allowed by the Code, in the order set forth in Paragraph 7 of Section F hereof. Borrower agrees that Initial Funding Lender (in any such capacity, as applicable) shall be under no obligation to accept any noncash proceeds in connection with any sale or disposition of Property unless failure to do so would be commercially unreasonable. If Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) agrees in its sole discretion to accept noncash proceeds (unless the failure to do so would be commercially unreasonable), Initial Funding Lender (in any such capacity, as applicable) may ascribe any commercially reasonable value to such proceeds. Without limiting the foregoing, Initial Funding Lender may apply any discount factor in determining the present value of proceeds to be received in the future or may elect to apply proceeds to be received in the future only as and when such proceeds are actually received in cash by Initial Funding Lender.
  - c) Notwithstanding anything herein to the contrary, Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent), or the Trustee acting on Initial Funding Lender's behalf in any such capacity, may at its or his option, dispose of the Fixtures, Personalty, Contracts and/or Leases and other items of personal property covered by this Deed of Trust in accordance with Initial Funding Lender's (in any such capacity) rights and remedies in respect of and together with the Leasehold Estate, collectively as the Property, pursuant to the provisions of Section F of this Deed of Trust in lieu of proceeding under the Code.
6. Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) may require Borrower to assemble the Personalty, Fixtures, Contracts and Leases and make them available to Initial Funding Lender (in any such capacity, as applicable) or Trustee at a place to be designated by Initial Funding Lender that is reasonably convenient to both parties. All expenses of retaking, holding, preparing for sale, lease or other use or disposition, selling, leasing or otherwise using or disposing of the Personalty, Fixtures, Contracts and Leases and the like which are incurred or paid by Initial Funding Lender as authorized or permitted hereunder, including also all reasonable attorneys' fees, whether inside or outside counsel is used, legal expenses and costs, shall be added to the Indebtedness, and Borrower shall be liable therefor. At any sale or other disposition of any Property, Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) disclaims all warranties which would otherwise be

given under the Code, including without limit, a disclaimer of any warranty relating to title, possession, quiet enjoyment or the like, and Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) may communicate these disclaimers to a purchaser at such disposition. This disclaimer of warranties will not render the sale commercially unreasonable.

7. As to the Personalty, Fixtures, Contracts and Leases, this Deed of Trust shall be effective as a financing statement when filed for record in the official real property records of any county in which any portion of the Land is located. The record owner of the Leasehold Estate is Borrower, whose mailing address for purposes of such financing statement is set forth in the opening recital herein above. Information concerning the security interest created by this Deed of Trust may be obtained from Initial Funding Lender at its address similarly set forth in such opening recital. Initial Funding Lender (acting on its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) or Trustee may file a carbon, photographic or other reproduction of this Deed of Trust as a financing statement.
8. Except as otherwise expressly provided in this Deed of Trust, all terms in this Deed of Trust which are defined in the Code shall have the meanings assigned to them in Article 9 (or, absent definition in Article 9, in any other Article) of the Code, as those meanings may be amended, revised or replaced from time to time. Notwithstanding the foregoing, the parties intend that the terms used herein which are defined in the Code have, at all times, the broadest and most inclusive meanings possible. Accordingly, if the Code shall in the future be amended or held by a court to define any term used herein more broadly or inclusively than the Code in effect on the date of this Deed of Trust, then such term, as used herein, shall be given such broadened meaning. If the Code shall in the future be amended or held by a court to define any term used herein more narrowly, or less inclusively, than the Code in effect on the date of this Deed of Trust, such amendment or holding shall be disregarded in defining terms used in this Deed of Trust.

#### I. ASSIGNMENT OF RENTS

Borrower does hereby absolutely and unconditionally assign, transfer and convey to Governmental Lender, as well as to Trustee on Governmental Lender's behalf, all Rents under the following provisions:

1. Borrower reserves the right, unless and until an Event of Default occurs under this Deed of Trust, to collect such Rents as a trustee for the benefit of Governmental Lender, and to apply all Rents to pay the monthly debt service payments under the Project Loan Note and the other amounts then due and payable under the other Project Loan Documents, including Imposition reserve payments (if any), and to pay the current costs and expenses of managing, operating and maintaining the Property, including utilities and Impositions (to

the extent not included in Imposition reserves), tenant improvements and other capital expenditures. All rents collected by Borrower shall be deposited by Borrower in Borrower's operating accounts maintained with Initial Funding Lender. All security deposits collected by Borrower shall be maintained in an account with Initial Funding Lender for such purpose.

2. Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent), or Trustee on Initial Funding Lender's behalf in any such capacity, may at any time following an Event of Default, either in person, by agent, or by receiver to be appointed by a court, enter and take possession of the Property or any part thereof and, in its own name, sue for or otherwise collect such Rents. Borrower hereby agrees with Initial Funding Lender, the Governmental Lender and Fiscal Agent that the other parties under the Leases may, upon notice from Trustee or Initial Funding Lender of the occurrence of an Event of Default, thereafter pay direct to Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) the Rents due and to become due under the Leases and attorn to all other obligations thereunder direct to Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent), or Trustee on Initial Funding Lender's behalf in any such capacity, without any obligation on their part to determine whether an Event of Default does in fact exist or has in fact occurred. All Rents collected by Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) , or Trustee acting on Initial Funding Lender's behalf in any such capacity, shall be applied as provided for in Paragraph 7 of Section E above; provided however, that if the costs, expenses and reasonable attorneys' fees, whether inside or outside counsel is used, shall exceed the amount of Rents collected, the excess shall be added to the Project Loan Note, shall bear interest as provided in Paragraph 5 of Section O below and shall be immediately due and payable. The entering upon and taking possession of the Property, the collection of Rents, or the application thereof as aforesaid shall not cure or waive any default or Event of Default, if any, hereunder or invalidate any act done pursuant to such notice. Failure or discontinuance of Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent), or Trustee on Initial Funding Lender's behalf in any such capacity, at any time or from time to time, to collect said Rents shall not in any manner impair the subsequent enforcement by Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent), or Trustee on Initial Funding Lender's behalf in any such capacity, of the right, power and authority herein conferred upon it. Nothing contained herein, and no exercise of any right, power or authority herein granted to Governmental Lender, Fiscal Lender, Initial Funding Lender, or Trustee on Initial Funding Lender's behalf, shall be or be construed to be, an affirmation by it of any tenancy, lease, or option, or an assumption of liability under or the subordination of the Lien or charge of this Deed of Trust to any such tenancy, lease, or option.

3. Borrower will not (a) execute an assignment of any of its right, title or interest in the Rents, or (b) except where the lessee is in default thereunder, terminate or consent to the cancellation or surrender of any Lease, and except further, any Lease may be canceled if, promptly after the cancellation or surrender thereof a new Lease is entered into with a new lessee using the approved residential Lease form, or (c) modify any Lease affecting the Property or any part thereof so as to shorten the unexpired term thereof or so as to decrease the amount of the Rents, or (d) accept prepayments of any Rents in excess of one month (unless a longer period is consented to by Bank in its reasonable discretion), except prepayments in the nature of security for the performance of the lessee under any Lease, or (e) in any other manner impair the value of the Property or the security of this Deed of Trust in any material respect. Borrower will not execute any Lease of all or any substantial portion of the Property except for actual occupancy by the lessee thereunder and will at all times promptly and faithfully perform, or cause to be performed, each covenant, condition and agreement contained in each Lease now or hereafter existing on the part of lessor thereunder to be kept and performed. Borrower shall furnish to Initial Funding Lender, within ten (10) days after a request by Initial Funding Lender to do so, a written statement containing the names of all lessees of the Property, the terms of their respective Leases, the spaces occupied and the rentals payable thereunder.
4. No action taken by Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) under this Deed of Trust shall make Initial Funding Lender a "Mortgagee in Possession."
5. Notwithstanding anything in the foregoing to the contrary or any other provision hereof or in any of the Project Loan Documents to the contrary, all provisions related to the assignment of rents are subject to the terms, provisions, and conditions of the Texas Assignment of Rents Act ("**TARA**"), as codified in Tex. Prop. Code, Chapter 64, as the same may be amended, modified or supplemented from time to time. To the extent that specific terms and requirements of this Deed of Trust or any other Project Loan Document, including the Construction Funding Agreement, conflict with the specific terms and requirements of TARA, (i) to the extent such terms and requirements of TARA may be superseded by an agreement between the parties, the specific terms and requirements of this Deed of Trust or the other Project Loan Documents hereby supersedes such specific terms and requirements of TARA; and (ii) to the extent that such terms and requirements of TARA cannot be superseded by an agreement between the parties, the specific terms and requirements of TARA shall control, and the parties further agree that all other terms and requirements of this Deed of Trust or the other Project Loan Documents shall not otherwise be impaired or superseded thereby and shall remain in full force and effect.

J. THE TRUSTEE

The following provisions shall govern with respect to the Trustee:

1. Trustee shall not be liable for any error of judgment or act done by Trustee in good faith, or be otherwise responsible or accountable to Borrower under any circumstances whatsoever. Furthermore, Trustee shall not be personally liable in case of entry by him, or anyone entering by virtue of the powers herein granted, upon the Property for debts contracted or liability or damages incurred in the management or operation of the Property. Trustee shall have the right to rely on any instrument, document or signature authorizing or supporting any action taken or proposed to be taken by him hereunder and believed by him in good faith to be genuine. Trustee shall be entitled to reimbursement for expenses incurred by him in the performance of his duties hereunder and to reasonable compensation for such of his services hereunder as shall be rendered. Borrower will, from time to time, pay the compensation due to Trustee hereunder and reimburse Trustee for, and save him harmless against, any and all liability and expenses which may be incurred by him in the performance of his duties **INCLUDING ANY CLAIMS, LOSSES, DAMAGES, SUITS, PENALTIES, COSTS, LIABILITIES, OBLIGATIONS AND EXPENSES, RESULTING FROM TRUSTEE'S OWN NEGLIGENCE**; provided, however, that the foregoing indemnification shall not be applicable, and Borrower shall not be liable for any such claims, losses, damages, suits, penalties, costs, liabilities, obligations or expenses, to the extent (but only to the extent) the same arise or result from any gross negligence or willful misconduct of Trustee.
2. All moneys received by Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys (except to the extent required by law), and Trustee shall be under no liability for interest on any money received by him hereunder.
3. Trustee may resign at any time with or without notice. If Trustee shall die, resign or become disqualified from acting in the execution of this trust or shall fail or refuse to execute the same when requested by Initial Funding Lender so to do, or if, for any reason, Initial Funding Lender shall prefer to appoint a substitute trustee to act instead of the afore named Trustee, Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) shall have full power to appoint a substitute trustee and, if preferred, several substitute trustees in succession who shall succeed to all the estates, rights, powers and duties of the afore named Trustee.
4. Any new Trustee or Trustees appointed pursuant to any of the provisions hereof shall, without any further act, deed or conveyance, become vested with all the estates, properties, rights, powers and trusts of its, his or their predecessor in the rights hereunder with like effect as if originally named as Trustee herein, but nevertheless, upon the written request of Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) or of the

successor Trustee, the Trustee ceasing to act shall execute and deliver an instrument transferring to such successor Trustee, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of the Trustee so ceasing to act and shall duly assign, transfer and deliver any of the property and money held by such Trustee to the successor Trustee so appointed in his place.

#### K. SITE ASSESSMENTS

Initial Funding Lender may enter and inspect the Property at any time for the purpose of evaluating Borrower's use or storage of Hazardous Materials and to confirm that Borrower is in compliance with Governmental Requirements. If notice is given by any person or entity to Borrower or Bank of any actual or potential violation of Governmental Requirements pertaining to the Property or if there is a release of Hazardous Materials on or near the Property, then at any time following ten (10) days' notice to Borrower (except in an emergency or where not practical under applicable law, in which case notice is waived), and without limitation of Initial Funding Lender's other rights under this Deed of Trust or elsewhere, Initial Funding Lender shall have the right, but not the obligation, either through its employees or its consultants, to enter on the Property and to take those actions as it deems appropriate to investigate or test for, remediate, remove, resolve, minimize the impact of or advise governmental agencies of the possible existence of any Hazardous Materials. Any such actions conducted by Initial Funding Lender shall be solely for the benefit of and to protect the interests of Governmental Lender, Fiscal Agent, Initial Funding Lender and shall not be relied upon by Borrower or any third party for any purpose. By conducting any such actions, Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) does not assume control over the environmental affairs or operations of Borrower nor assume any liability of Borrower or any third party. Borrower's obligations under this Section K shall not be diminished or otherwise affected as a result of any notice or disclosure to, or any other knowledge of, any release or threatened release, nor shall Initial Funding Lender be deemed to have permitted or consented to any release or any breach of Borrower's other obligations under this Section K because any such party had notice or knowledge hereof.

#### L. INITIAL FUNDING LENDER'S RIGHT TO REMOVE HAZARDOUS MATERIALS

Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) shall have the right but not the obligation, without in any way limiting Initial Funding Lender's other rights and remedies under this Deed of Trust or any other Project Loan Document, to enter onto the Property or to take such other actions which are required by Legal Requirements or Governmental Requirements (and as Borrower deems necessary or advisable) to investigate or test for, clean up, remove, resolve or minimize the impact of, advise any Governmental Authority of the possible existence of, or otherwise deal with any Hazardous Materials or Hazardous Materials Contamination on or affecting the Property following receipt of any notice from any person

or entity asserting the existence of any Hazardous Materials or Hazardous Materials Contamination pertaining to the Property or any part thereof which, if true, could result in an order, notice, suit, imposition of a Lien on the Property or other action and/or which, in Initial Funding Lender's sole opinion, could adversely affect the security created by and described in and under this Deed of Trust. All costs and expenses paid or incurred by Initial Funding Lender in the exercise of any such rights shall be Indebtedness secured by this Deed of Trust, shall be payable by Borrower upon demand and shall bear interest from the date paid by Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) until reimbursed at the highest per annum interest rate applicable to any of the Indebtedness but not to exceed the highest rate permitted by applicable law. Any such actions conducted by Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) shall be solely for the benefit of and to protect the interests of Governmental Lender, Fiscal Agent and Initial Funding Lender and shall not be relied upon by Borrower, Borrower, any other Loan Party or any third party for any purpose. By conducting any such actions, Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) does not assume control over the environmental affairs or operations of Borrower or assume any liability of Borrower, Borrower, any Loan Party or any third party. The provisions of this Section shall be in addition to all other obligations and liabilities Borrower may have to Governmental Lender, Fiscal Agent, and Initial Funding Lender at common law or pursuant to any other agreement and shall survive (a) the repayment and performance of the Indebtedness, (b) the satisfaction of all other obligations of Borrower under this Deed of Trust and under any other Project Loan Document, (c) the discharge of this Deed of Trust, and (d) the foreclosure of this Deed of Trust or acceptance of a deed in lieu of foreclosure.

M. ASSIGNMENT OF CONTRACTS AND SALES PROCEEDS

1. Without limiting any Project Loan Document with respect thereto, Borrower hereby collaterally sells, assigns, transfers and sets over unto Governmental Lender, its successors and assigns, all of Borrower's right, title and interest in, to and under any and all Contracts, including all of Borrower's rights to receive payments, receipts, revenues, interest and income of any kind under the Contracts (hereinafter collectively called the "**Proceeds**") including but not limited to (a) any and all rights of Borrower to receive the Proceeds, and (b) any and all rights and remedies which Borrower may have against any other party to any of the Contracts, whether related to the payment of any portion of the Proceeds or otherwise.
2. These presents are given to additionally secure payment and performance of the Indebtedness. Borrower shall not cancel or amend any of the Contracts or permit any of them to terminate if they are necessary or desirable for the operation of the Property without first obtaining the written approval of the Initial Funding Lender. This Section shall not be applicable to any Contract that terminates if it is assigned without the consent of another party (other than Borrower) unless this consent has been obtained. Furthermore, this Section shall not be construed as a present assignment of any Contract that Borrower is required by law to hold.

3. Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by Borrower under any of the Contracts, and Borrower hereby agrees to indemnify Governmental Lender, Fiscal Agent, and Initial Funding Lender for, and to save Governmental Lender, Fiscal Agent, and Initial Funding Lender harmless from, any and all liability arising from any of the Contracts or from this assignment **INCLUDING ANY CLAIMS, LOSSES, DAMAGES, SUITS, PENALTIES, COSTS, LIABILITIES, OBLIGATIONS OR EXPENSES, RESULTING FROM INITIAL FUNDING LENDER'S OWN NEGLIGENCE**; provided, however, that the foregoing indemnification shall not be applicable, and Borrower shall not be liable for any such claims, losses, damages, suits, penalties, costs, liabilities, obligations or expenses, to the extent (but only to the extent) the same arise or result from any gross negligence or willful misconduct of Initial Funding Lender. This assignment shall not place responsibility for the control, care, management or repair of the Property upon Governmental Lender, Fiscal Agent, and/or Initial Funding Lender or make Governmental Lender, Fiscal Agent, and/or Initial Funding Lender responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Property resulting in loss or damage or injury or death to any party.
4. The failure of Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) to enforce any of the terms, covenants or conditions hereof shall not be construed or deemed to be a waiver of any rights or remedies hereunder. Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) shall have the full right, power and authority to enforce this assignment, or any of the terms, covenants or conditions hereof, at any time or times that Initial Funding Lender shall deem fit.

N. MASTER LESSOR SUBORDINATION AND JOINDER

Exhibit "C" to this Deed of Trust, attached hereto and made a part hereof, contains a subordination and joinder of the Master Lessor.

O. MISCELLANEOUS

The following provisions shall also apply to and govern this Deed of Trust and the interpretation hereof:

1. Each and every portion of the Indebtedness shall survive the execution and delivery of the Project Loan Documents and the consummation of the loans called for therein and shall continue in full force and effect until the Indebtedness shall have been paid and performed in full except for the representations, covenants, warranties and indemnification contained in Section K which shall survive the payment and performance of the Indebtedness as specified therein.

2. Borrower, upon the request of Trustee or Initial Funding Lender, will execute, acknowledge, deliver and record and/or file such further instruments and do such further acts as may be necessary, desirable or proper, in Initial Funding Lender's judgment, to carry out more effectively the purposes of the Project Loan Documents and to subject to the Liens and security interests thereof any property intended by the terms thereof to be covered thereby, including specifically, but without limitation, any renewals, additions, substitutions, replacements, or appurtenances to the Property. Borrower will pay all such recording, filing, re-recording and re-filing taxes, fees and other charges, including those for Lien searches.
3. All notices or other communications required or permitted to be given pursuant to this Deed of Trust (except for notices of a foreclosure sale which shall be given in the manner set forth in Paragraph 1(d) of Section F hereof) shall be in writing. A notice or communication shall be deemed to be given under this Deed of Trust when delivered to the applicable party or when placed in an envelope addressed to the party and deposited, with postage prepaid, in a post office or official depository under the exclusive care and custody of the United States Postal Service or delivered to an overnight courier. The mailing shall be by overnight courier, certified or first class mail. In the event that applicable law shall obligate Initial Funding Lender to give prior notice to the Borrower or any other Loan Party of any action to be taken under this Deed of Trust or any other Project Loan Document, the Borrower and other Loan Parties agree that a written notice given to Borrower or such other Loan Party at least 10 days before the date of the act shall be reasonable notice of the act unless a shorter notice period is reasonable under the circumstances. For purposes of notice, the addresses of the parties shall be as set forth in the opening Paragraph herein above; provided, however, that either party shall have the right to change its address for notice hereunder to any other location within the continental United States by the giving of 10 days' notice to the other party in the manner set forth herein above.
4. Any failure by Trustee or Initial Funding Lender to insist, or any election by Trustee or Initial Funding Lender not to insist, upon strict performance by Borrower or any other Loan Party of any of the terms, provisions or conditions of the Project Loan Documents shall not be deemed to be a waiver of same or of any other term, provision or condition thereof, and Trustee or Initial Funding Lender shall have the right at any time or times thereafter to insist upon strict performance by Borrower or any other Loan Party of any and all of such terms, provisions and conditions.
5. If Borrower or any other Loan Party shall fail, refuse or neglect to make any payment or perform any act required by the Project Loan Documents, then at any time after the applicable notice and cure periods have passed, if any, and without waiving or releasing any other right, remedy or recourse Initial Funding Lender may have because of same, Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) may (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of Borrower and shall have the right to enter the Land and Improvements

for such purpose and to take all such action thereon and with respect to the Property as it may deem necessary or appropriate. Borrower shall indemnify Governmental Lender, Fiscal Agent, and Initial Funding Lender for all losses, expenses, damages, claims, and causes of action, including reasonable attorneys' fees, whether inside or outside counsel is used, incurred or accruing by reason of any acts performed by Governmental Lender, Fiscal Agent, and Initial Funding Lender pursuant to this Paragraph 5 of Section O or by reason of any other provision in the Project Loan Documents **INCLUDING ANY CLAIMS, LOSSES, COSTS, DAMAGES, LIABILITIES, OBLIGATIONS, AND EXPENSES RESULTING FROM INITIAL FUNDING LENDER'S OWN NEGLIGENCE**, except to the extent, but only to the extent, caused by Governmental Lender's, Fiscal Agent's, or Initial Funding Lender's gross negligence or willful misconduct. All sums paid by Initial Funding Lender pursuant to this Paragraph 5 of this Section O and all other sums expended by the Governmental Lender, Fiscal Agent, and/or Initial Funding Lender to which it shall be entitled to be indemnified, together with interest thereon at the highest per annum rate of interest applicable to any of the Indebtedness, but not in excess of the maximum rate permitted by applicable law, from the date of such payment or expenditure until repaid, shall constitute additions to the Indebtedness, shall be secured by the Project Loan Documents and shall be paid by Borrower to Initial Funding Lender upon demand. **TEXAS FINANCE CODE § 307.052 COLLATERAL PROTECTION INSURANCE NOTICE : (A) DEBTOR IS REQUIRED TO: (i) KEEP THE COLLATERAL INSURED AGAINST DAMAGE IN THE AMOUNT EQUAL TO THE DEBTOR'S INDEBTEDNESS TO BANK; (ii) PURCHASE THE INSURANCE FROM AN INSURER THAT IS AUTHORIZED TO DO BUSINESS IN THE STATE OF TEXAS OR AN ELIGIBLE SURPLUS LINES INSURER; AND (iii) NAME THE BANK AS THE PERSON TO BE PAID UNDER THE POLICY IN THE EVENT OF LOSS; (B) DEBTOR MUST, IF REQUIRED BY BANK, DELIVER TO BANK A COPY OF THE POLICY AND PROOF OF THE PAYMENT OF PREMIUMS; AND (C) IF DEBTOR FAILS TO MEET ANY REQUIREMENT LISTED IN CLAUSE (A) OR (B) ABOVE, THE BANK MAY OBTAIN COLLATERAL PROTECTION INSURANCE ON BEHALF OF THE DEBTOR AT THE DEBTOR'S EXPENSE.**

6. All Obligations contained in the Project Loan Documents are intended by the parties to be, and shall be construed as, covenants running with the Property.
7. All of the terms of the Project Loan Documents shall apply to, be binding upon and inure to the benefit of the parties thereto, their respective successors, assigns, heirs and legal representatives, and all other persons claiming by, through or under them.
8. The Project Loan Documents are intended to be performed in accordance with, and only to the extent permitted by, all applicable Legal Requirements. If any provision of any of the Project Loan Documents or the application thereof to any person or circumstance shall, for any reason or to any extent, be invalid or unenforceable, neither the remainder of the instrument in which such provision is contained nor the application of such provision to other persons or circumstances

nor the other instruments referred to herein above shall be affected thereby, but rather, the same shall be enforced to the greatest extent permitted by law. It is hereby expressly stipulated and agreed to be the intent of Borrower and Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) at all times to comply with the usury, and all other laws relating to the Indebtedness or Project Loan Documents. If, at any time, the applicable Legal Requirements render usurious any amount called for the Construction Funding Agreement or in any Project Loan Document, then it is Borrower's, Trustee's, Governmental Lender's, Fiscal Agent's, and Initial Funding Lender's express intent that such document be immediately deemed reformed, and the amounts collectible be reduced or spread, without the necessity of the execution of any new documents, so as to comply with the then applicable law but so as to permit the recovery of the fullest amount otherwise called for in such Project Loan Documents.

9. In the event of the passage after the date of this Deed of Trust of any applicable law changing in any way the laws for the taxation of deeds of trust or mortgages and/or the debts secured thereby so as to affect this Deed of Trust, Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) shall have the right, at Initial Funding Lender's option, without limiting any other right or remedy (including, without limitation, the right to demand payment of any Indebtedness that is payable on a demand basis) to declare the Indebtedness immediately due and payable after providing Borrower with notice of such tax, and if such law permits Borrower to pay such tax, the failure of Borrower to pay such tax within ten (10) days of such notice; provided further, in the event payment of such tax by Borrower is prohibited under such law, then Borrower shall not have the option to pay such tax, and the Indebtedness shall be due and payable after the passage of ten (10) days of notice of such tax assessment from Initial Funding Lender to Borrower.
10. The Project Loan Documents contain the entire agreements between the parties relating to the subject matter hereof and thereof, and all prior agreements relative thereto which are not contained herein or therein are terminated. The Project Loan Documents may be amended, revised, waived, discharged, released or terminated only by a written instrument or instruments, executed by the party against which enforcement of the amendment, revision, waiver, discharge, release or termination is asserted. Any alleged amendment, revision, waiver, discharge, release or termination which is not so documented shall not be effective as to any party.
11. This Deed of Trust may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute but one instrument.
12. If any or all of the proceeds of the Project Loan Note have been used to extinguish, extend or renew any indebtedness heretofore existing, then, to the extent of such funds so used, the Initial Funding Lender, the Indebtedness and this Deed of Trust shall be subrogated to all the rights, claims, Liens, titles and interests heretofore existing to secure the indebtedness so extinguished, extended or renewed, and

the former rights, claims, Liens, titles and interests, if any, are not waived but rather are continued in full force and effect in favor of Initial Funding Lender and are merged with the Liens created herein as cumulative security for the repayment and performance of the Indebtedness.

**13. THIS DEED OF TRUST AND THE OTHER PROJECT LOAN DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAWS OF THE STATE OF TEXAS AND THE APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.**

14. The section and paragraph entitlements hereof are inserted for convenience of reference only and shall in no way alter, modify or define, or be used in construing, the text of such sections or paragraphs. Whenever the context hereof requires, references herein to the singular number shall include the plural, and likewise, the plural shall include the singular. Words denoting gender shall be construed to include the masculine, feminine and neuter, where appropriate, and specific enumeration shall not exclude the general but shall be considered as cumulative.

15. If there is more than one Borrower or other Loan Party, the obligations of all such Loan Parties shall be joint and several.

16. Upon payment and performance in full of all Indebtedness and termination of any and all commitments by Governmental Lender and Initial Funding Lender to extend credit to Borrower and/or Borrower and termination of all loans made by Governmental Lender and Initial Funding Lender to Borrower and/or Borrower (whether advances are optional or obligatory), the Liens created by this Deed of Trust shall be released by Initial Funding Lender.

17. Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) may sell, assign or grant participations in any of the Indebtedness and any of the Project Loan Documents including, without limit, this Deed of Trust. Initial Funding Lender may provide information relating to this Deed of Trust, the Property, Borrower, or any other Loan Party to Initial Funding Lender's parent, affiliates, subsidiaries, service providers, assignees, participants and prospective assignees and participants.

18. No Merger of Estates.

(a) If Borrower acquires the Fee Estate, there will be no merger between the Fee Estate and the Leasehold Estate unless all Persons, including the Initial Funding Lender (in its own right or for and on behalf of Governmental Lender and/or Fiscal Agent, as applicable), having an interest in the Master Lease consent in writing to the merger.

(b) Simultaneously with Borrower's acquisition of the Fee Estate, the Lien of this Deed of Trust will automatically, without the necessity of any further conveyance, be spread to cover the Fee Estate and as so spread will be prior to

the Lien of any mortgage, deed of trust or other Lien placed on the Fee Estate after the date of this Deed of Trust. Promptly after Borrower's acquisition of the Fee Estate, Borrower, at its sole cost and expense, including payment of Initial Funding Lender's, Governmental Lender's, and Fiscal Agent's attorneys' fees and costs and out-of-pocket disbursements, will execute and deliver all documents and instruments necessary to subject the Fee Estate to the Lien of this Deed of Trust, and must provide to Funding Lender a title insurance policy insuring the Lien of this Instrument as a first Lien on the Fee Estate and the Leasehold Estate, as applicable.

(c) If Initial Funding Lender (in its own right or for and on behalf of Governmental Lender and/or Fiscal Agent, as applicable) acquires the Fee Estate and the Leasehold Estate (whether pursuant to the provisions of the Master Lease, by foreclosure of this Deed of Trust or otherwise), the Fee Estate and the Leasehold Estate will not merge as a result of such acquisition and will remain separate and distinct for all purposes after such acquisition unless and until Initial Funding Lender elects to merge the Fee Estate and the Leasehold Estate.

19. Notwithstanding any prior revocation, termination or discharge of this Deed of Trust (except as to the rights of subsequent intervening bona fide purchasers or lienholders), the effectiveness of this Deed of Trust shall automatically continue or be reinstated in the event that (a) any payment received or credit given by Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) in respect of the Indebtedness is returned, disgorged or rescinded as a preference, in impermissible set-off, fraudulent conveyance, diversion of trust funds, or otherwise under any applicable law, in which case this Deed of Trust shall be enforceable as if the returned, disgorged or rescinded payment or credit had not been received or given, whether or not Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) relied upon this payment or credit or changed its position as a consequence of it, or (b) any liability is sought to be imposed against Initial Funding Lender, Governmental Lender, or Fiscal Agent relating in any manner as to which Borrower agreed to indemnify Initial Funding Lender, Governmental Lender, and Fiscal Agent under this Deed of Trust including, without limit, as to the presence of Hazardous Materials or Hazardous Materials Contamination on, in, about or affecting the Property, whether this matter is known or unknown, now or later exists (excluding only matters which arise after any acquisition by Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) of the Property by foreclosure, deed in lieu of foreclosure or otherwise, to the extent due to the wrongful act or omission of Initial Funding Lender), in which case this Deed of Trust shall be enforceable to the extent of all liability, costs and expenses (including, without limit, reasonable attorneys' fees, whether inside or outside counsel is used, incurred by Initial Funding Lender as the direct or indirect result thereof. In the event of continuation or reinstatement of this Deed of Trust, Borrower agrees, upon demand by Initial Funding Lender, to execute and deliver to Governmental Lender and Initial Funding Lender those documents which Initial Funding Lender determines are appropriate to further evidence (in the public

records or otherwise) this continuation or reinstatement, although the failure of Borrower to do so shall not affect in any way the reinstatement or continuation. If Borrower does not execute and deliver to Initial Funding Lender upon demand such documents, Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) and each employee of Initial Funding Lender is irrevocably appointed (which appointment is coupled with an interest) the true and lawful attorney of Borrower (with full power of substitution) to execute and deliver such documents in the name and on behalf of Borrower.

P. INDEMNITY

Borrower shall, without limiting the other indemnities provided to Initial Funding Lender in the Construction Funding Agreement and in the other Project Loan Documents, indemnify, defend, and hold harmless Initial Funding Lender, Governmental Lender, and Fiscal Agent from and against any and all liability, damage, loss, cost, or expense (including, without limitation, reasonable attorneys' fees and expenses, whether inside or outside counsel is used), action, proceeding, claim or dispute incurred or suffered by Initial Funding Lender, Governmental Lender, and Fiscal Agent, whether voluntarily or involuntarily incurred or suffered, in respect of the following: (a) any litigation concerning this Deed of Trust, the other Project Loan Documents or the Property, or any interest of Borrower or Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) therein, or the right of occupancy thereof by Borrower or Initial Funding Lender, whether or not any such litigation is prosecuted to a final, non-appealable judgment; (b) any dispute, including disputes as to the disbursement of proceeds of the Project Loan Note not yet disbursed, among or between any of the constituent parties or other partners or venturers of Borrower (if Borrower is a general or limited partnership) or among or between any employees, officers, directors, or shareholders of Borrower (if Borrower is a corporation), or among or between any members, trustees or other responsible parties (if Borrower is an association, trust or other entity); (c) any action taken or not taken by Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) or Trustee which is allowed or permitted under this Deed of Trust or any of the other Project Loan Documents relating to Borrower, the Property, any other Loan Party, any constituent parties or otherwise in connection with the Project Loan Documents including, without limitation, the protection or enforcement of any Lien, security interest or other right, remedy or recourse created or afforded by this Deed of Trust or any other Project Loan Document; and (d) any action brought by Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) or Trustee against Borrower under this Deed of Trust or any other Project Loan Document, whether or not such action is prosecuted to a final, non-appealable judgment **INCLUDING ANY CLAIMS, LOSSES, COSTS, DAMAGES, LIABILITIES, OBLIGATIONS AND EXPENSES RESULTING FROM INITIAL FUNDING LENDER'S OWN NEGLIGENCE**, except and to the extent, but only to the extent, caused by Initial Funding Lender's gross negligence or willful misconduct. Initial Funding Lender, Governmental Lender, Fiscal Agent, and/or Trustee may employ an attorney or attorneys to protect or enforce any rights, remedies or recourses under this Deed of Trust or any other Project Loan Document and to advise and defend Initial Funding Lender, Governmental Lender, Fiscal

Agent, and/or Trustee with respect to any such actions and other matters. Borrower shall reimburse Initial Funding Lender, Governmental Lender, Fiscal Agent, and/or Trustee for their respective reasonable attorneys' fees, whether inside or outside counsel is used, and expenses (including expenses and costs for experts) immediately upon receipt of a written demand therefor, whether on a monthly or other time interval, and whether or not an action is actually commenced or concluded. Unless otherwise specified herein, all reimbursement and indemnity obligations hereunder shall become due and payable upon demand and shall bear interest from the date paid by Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent), Governmental Lender, or Fiscal Agent until reimbursed at the highest per annum rate of interest applicable to any of the Indebtedness, but not in excess of the maximum rate permitted by law. The provisions of this Paragraph shall survive repayment and performance of the Indebtedness, the release of the Liens of this Deed of Trust, any foreclosure (or action in lieu of foreclosure) and the exercise by Initial Funding Lender (acting in its own behalf and/or on behalf of the Governmental Lender and Fiscal Agent) of any and all remedies set forth herein or in the Project Loan Documents.

Q. NOTICE OF FINAL AGREEMENT

**THIS AGREEMENT AND THE OTHER "LOAN AGREEMENTS" (AS SUCH TERM IS DEFINED IN SECTION 26.02(a)(2) OF THE TEXAS BUSINESS AND COMMERCE CODE, AS AMENDED) REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.**

R. WAIVER OF RIGHT TO TRIAL BY JURY

**BORROWER AND INITIAL FUNDING LENDER ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE BUT THAT IT MAY BE WAIVED UNDER CERTAIN CIRCUMSTANCES. TO THE EXTENT PERMITTED BY LAW, EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF ITS CHOICE, KNOWINGLY AND VOLUNTARILY AND FOR THE MUTUAL BENEFIT OF ALL PARTIES WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS DEED OF TRUST, ANY OTHER PROJECT LOAN DOCUMENT OR THE INDEBTEDNESS.**

EXECUTED as of, although not necessarily on, the day and year first above written.

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

By: AHF – Waters at Waterchase, LLC, a Texas limited liability company, its General Partner

By: Atlantic Housing Foundation, Inc., a South Carolina non-profit corporation, its Sole Member

By: \_\_\_\_\_  
Michael N. Nguyen  
President and Chief  
Executive Officer

STATE OF TEXAS           §  
  §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2026, by Michael N. Nguyen, President and Chief Executive Officer of Atlantic Housing Foundation, Inc., a South Carolina non-profit corporation, on behalf of said corporation, in its capacity as Sole Member of AHF – Waters at Waterchase, LLC, a Texas limited liability company, the General Partner of WATERS AT WATERCHASE, LP, a Texas limited partnership.

\_\_\_\_\_  
Notary Public, State of Texas

AFTER RECORDING, RETURN TO:

Fifth Third Bank, N.A./Lending & Trade Services

PO Box 75000

Detroit, MI 48275

Attention: National Documentation Services, Mail Code: 7578

**EXHIBIT "A"**

**LEGAL DESCRIPTION**

## **EXHIBIT "B"**

### **PERMITTED EXCEPTIONS**

This conveyance is made and accepted subject to the following Permitted Exceptions:

1. The following restrictive covenants of record itemized below:
  
2. Shortages in area.
  
3. Standby fees, taxes and assessments by any taxing authority for the year 2026, and subsequent years, and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code.
  
4. The following matters and all terms of the documents creating or offering evidence of the matters:

## EXHIBIT "C"

### MASTER LESSOR SUBORDINATION AND JOINDER Leasehold Deed of Trust, Security Agreement and Assignment of Rents

#### (Fee Conveyance)

THIS MASTER LESSOR SUBORDINATION AND JOINDER (this "Subordination"), dated as of \_\_\_\_\_ 1, 2026, is made by AHF-WATERCHASE, LLC, a Delaware limited liability company ("Master Lessor"), and WATERS AT WATERCHASE, LP, a Texas limited partnership ("Borrower"), for the benefit of TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, a public and official agency of the State of Texas, as beneficiary, and its successors and assigns ("Governmental Lender").

#### RECITALS

- A. Master Lessor is leasing certain real property located in Dallas, Dallas County, Texas, as more particularly described on Exhibit A attached to the Deed of Trust (the "Leased Premises") to Borrower, pursuant to that certain Lease Agreement dated as of \_\_\_\_\_, 2026, with respect to which a Memorandum of Lease shall be or has been recorded with the Dallas County Recorder's Office concurrently herewith (as the same has been amended, assigned, modified, substituted, or extended, hereinafter the "Master Lease").
- B. Governmental Lender has made a loan to the Borrower in the original principal amount of \$18,000,000.00 (the "Project Loan") to provide for the financing of a multifamily rental housing development project on the Leased Premises. The Project Loan will be made pursuant to that certain Project Loan Agreement ("Project Loan Agreement") dated \_\_\_\_\_ 1, 2026, among Borrower, Governmental Lender, and Zions Bancorporation, National Association, as fiscal agent (the "Fiscal Agent"), and will be disbursed to Borrower as provided for in the Construction Funding Agreement (as amended from time to time, the "Construction Funding Agreement") dated as of \_\_\_\_\_ 1, 2026, by and between Borrower and Fifth Third Bank, N.A. (the "Initial Funding Lender"). The Project Loan is evidenced by the Project Loan Note dated \_\_\_\_\_, 2026, in the face amount of \$18,000,000.00, made by Borrower to the order of Governmental Lender (the "Project Loan Note", and is secured by, among other things, that certain Leasehold Deed of Trust, Security Agreement and Assignment of Rents dated as of the date hereof (the "Project Loan Deed of Trust") encumbering the Borrower's right, title and interest in the Leased Premises.
- C. Governmental Lender, in order to obtain the funds necessary to enable it to make the Project Loan to the Borrower, has made that certain Multifamily Housing Revenue Note (Waters at Waterchase) Series 2026, in the aggregate principal amount of \$18,000,000.00 (the "Governmental Note") pursuant to that certain Funding Loan Agreement (the "Funding Loan Agreement") dated as of \_\_\_\_\_ 1, 2026 by and among Governmental Lender, Zions

Bancorporation, National Association, as fiscal agent (the "Fiscal Agent"), and Initial Funding Lender.

- D. Pursuant to the terms and conditions of the Funding Loan Agreement, Governmental Lender has assigned to Fiscal Agent, all of Governmental Lender's rights, title and interest in, to and under the Project Loan, the Project Loan Agreement, the Project Loan Note the Project Deed of Trust, and all of the other Project Loan Documents (as defined in the Construction Funding Agreement). To evidence such assignment, Governmental Lender, substantially concurrently herewith, has duly endorsed the Project Loan Note to the order of Fiscal Agent, and executed and delivered to the benefit of the Fiscal Agent, that certain Assignment of Deed of Trust and Loan Documents (the "Assignment") dated as of even date herewith, assigning to Fiscal Agent, among other items, all of Governmental Lender's right, title and interest under the Project Loan Deed of Trust, to be recorded in the Official Records of Dallas County, Texas substantially concurrently with the recordation of the Project Loan Deed of Trust and this Subordination. Pursuant to the Funding Loan Agreement, Governmental Lender and/or the Fiscal Agent have designated and authorized the Initial Funding Lender to service and administer the Project Loan on behalf of the Fiscal Agent and Governmental Lender.
- E. The Master Lessor and the Borrower are affiliates, and as a condition to the making of the Project Loan, the Borrower is required to obtain this Subordination from Master Lessor, for Governmental Lender's benefit.

NOW, THEREFORE, in consideration of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Master Lessor and Borrower hereby certify to and agree with Governmental Lender as follows:

1. Capitalized terms not defined herein shall have the meanings ascribed thereto in the Deed of Trust.
2. Master Lessor hereby grants, conveys, mortgages and assigns to Corey R. Bailey of Dallas County, Texas, as Trustee, for the benefit of Governmental Lender, in trust, with power of sale, Master Lessor's fee estate in the real property constituting the Leased Premises ("Fee Estate") as security for the payment and performance of the Project Loan and the other Indebtedness.
3. Master Lessor hereby joins in the Project Loan Deed of Trust by executing this Subordination, with the same intent and consequence as if Master Lessor were originally a party thereto, solely for the purpose of imposing the lien of the Project Loan Deed of Trust on the Fee Estate; provided, however, that there shall be no personal liability on the part of Master Lessor under the Project Loan Deed of Trust, and Governmental Lender shall look solely to Borrower and the collateral (including the Fee Estate in the Leased Premises encumbered hereby) and guaranties provided among the Project Loan Documents.

4. All of the leasehold mortgagee protection provisions contained in the Master Lease, and all other provisions inuring to the benefit of leasehold mortgagees or their successors and assigns contained in the Master Lease, are hereby incorporated into this Subordination by reference and restated and confirmed by Master Lessor for the benefit of Governmental Lender, its successors and assigns.
5. Master Lessor hereby represents and warrants that Master Lessor is the owner of the Fee Estate in the Leased Premises and is the landlord under the Master Lease. Master Lessor further represents and warrants that it has not assigned, conveyed, transferred, sold, encumbered or mortgaged its interest in the Master Lease or the Leased Premises other than as permitted by the Construction Funding Agreement, and there are currently no encumbrances, easements, conditions, mandatory homeowners assessments and/or restrictions of record encumbering Master Lessor's Fee Estate in the Leased Premises, except for the Project Loan Deed of Trust encumbered hereby and Permitted Exceptions and as otherwise permitted under the Construction Funding Agreement, and no third party has an option or preferential right to purchase all or any part of the Leased Premises. Master Lessor covenants and agrees that it shall not assign, convey, transfer, sell, encumber or mortgage its interest in the Master Lease or the Leased Premises without the prior written consent of Initial Funding Lender.
6. This Subordination and the representations and agreements made herein are given with the understanding that it constitutes a condition to the making of the Project Loan and the Funding Loan, and that the Governmental Lender, Fiscal Agent, and Initial Funding Lender will rely hereon. This Subordination and the representations and agreements made herein shall inure to the benefit of Initial Funding Lender, Fiscal Agent, Governmental Lender and their respective successors and assigns, and shall be binding on Master Lessor and Borrower and their respective successors and assigns.
7. This Subordination may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, for the same effect as if all parties hereto had signed the same signature page.
8. Borrower acknowledges that the lien of the Project Loan Deed of Trust to the extent it encumbers the Fee Estate, shall be prior and superior to the Master Lease, to the leasehold estate created thereby and to all rights and privileges of Borrower thereunder, and the Master Lease, the leasehold estate created thereby and all rights and privileges of Borrower thereunder, are hereby subjected and made subordinate to the lien of the Project Loan Deed of Trust to the extent it encumbers the Fee Estate.

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IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Master Lessor Subordination and Joinder or caused this Master Lessor Subordination and Joinder to be duly executed and delivered by its authorized representative as of the date first set forth above. The undersigned intends that this instrument shall be deemed to be signed and delivered as a sealed instrument.

BORROWER:

**WATERS AT WATERCHASE, LP,**

a Texas limited partnership

By: AHF – Waters at Waterchase, LLC, a Texas limited liability company, its General Partner

By: Atlantic Housing Foundation, Inc., a South Carolina non-profit corporation, its Sole Member

By: \_\_\_\_\_  
Michael N. Nguyen,  
President and Chief Executive Officer

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2026, by Michael N. Nguyen, President and Chief Executive Officer of Atlantic Housing Foundation, Inc., a South Carolina non-profit corporation, on behalf of said corporation, in its capacity as Sole Member of AHF – Waters at Waterchase, LLC, a Texas limited liability company, general partner of WATERS AT WATERCHASE, LP, a Texas limited partnership.

\_\_\_\_\_  
Notary Public, State of Texas