

LOAN AGREEMENT

Dated as of [CLOSING MONTH] 1, 2026

between

**LAND CLEARANCE FOR REDEVELOPMENT
AUTHORITY OF KANSAS CITY, MISSOURI**

and

38 EUCLID, LLC

relating to

**[\$[PRINCIPAL AMOUNT] Maximum Principal Amount
Multifamily Housing Revenue Bonds
(Urban 38 Project)
Series 2026**

of the

**Land Clearance for Redevelopment
Authority of Kansas City, Missouri**

*The interests of the Land Clearance for Redevelopment Authority of Kansas City, Missouri in this Loan Agreement, excluding certain rights retained by the Issuer pursuant to **Section 4.06**, have been assigned to UMB Bank, N.A., as Trustee.*

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

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LOAN AGREEMENT

THIS LOAN AGREEMENT is made and entered into as of [CLOSING MONTH] 1, 2026 (this “**Loan Agreement**”), by and between the **LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI**, a public body corporate and politic organized and existing under the laws of the state of Missouri, and its successors and assigns (the “**Issuer**” or “**LCRA**”), and **38 EUCLID, LLC**, a Missouri limited liability company, and its successors and assigns (the “**Borrower**”). Terms not otherwise defined in the **Recitals** have the meanings set forth in the below-defined Indenture.

RECITALS

1. The Issuer is empowered by the Land Clearance for Redevelopment Authority (LCRA) Law, Sections 99.300 to 99.715 of the Revised Statutes of Missouri (as supplemented and amended, the “**Act**”) to finance the acquisition, construction, improvement, renovation, equipping and extension of blighted or insanitary areas, or portions thereof, including lands, structures, or improvements the acquisition of which is necessary or incidental to the proper clearance, development or redevelopment of the blighted or insanitary areas or the prevention of the spread or recurrence of substandard or insanitary conditions of residential, recreational, commercial, industrial, or other use or for public use or to retain such land for public use in accordance with a redevelopment plan within “blighted areas” (as defined pursuant to Section 99.805 of the Revised Statutes of Missouri) of the city of Kansas City, Missouri for the purposes set forth in the Act, to issue its revenue bonds for the purpose of financing the costs of any such project, to grant security for the payments of the principal of, premium, if any, and interest on any such bonds and any agreements made in connection therewith and to pledge the payments, revenues and receipts from such projects or from any other source to the payment of such bonds.

2. The Issuer has agreed to finance for the Borrower a portion of the costs of the acquisition and rehabilitation of an 80-unit qualified residential rental project comprised of 20 or more buildings to be located at approximately 2013 East 38th Street in the City of Kansas City, Missouri, to be known as Urban 38 (the “**Project**”).

3. To implement certain tax incentives for the benefit of the Project, the Issuer (i) has issued or will issue the Taxable Industrial Revenue Bond (Urban 38 Multifamily Project) Series 2026 in the maximum principal amount of \$19,000,000, as approved by Resolution No. 2-1-26 adopted on February 26, 2026 (the “**IRB Bonds**”), pursuant to the Trust Indenture, dated as of [CLOSING MONTH] 1, 2026 (the “**IRB Indenture**”), between the Issuer and UMB Bank, N.A., as Trustee (the “**IRB Trustee**”), (ii) acquired or will acquire fee ownership of the Premises from the Borrower pursuant to the Sale/Leaseback and Redevelopment Contract (the “**Redevelopment Contract**”), dated as of [CLOSING MONTH] 1, 2026, between the Issuer and the Borrower, and (iii) leased or will lease the Premises back to the borrower pursuant to the Lease Agreement (the “**LCRA Lease**”), dated as of [CLOSING MONTH] 1, 2026, between the Issuer, as landlord, and the Borrower, as tenant.

4. Pursuant to the Act, the Issuer is authorized to issue its Multifamily Housing Revenue Bonds (Urban 38 Project) Series 2026 in the aggregate maximum principal amount of \$[PRINCIPAL AMOUNT] (the “**Bonds**”), the proceeds of which will be applied, at the request of the Borrower, to finance a portion of the Project Costs (as defined in the Indenture).

5. The Issuer passed Resolution No. [-__-26] (the “**Resolution**”) on May 28, 2026, authorizing the issuance of the Bonds pursuant to the Trust Indenture, dated as of [CLOSING MONTH]

1, 2026 (the “**Indenture**”), between the Issuer and UMB Bank, N.A., as Trustee (the “**Trustee**”) for the above purposes.

6. Pursuant to the Resolution, the Issuer is authorized (i) to execute and deliver the Indenture for the purpose of issuing and securing the Bonds, (ii) to enter into this Loan Agreement pursuant to which the Issuer will loan the proceeds of the Bonds to the Borrower (the “**Loan**”) to finance the Project and (iii) to enter into a Land Use Restriction Agreement, dated as of [CLOSING MONTH] 1, 2026 and the Tax Compliance Agreement, dated as of [CLOSING MONTH] 1, 2026, each among the Issuer, the Borrower and the Trustee, relating to compliance with certain federal requirements applicable to the Project.

7. The Note will be secured by the Security Documents.

8. Under the terms of this Loan Agreement, the Borrower has agreed to the repayment of the sums borrowed pursuant to this Loan Agreement.

9. This Issuer has duly and validly authorized the execution and delivery of this Loan Agreement and the issuance of the Bonds.

ARTICLE I

DEFINITIONS, EXHIBITS AND MISCELLANEOUS

Section 1.01. Definitions. In this Loan Agreement, the following terms have the following meanings, unless the context clearly requires otherwise, and any other capitalized terms defined in Section 101 of the Indenture (incorporated herein by this reference as if fully set forth herein) shall have the same meanings when used herein as assigned them in the Indenture unless the context or use thereof indicates another or different meaning or intent:

“**Additional Charges**” has the meaning as set forth in **Section 4.03**.

“**Affiliate**” of a specified Person means (i) any Person directly or indirectly controlling, controlled by or under common control with the Person specified, (ii) any Person owning or controlling 10% or more of the outstanding voting securities or beneficial interests of the Person specified, (iii) any officer, director, partner, trustee or member of the immediate family of the Person specified, (iv) if the Person specified is an officer, director, partner, manager, member or trustee, any corporation, partnership, limited liability company or trust for which that Person acts in that capacity, or (v) any Person who is an officer, director, partner, manager, member, trustee or holder of 10% or more of the outstanding voting securities or beneficial interests of any Person described in clauses (i) through (iv). The term “**control**” (including the term “**controlled by**” and “**under common control with**”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“**Basic Payments**” means the amounts specified pursuant to **Section 4.02**.

“**Completion Date**” means the date the Project has received the temporary certificate of occupancy attached to the Completion Certificate.

“**Default Rate**” means the “**Default Rate**” as defined in the Continuing Covenants Agreement, but in no event shall the Default Rate exceed the highest rate permitted by applicable law.

“**Event of Default**” means any event or occurrence set forth in **Section 9.01**.

“**Fiscal Year**” means the Fiscal Year of the Borrower from time to time, initially January 1 through December 31.

“**Management Agreement**” means the Management Agreement with respect to the Project between the Borrower and the Project Manager, together with all extensions, modifications, amendments and renewals.

“**Premises**” means the real estate described in **Exhibit A**.

“**Project Documents**” means the documents listed in **Section 3.04**.

“**Requisition**” means a requisition submitted by the Borrower requesting disbursements, in substantially the form of **Exhibit B** to the Indenture.

Section 1.02. Rules of Interpretation.

(a) This Loan Agreement shall be interpreted in accordance with and governed by the laws of the State.

(b) The words “herein”, “hereof” and “hereunder” and words of similar import, without reference to any particular section or subdivision, refer to this Loan Agreement as a whole rather than to any particular section or subdivision of this Loan Agreement.

(c) References in this Loan Agreement to any particular article, section or subdivision hereof are to the designated article, section or subdivision of this Loan Agreement as originally executed.

(d) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; and all computations provided for herein shall be made in accordance with generally accepted accounting principles consistently applied and applied on the same basis as in prior years.

(e) The Table of Contents and titles of articles and sections herein are for convenience of reference only and are not a part of this Loan Agreement, and shall not define or limit the provisions hereof.

(f) Unless the context hereof clearly requires otherwise, the singular shall include the plural and vice versa and the masculine shall include the feminine and vice versa.

(g) Words importing person shall include partnerships, limited liability companies, associations and corporations, including public bodies, as well as natural persons.

(h) Articles, sections, subsections and clauses mentioned by number only are those so numbered which are contained in this Loan Agreement.

(i) Any opinion of counsel required hereunder shall be a written opinion of such counsel.

(j) If the Borrower is a limited partnership, references in this Loan Agreement to “Managing Member” and “Federal Investor Member” means “General Partner” and “Limited Partner,” respectively.

If the Borrower is not a limited liability company, partnership or limited partnership, references in this Indenture to “Managing Member” or “Investor Member” will be of no force or effect.

ARTICLE II

REPRESENTATIONS OF ISSUER AND BORROWER

Section 2.01. Representations by the Issuer. The Issuer represents and agrees as follows:

(a) The Issuer is a public body corporate and politic duly organized and existing under the laws of the State.

(b) The Issuer has lawful power and authority under the Act to enter into the transactions contemplated by this Loan Agreement, the Indenture, the Land Use Restriction Agreement and the Tax Agreement and to carry out its obligations hereunder and thereunder. By proper action of its commissioners, the Issuer has been duly authorized to execute and deliver this Loan Agreement, the Indenture, the Land Use Restriction Agreement and the Tax Agreement acting by and through its duly authorized officers.

(c) The execution and delivery of this Loan Agreement, the Indenture, the Land Use Restriction Agreement and the Tax Agreement, the consummation of the transactions contemplated hereby and thereby, and the performance of or compliance with the terms and conditions of this Loan Agreement, the Indenture, the Land Use Restriction Agreement and the Tax Agreement will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any restriction or any agreement or instrument to which the Issuer is a party or by which it or any of its property is bound, or, to the best of the Issuer’s knowledge, any order, rule or regulation applicable to the Issuer or any of its property of any court or governmental body, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer under the terms of any instrument or agreement to which the Issuer is a party.

(d) The financing of the Project will further the public purposes of the Act.

(e) To the knowledge of the Issuer, no member of the Issuer or any other officer of the Issuer has any significant or conflicting interest, financial, employment or otherwise, in the Borrower or the Project or in the transactions contemplated hereby.

Section 2.02. Representations, Covenants and Warranties of the Borrower.

(a) The Borrower (i) is a limited liability company duly organized, validly existing and in good standing under the laws of the State, (ii) has the power and authority to own its properties and assets and to carry on its business as now being conducted (and as now contemplated by this Loan Agreement, the Land Use Restriction Agreement, the Tax Agreement and the Security Documents), and (iii) has the full legal right, power and authority to execute and deliver this Loan Agreement, the Land Use Restriction Agreement, the Tax Agreement and the Security Documents to which it is a party and to perform all the undertakings of the Borrower thereunder. The Managing Member is a limited liability company duly organized, validly existing and in good standing under the laws of the State.

(b) The execution, delivery and performance of this Loan Agreement, the Land Use Restriction Agreement, the Tax Agreement and the Security Documents to which it is a party by the Borrower, the consummation of the transactions contemplated thereby, and the fulfillment of the terms and conditions thereof do not and will not conflict with or result in a breach of any of the terms or

conditions of the Operating Agreement, any restriction or any agreement or instrument to which the Borrower (or the Managing Member) is now a party or by which the Borrower or the Managing Member is bound or to which any property of the Borrower or the Managing Member is subject, and do not and will not constitute a default under any of the foregoing, or to the best of the Borrower's knowledge cause the Borrower or the Managing Member to be in violation of any order, decree, statute, rule or regulation of any court or any state or federal regulatory body having jurisdiction over the Borrower or the Managing Member or their properties, including the Project, and do not and will not result in the creation or imposition of any lien, charge or encumbrance of any nature upon any of the property or assets of the Borrower or the Managing Member contrary to the terms of any instrument or agreement to which the Borrower or the Managing Member is a party or by which they are bound.

(c) The use of the Project will comply in all material respects, with all presently applicable zoning, development, pollution control, water conservation, environmental and other laws, regulations, rules and ordinances of the federal government and the State and the respective agencies thereof and the political subdivisions in which the Project is located; the Borrower has or will timely obtain all necessary and material approvals of and licenses, permits, consents and franchises from federal, state, county, municipal or other governmental authorities having jurisdiction over the Project to acquire and operate the Project and to enter into, execute and perform its obligations under this Loan Agreement, the Land Use Restriction Agreement, the Tax Agreement and the Security Documents to which it is a party.

(d) The Borrower will own and operate the Project in accordance with all applicable federal, state and local laws, ordinances and regulations and all agreements and instruments to which it is a party.

(e) There are no actions, suits, proceedings or inquiries or investigations at law or in equity pending or, to the knowledge of the Borrower, overtly threatened in writing against the Borrower or the Managing Member or any property of the Borrower or the Managing Member in any court or before any federal, state, municipal or other governmental agency, which, if decided adversely to the Borrower or the Managing Member, would have a material adverse effect upon the Borrower or the Managing Member or upon the business or properties of the Borrower or the Managing Member, upon their power, authority and right to enter into this Loan Agreement, the Land Use Restriction Agreement, the Tax Agreement and the Security Documents to which they are a party, or upon the acquisition and rehabilitation of the Project. Neither the Borrower nor the Managing Member is in default with respect to any order of any court or governmental agency.

(f) The Borrower (i) is not in default in the payment of the principal of or interest on any indebtedness for borrowed money; and (ii) is not in default under any instrument or agreement under and subject to which any indebtedness for borrowed money has been issued. The Managing Member (1) is not in default in the payment of the principal of or interest on any indebtedness for borrowed money; and (2) is not in material default under any material instrument or agreement under and subject to which any indebtedness for borrowed money has been issued.

(g) The Borrower has filed all federal and state income tax returns which, to its knowledge, are required to be filed and has paid all taxes shown on said returns and all assessments and governmental charges received by it to the extent that they have become due.

(h) The Borrower has reviewed the provisions of the Indenture. By the execution and delivery of this Loan Agreement, the Borrower approves the Indenture and agrees to be bound by all provisions thereof applicable to the Borrower.

(i) To the best of the Borrower's knowledge, no commissioner of the Issuer or any officer of the Issuer has any significant or conflicting interest, financial, employment or otherwise, in the Borrower or the Project or in the transactions contemplated hereby.

(j) The Borrower will not discriminate on the basis of race, creed, color, sex, age, handicap, or national origin in the lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project.

(k) The Borrower will not:

(i) except pursuant to the provisions of this Loan Agreement and Permitted Encumbrances as defined in the Continuing Covenants Agreement or except upon a sale, transfer or conveyance of the Project in accordance with the terms of this Loan Agreement and the Land Use Restriction Agreement, permit the sale, transfer, conveyance or encumbrance of the Project or any part thereof during the effective term of this Loan Agreement and the Land Use Restriction Agreement, provided this covenant shall not apply to any encumbrance, conveyance or transfer in connection with a sale, transfer or other conveyance of the Project that complies with the requirements of this Loan Agreement and the Land Use Restriction Agreement;

(ii) except in connection with the rehabilitation of the Project, demolish any part of the Project or substantially remove from the Project any real or personal property except for the replacement of personal property with personal property performing substantially the same function; or

(iii) permit the use of any dwelling unit for any purpose other than rental housing during the term of this Loan Agreement and the Land Use Restriction Agreement (except for any unit used as a management office or any other use directly related to the operation of the Project and as may be authorized under Section 142(d) of the Code and the Land Use Restriction Agreement).

(l) The Borrower has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event, the requirements of this Loan Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

(m) The Borrower will comply with Section 42 of the Code, and all relevant Missouri statutes, and all rules and regulations promulgated thereunder, all federal, state and local labor laws, including any prevailing wage requirements and all requirements of the Missouri Housing Development Commission as set forth in its Qualified Allocation Plan and its Workforce Eligibility Policy.

(n) The covenants, representations and warranties of the Borrower in the Land Use Restriction Agreement are true and correct and are incorporated herein by reference and made a part of this Loan Agreement.

(o) The Borrower acknowledges that the Issuer has made no independent investigation of the matters with respect to which the Borrower has made the representations and warranties set forth in this Section.

Section 2.03. Tax Exemption; Tax Agreement and Land Use Restriction Agreement.

The Borrower hereby covenants, represents and agrees as follows:

- (a) not to take any action or omit to take any action with respect to this Loan Agreement or the Project that would adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes;
- (b) to the extent it is able, to take such action or actions, including amendment of the Land Use Restriction Agreement or the Tax Agreement, as may be necessary in the Opinion of Bond Counsel, to preserve or perfect the exclusion of interest on the Bonds from gross income for federal income tax purposes;
- (c) to file of record such documents and take such other steps as are necessary in order to assure that the requirements and restrictions of the Land Use Restriction Agreement will be binding upon all owners of the Project, including, but not limited to, the recordation of the Land Use Restriction Agreement in the real property records of the Recorder of Deeds of Jackson County, Missouri;
- (d) to include the requirements and restrictions contained in the Land Use Restriction Agreement in any deed or other documents transferring any interest in the Project to another person to the end that such transferee has notice of, and is bound by such restrictions, and to obtain the agreement from any transferee so to abide; and
- (e) to provide to the Issuer and the Trustee written notice of any action (other than actions in its ordinary course of business) which impacts the Issuer's rights under this Loan Agreement, the Tax Agreement or the Land Use Restriction Agreement.

ARTICLE III

ISSUANCE OF BONDS; FINANCING OF PROJECT

Section 3.01. Issuance of Bonds. The Issuer has contracted for the sale of the Bonds authorized by the Indenture, and the Borrower has approved and does approve the terms of the Bonds. Upon execution of this Loan Agreement, the Land Use Restriction Agreement, the Security Documents, the Tax Agreement and the Indenture, or as soon thereafter as practicable, the Issuer will execute the Bonds and cause them to be authenticated by the Trustee and delivered to the Original Purchaser or to its order upon payment of the purchase price of the Bonds and filing with the Trustee of the Opinion of Bond Counsel as to the legality of the Bonds and the furnishing of all other documents required to be furnished before such delivery. The proceeds of the Bonds will be deposited with the Trustee and disbursed in accordance with Article IV of the Indenture.

Section 3.02. Possession and Use of the Project. The Issuer acknowledges that the Borrower is entitled to sole and exclusive possession of the Project, subject to the LCRA Lease, the Redevelopment Contract, and the Security Documents to which the Borrower is a party.

Section 3.03. Use of Bond Proceeds; Completion of the Project.

(a) The proceeds of the Bonds loaned to the Borrower shall be deposited with the Trustee and shall be administered, disbursed and applied for the purposes and in the manner as provided in the Indenture and in this Loan Agreement and the Security Documents. The approval of any Disbursement Request by the Majority Owner shall be deemed a representation by the Majority Owner that it has

received the items required to be delivered to the Original Purchaser in accordance with Section 208 of the Indenture and/or Sections 3 and 4 of the Bond Purchase Agreement (as applicable).

(b) The Borrower shall cause the acquisition and rehabilitation of the Project to be diligently and continuously pursued and to be completed with reasonable dispatch, and to provide (from its own funds if required) all moneys necessary to complete the acquisition and rehabilitation of the Project substantially in accordance with the plans and specifications for the Project.

(c) The Borrower agrees to comply with all of the provisions set forth in the Indenture with respect to the completion of the Project and to perform all obligations of the Borrower set out in the Indenture.

(d) The Borrower will cause the Pre-Completion Capital Contribution of the Federal Investor Member and the State Investor Member to be deposited with the Disbursing Agent on the Issue Date, to be disbursed in accordance with the Disbursing Agreement. Upon funding in accordance with the Operating Agreement, the Borrower will cause the Second Capital Contribution, Third Capital Contribution, and Fourth Capital Contribution to be deposited with the Disbursing Agent, for disbursement in accordance with the Disbursing Agreement. It is anticipated that all or part of the Fourth Capital Contribution will be advanced by the Disbursing Agent to the Trustee for deposit into the Bond Fund, and subsequently used by the Trustee to redeem the Bonds on the maturity thereof. If any of the referenced Capital Contributions are not received in the full amount due in accordance with the Operating Agreement, the Borrower will give prompt written notice of the amount of any deficiency to the Trustee and the Bond Purchaser. Capitalized terms used in this subsection (**d**) but not defined in the Indenture or this Loan Agreement shall have the meanings set forth in the Operating Agreement.

(e) The Borrower, within 45 days after the Completion Date, shall deliver to the Issuer, the Trustee and the Majority Owner a certificate (the "**Completion Certificate**") signed by the Authorized Borrower Representative:

- (i) stating that the Project has been completed substantially in accordance with the plans and specifications for the Project, as then amended, and the date of completion of the Project; and
- (ii) stating that such person has made such investigation of such sources of information as are deemed by such person to be necessary, including pertinent records of the Borrower, and is of the opinion that the Costs of the Project have been fully paid for and no claim or claims exist against the Issuer or the Borrower or against the Project out of which a lien based on furnishing labor or material exists or might ripen (except any claim which has been bonded over by the Contractor); provided, however, there may be excepted from the foregoing statement any claim or claims out of which a lien exists or might ripen in the event that the Borrower intends to contest such claim or claims in accordance with this Loan Agreement, in which event such claim or claims shall be described; provided, further, that it shall be stated that moneys are on deposit in the Project Fund or are available through enumerated bank loans (including letters of credit) or other sources sufficient to make payment of the full amount which might in any event be payable in order to satisfy such claim or claims; and
- (iii) stating that attached thereto is a copy of the temporary certificate of occupancy issued with respect to the Project.

(f) After payment by the Trustee of all Requisitions tendered to the Trustee under the provisions of Section 403 of the Indenture and after receipt by the Trustee of the Completion Certificate, the balance of moneys in the Project Fund shall be transferred and applied as provided in Section 403 of the Indenture.

Section 3.04. Project Documents. The Borrower, at its own cost and expense, shall maintain in its files and available for inspection by the Trustee, the Majority Owner, the Issuer and their attorneys and agents, upon request and at reasonable times, copies of the following documents at such time as such documents become available and in any event by the time work is commenced on the portion of the Project to which they relate:

- (a) ***Plans and Specifications.*** All available preliminary and final plans and specifications for the Project.
- (b) ***Construction Contracts.*** All architect's and general contractor's contracts for the Project and all prime subcontractor's contracts and purchase orders for any equipment included in the Project.
- (c) ***Licenses and Permits.*** All required licenses and permits to acquire, construct and occupy the Project and to operate the existing facilities of the Borrower.
- (d) ***Title Insurance.*** Standard ALTA mortgage loan policies of title insurance, or commitments therefor, showing the Trustee as insured party, with respect to the Premises and the Borrower's leasehold ownership of the Project, together with an endorsement equivalent to ALTA 9, in an aggregate amount not less than the principal amount of the Bonds, which policy or policies shall insure that the Borrower holds good and marketable title to the Project and the Trustee has a first lien on the Premises pursuant to the Deed of Trust, subject only to Permitted Encumbrances described in the Continuing Covenants Agreement.
- (e) ***Environmental Audit.*** A phase I environmental audit of the Project with a reliance letter in favor of the Trustee and the Issuer.
- (f) ***Survey.*** A survey of the land constituting a part of the Project and any improvements thereon, certified to the Trustee, the Issuer and the Original Purchaser.
- (g) ***Appraisal.*** An appraisal of the market value of the Project, addressed to the Trustee and the Original Purchaser.
- (h) ***Insurance.*** Certificates of insurance demonstrating compliance with the provisions of **Section 5.05.**

Section 3.05. Enforcement of Contracts and Surety Bonds. In the event of a material default of any contractor or subcontractor under any construction contract or any other contract made in connection with the Project, or in the event of a material breach of warranty with respect to any materials, workmanship or performance, the Borrower will promptly proceed, either separately or in conjunction with others, to pursue diligently the remedies of the Borrower against the contractor or subcontractor in default and against any surety on a bond securing the performance of such contract. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, after deduction of expenses incurred in such recovery and after reimbursement to the Borrower of any amounts theretofore paid by the Borrower and not previously reimbursed to the Borrower for correcting

or remedying of the default which gave rise to the proceedings against the contractor, subcontractor or surety, shall be paid into the Project Fund if received before the Completion Date, and otherwise shall be paid to the Borrower.

Section 3.06. No Warranty by Issuer. The Borrower recognizes that, because the components of the Project have been or will be designated and selected by the Borrower, THE ISSUER HAS NOT MADE AN INSPECTION OF THE PROJECT OR OF ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, AND THE ISSUER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED OR OTHERWISE, WITH RESPECT TO THE SAME OR THE LOCATION, USE, DESCRIPTION, DESIGN, MERCHANTABILITY, FITNESS FOR USE FOR ANY PARTICULAR PURPOSE, CONDITION OR DURABILITY THEREOF, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, IT BEING AGREED THAT ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY THE BORROWER. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE IN THE PROJECT OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER PATENT OR LATENT, THE ISSUER SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO. THE PROVISIONS OF THIS SECTION HAVE BEEN NEGOTIATED AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES OR REPRESENTATIONS BY THE ISSUER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROJECT OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER ARISING PURSUANT TO THE UNIFORM COMMERCIAL CODE OR ANY OTHER LAW NOW OR HEREAFTER IN EFFECT.

Section 3.07. Payment of Costs of Issuance. The Borrower agrees that it will provide, or cause to be provided, any and all funds required for the prompt and full payment of all Costs of Issuance, as set forth in the closing settlement statement executed by the Borrower and the Disbursing Agent, together with any other Costs of Issuance not set forth in the closing settlement statement.

Section 3.08. Termination of Existing Liens or Security Interests. Concurrently with the execution of this Loan Agreement, the Borrower shall make provisions for termination of any and all existing liens and security interests, including without limitation, any debts or other obligations secured thereby, with respect to the Project (including, without limitation, any and all agreements executed in connection with prior financings), except for Permitted Encumbrances (within the meaning of the Continuing Covenants Agreement).

ARTICLE IV

THE LOAN, BASIC PAYMENTS AND ADDITIONAL CHARGES

Section 4.01. The Loan. The Issuer agrees, upon the terms and conditions herein specified, to lend to the Borrower the proceeds received by the Issuer from the sale of the Bonds, excluding accrued interest, if any, by causing the proceeds to be deposited with the Trustee for disposition as provided in this Loan Agreement and the Indenture. The amount of the Loan is the maximum principal amount of \$[PRINCIPAL AMOUNT] to be funded in installments with proceeds of the purchase price installments of the Bonds. The amount of the Loan will be equal to the Disbursed Amount of the Bonds as reflected in the books and records of the Trustee, which will be conclusive and binding upon the Issuer and the Borrower absent manifest error. The obligation of the Issuer to make the Loan is subject solely to the Issuer's receipt of the proceeds of the Bonds pursuant to the Indenture and will be fully discharged upon the deposit of the proceeds of the Bonds with the Trustee. The Loan is evidenced by the Note.

Section 4.02. Basic Payments.

(a) Subject to the Borrower's right of prepayment granted in **Section 8.02**, the Borrower agrees to repay the Loan by making Basic Payments in the following priority order, in immediately available funds at the Administrative Office of the Trustee:

- (i) on each Interest Payment Date, an amount equal to the amount of interest becoming due on the Bonds on the Interest Payment Date; and
- (ii) on each Interest Payment Date, an amount equal to the principal due on the Bonds by maturity, mandatory redemption or otherwise.

The amount of each Basic Payment will be reduced by the amount of the credit for earnings on amounts in the Bond Fund as set forth in a written notice from the Trustee to the Borrower in accordance with Section 413 of the Indenture and amounts transferred from the Project Fund under Section 403 of the Indenture and applied to the mandatory redemption of Bonds pursuant to Section 301(c) of the Indenture.

(b) If any moneys remain in the Bond Fund after the payment of the principal of and interest on the Bonds on an Interest Payment Date, the surplus, to the extent not applied to make up any deficiency in any Basic Payments or Additional Charges, shall be applied to the Basic Payment next due under this Section.

(c) The Trustee will deposit the Basic Payments in the Bond Fund. If the Borrower fails to make any of the payments required in this Section within any grace period provided in the Note, the item so in default shall continue as an obligation of the Borrower from the date originally due until the amount in default shall have been fully paid by the Borrower, and the Borrower agrees to pay the same with interest thereon (including to the extent permitted by law, interest on overdue installments of interest) at the Default Rate.

(d) Any sums set aside in an account of the Bond Fund to prepay Bonds will constitute a credit against Basic Payments required to be made under subsection (a) with respect to the Bonds designated to be prepaid, provided notice of redemption of such Bonds shall not have been given by the Trustee.

(e) Upon the earlier of (i) the date that is ten (10) days prior to the maturity date of the Note or (ii) the receipt by the Borrower of the [Capital Contribution due at Stabilization] (as such term is defined in the Operating Agreement) pursuant to the terms of the Operating Agreement, the Borrower shall deposit or cause to be deposited with the Disbursing Agent up to an aggregate deposit of \$[PRINCIPAL AMOUNT], for subsequent transfer by the Disbursing Agent to the Trustee to be deposited in the Bond Fund.

Section 4.03. Additional Charges. The Borrower agrees to pay, when due, in immediately available funds at the Administrative Office of the Trustee, all costs and expenses incurred in connection with the Bonds (the "**Additional Charges**"), including without limitation, each and all of the following:

- (a) to the Trustee, on written demand, for deposit in the Rebate Fund the amount of arbitrage rebate to the extent of any deficiency in the Rebate Fund;
- (b) to the Trustee, on written demand, the Ordinary Trustee Fees and the Trustee's Extraordinary Fees and Expenses and other charges and expenses of the Trustee and the Rebate Analyst, for deposit to the Expense Fund;

- (c) to the Trustee, for deposit to the Expense Fund, on the 15th day of each month, (i) all reasonable expenses (including legal fees) and expenses directly incurred by the Issuer to exercise its rights under this Loan Agreement following an Event of Default; (ii) all other reasonable expenses incurred by the Issuer in relation to the Project which are not otherwise required to be paid by the Borrower under the terms of this Loan Agreement, provided that an Authorized Borrower Representative has given prior written approval to the incurring of the other expenses; and (iii) all indemnity payments required to be made under **Section 7.03**; and
- (d) to the Trustee, interest on all payments not made to the Trustee or the Issuer, respectively, under this **Section 4.03** when due, at the Default Rate.

Section 4.04. Borrower's Obligations Unconditional. All Basic Payments and Additional Charges and all other payments required of the Borrower under this Loan Agreement shall be paid without notice or demand (except as provided in **Section 4.03**) and without setoff, counterclaim, or defense for any reason and without abatement or deduction or defense (except for a defense based on prepayment pursuant to **Section 8.02**). The Borrower will not suspend or discontinue any such payments, fail to perform or observe any of its other agreements in this Loan Agreement, or, except as expressly permitted in **Section 8.04**, terminate this Loan Agreement for any cause, including but not limited to any acts or circumstances that may constitute failure of consideration, destruction or damage to the Project or the Borrower's business, the taking of the Project or the Borrower's business by condemnation or otherwise, the lawful prohibition of the Borrower's use of the Project or the Borrower's business, the interference with such use by any private person or corporation, the invalidity or unenforceability or lack of due authorization or other infirmity of this Loan Agreement, the lack of right, power or authority of the Issuer to enter into this Loan Agreement, eviction by paramount title, commercial frustration of purpose, bankruptcy or insolvency of the Issuer, the Project Manager or the Trustee, change in the tax or other laws or administrative rulings or actions of the United States of America or of the State or any political subdivision thereof, or failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Loan Agreement, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the Basic Payments, the Additional Charges and other amounts payable by the Borrower shall be paid in full when due without any delay or diminution whatever.

Section 4.05. Borrower's Remedies. Nothing contained in this Article will be construed to release the Issuer from the performance of any of its agreements in this Loan Agreement. If the Issuer fails to perform any agreements, the Borrower may institute any action against the Issuer as the Borrower may deem necessary to compel such performance so long as such action shall not violate the Borrower's agreements in **Section 4.04** or diminish or delay the amounts required to be paid by the Borrower pursuant to **Sections 4.02** and **4.03**. The Borrower, however, acknowledges and agrees that any pecuniary obligation of the Issuer created by or arising out of this Loan Agreement are payable solely out of the proceeds derived from: this Loan Agreement; the sale of the Bonds; any insurance and condemnation awards; or amounts received upon the sale or other disposition of the Project upon a default by the Borrower or otherwise.

Section 4.06. Assignment of Issuer's Rights. As security for the payment of the Bonds, the Issuer will pledge the amounts payable hereunder and assign, without recourse or liability, to the Trustee, the Issuer's rights under this Loan Agreement and the Note, including the right to receive payments hereunder (except the right to receive payments, if any, under **Sections 4.03(3)** and **(4)**, **7.03** and **9.05** and under the Environmental Indemnity, collectively, the "Unassigned Issuer's Rights") and

hereby directs the Borrower to make said payments directly to or upon the order of the Trustee or as otherwise provided herein. The Borrower assents to such assignment and will make payments under this Loan Agreement directly to or upon the order of the Trustee without defense or setoff by reason of any dispute between the Borrower and the Trustee or the Issuer.

ARTICLE V

PROJECT COVENANTS

Section 5.01. Title, Operation and Maintenance.

(a) The Issuer and the Trustee are not under any obligation to operate, maintain or repair any portion of the Project. The Borrower agrees, at its own expense, or to cause the Project Manager, to: (i) keep the Project in safe repair and in such operating condition as is needed for its operations; (ii) make all necessary repairs and replacements to the Project (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen); (iii) operate the Project in a sound and economic manner in accordance with usual business practice; and (iv) subject to subsection (e) below, operate the Project in compliance with all applicable zoning laws and laws regulating construction, occupancy or maintenance of property of a character included in the Project.

(b) The Borrower will pay all expenses of the operation and maintenance of the Project, including the provision of adequate insurance thereon and insurance against all liability for injury to persons or property arising from the operation thereof in accordance with **Section 5.05**, and all taxes and special assessments levied upon or with respect to the Project that will be the responsibility of the Borrower, all in conformance with and subject to the provisions, including any good faith contest provisions, of the Security Documents.

(c) If the Borrower shall fail to maintain, or cause to be maintained, the full insurance coverage required by this Loan Agreement or shall fail to keep the Project in as reasonably safe condition as its operating conditions will permit, or shall fail to keep the Project in good repair and good operating condition and make all necessary repairs and replacements to the Project, the Issuer or the Trustee, with reasonable prior written notice to the Borrower, may (but shall be under no obligation to) contract for the required policies of insurance and pay the premiums on the same or, after 30 days prior written notice to the Borrower, make any required repairs, renewals and replacements; and the Borrower agrees to reimburse the Issuer or the Trustee to the extent of the amounts so advanced, with interest thereon at the Default Rate from the date such amount was advanced until paid by the Borrower.

(d) The Borrower will obtain or cause to be obtained all necessary permits and approvals for the operation and maintenance of the Project and shall comply with all lawful requirements of any governmental body regarding the use or condition of the Project, whether existing or later enacted or foreseen or unforeseen or whether involving any change in governmental policy or requiring structural or other changes to part or all of the Project and irrespective of the cost of making the same.

(e) The Borrower may in good faith contest the validity or the applicability of any law, ordinance, rule or regulation if failure to comply with the requirement does not materially and adversely affect the lien of each Security Document or subject the Project to loss or forfeiture.

(f) The Borrower agrees to use reasonable efforts not to permit or suffer others to commit a nuisance in or about the Project or themselves commit a nuisance in connection with their use or occupancy of the Project.

Section 5.02. Sale or Lease of Project.

(a) Except as provided in **Sections 7.04** and **8.01** herein and in the Security Documents, and subject to the further provisions of this Section, the Borrower will not lease the Project (except pursuant to leases to residential tenants, leases of commercial space, if any, and leases, licenses and easements to service providers (e.g. laundry, cable and similar services) in the normal course of business), in whole or in part, nor sell, mortgage, assign or otherwise encumber its interests in the Project, in whole or part, without the prior written consent of the Majority Owner and the Issuer. No lease, sale, assignment or encumbrance will be permitted if the effect thereof (i) would be to adversely affect the excludability of the interest on the Bonds from gross income for federal income tax purposes, or (ii) would release the Borrower of any of its obligations under this Loan Agreement (except as otherwise provided in **Section 7.04**). Before entering into any lease (except leases to residential tenants, leases of the commercial space and leases, licenses and easements to service providers (e.g. laundry, cable and similar services) in the normal course of business), sale, assignment or encumbrance of the Project, the Borrower shall cause to be delivered to the Trustee an Opinion of Bond Counsel, addressed to the Trustee and the Issuer, stating in effect that such lease, sale, assignment or encumbrance will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes. The Borrower shall give at least 30 days' notice to the Trustee and the Issuer of any such lease, sale, assignment or encumbrance, unless the Trustee and the Issuer waive the 30-day notice in writing.

(b) The transferring party will be entitled to a release from its obligations under this Loan Agreement (except for its obligations to indemnify the Issuer and the Trustee under **Section 7.03**) upon the Borrower's compliance with the provisions of the Security Documents. To the extent of any material inconsistency with the coverage amounts and types of insurance policies required under this Loan Agreement and the LCRA Lease, the LCRA Lease shall control.

Section 5.03. Advances. The Borrower acknowledges and agrees that under this Loan Agreement, the Indenture and the Security Documents, the Trustee or the Issuer may, but shall be under no obligation to, take certain action and make certain advances relating to the Premises from certain funds held under the Indenture or otherwise, or to certain other matters as expressly provided therein, and the Borrower shall be obligated to repay all such advances on demand of the Issuer or the Trustee, respectively, with interest at the Default Rate from the date such advance was made.

Section 5.04. Alterations to Project and Removal of Project Equipment. The Borrower may, subject to the Security Documents, remodel or make any additions, modifications, alterations, improvements or changes (collectively referred to as "alterations") in or to the Project and remove any equipment therefrom in the ordinary course of business of the ownership and operation of a multifamily residential facility. However, no alteration or removal will be made if to do so would impair the character of the Project as a qualified residential rental project participating in programs established in Section 142(d) of the Code.

Section 5.05. Insurance. The Borrower shall procure and continuously maintain, or cause to be procured or maintained, policies of insurance with respect to the Project insuring against such risks and in such amounts as are required by the Security Documents.

ARTICLE VI

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 6.01. Damage and Destruction. If the Project is damaged or destroyed by fire or other casualty, then unless the Borrower elects to prepay the Loan in accordance with Section 507(b)(ii)

of the Indenture, the Borrower shall restore the Project (but shall not be required to expend its own funds which are not from insurance proceeds) and will not take any other action, unless such action is required or permitted by the Security Documents, the Indenture or this Loan Agreement.

Section 6.02. Condemnation. If there are any Outstanding Bonds when the Project or any part thereof is taken by condemnation, then unless the Borrower elects to prepay the Loan in accordance with Section 507(b)(ii) of the Indenture, the Borrower shall restore the Project (but shall not be required to expend its own funds which are not from insurance proceeds) and will not take any other action, unless such action is required or permitted by the Security Documents, the Indenture or this Loan Agreement.

Section 6.03. Parties to Give Notice. In the case of material damage to or destruction of all or any part of the Project, the Borrower shall give prompt notice thereof to the Trustee and to the Issuer in the manner provided in **Section 10.02**. In the case of a taking or proposed taking of all or any part of the Project by condemnation, the party hereto upon which notice of such taking or proposed taking is served shall give prompt notice in the manner provided in **Section 10.02**. Any such notice shall describe generally the nature and extent of such damage, destruction, taking or proposed taking.

ARTICLE VII

BORROWER'S COVENANTS

Section 7.01. Covenant for the Benefit of the Trustee and Bondowners. The Borrower recognizes the authority of the Issuer to assign its interest in and pledge moneys receivable under this Loan Agreement (other than the Unassigned Issuer's Rights) to the Trustee as security for the payment of the principal of and interest and redemption premium, if any, on the Bonds, and the payment of all fees and expenses of the Trustee. The Borrower agrees to be bound by, and join with the Issuer in the grant of, a security interest to the Trustee in any right and interest the Borrower has in sums held in the Funds described in Article IV of the Indenture, pursuant to the terms and conditions thereof, to secure payment of the Bonds and payments to be made under this Loan Agreement. Each of the terms and provisions of this Loan Agreement is a covenant for the use and benefit of the Trustee and the Bondowners, so long as any Bonds remain Outstanding, but upon payment in full of the Bonds in accordance with Article IX of the Indenture and of all fees, expenses and charges of the Trustee and Paying Agent, all references in this Loan Agreement to the Bonds, the owners thereof and the Trustee shall be ineffective, and neither the Trustee nor any Bondowners shall thereafter have any rights hereunder, save and except those that shall have previously vested or that arise from provisions of this Loan Agreement which survive termination of this Loan Agreement.

Section 7.02. Inspection and Access.

(a) The Borrower agrees that, at all reasonable times upon the Borrower's receipt of reasonable notice under the circumstances, the Issuer, the Trustee, the Majority Owner, the Project Manager and their duly authorized agents shall have the right to examine and inspect, and for that purpose to enter upon, the Project, and shall also have such right of access thereto as may be reasonably necessary to cause the Project to be properly maintained in accordance with **Article V** and in accordance with the applicable provisions of the Security Documents.

(b) The Borrower covenants to execute, acknowledge and deliver all such further documents, and do all such other acts and things as may be necessary in order to grant to the Issuer, the Trustee, the Majority Owner and the Project Manager the rights of access and entry described herein and agrees that such rights of access and entry shall not be terminated, curtailed or otherwise limited by any assignment, lease or other transfer of the Project by the Borrower to any other person.

Section 7.03. Indemnity by Borrower.

(a) Subject to subsection (e), the Borrower will, to the fullest extent permitted by law, protect, indemnify and hold the Issuer, the Trustee and the Majority Owner, and their officers, commissioners, agents, and employees and any person who controls the Issuer, the Trustee or the Majority Owner (collectively, the “**Indemnified Parties**” and each an “**Indemnified Party**”) within the meaning of the Securities Act of 1933, harmless from and against all liabilities, losses, damages, costs, expenses (including attorneys’ fees and expenses of the Issuer, the Trustee and the Majority Owner), taxes, causes of action, suits, claims, demands and judgments of any nature arising from:

- (i) any injury to or death of any person or damage to property in or upon the Project or growing out of or connected with the use, non-use, condition or occupancy of the Project or any part thereof, including any and all acts or operations relating to the construction or installation of property or improvements or any other act, or failure to act, by the Borrower or its agents in connection with its ownership and management of the Project. The foregoing indemnification obligations shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Borrower, customers, suppliers or affiliated organizations under any Workers’ Compensation Acts, Disability Benefit Acts or other employee benefit acts;
- (ii) violation of any contract, agreement or restriction relating to the Project which shall have existed on the Issue Date and has been disclosed to the Borrower, or which has been approved by the Borrower;
- (iii) violation of any law, ordinance, court order or regulation affecting the Project or a part thereof or the ownership, occupancy or use thereof; and
- (iv) this Loan Agreement, the Bonds, the Indenture or the transactions contemplated thereby.

(b) The Borrower hereby agrees to indemnify and hold harmless the Trustee from and against any and all costs, expenses, claims, liabilities, fines, penalties, losses or damages whatsoever (including reasonable costs and fees of counsel, auditors or other experts), asserted or arising out of or in connection with the acceptance or administration of the trusts established pursuant to the Indenture, except costs, expenses, claims, liabilities, fines, penalties, losses or damages resulting from the gross negligence or willful misconduct of the Trustee.

(c) Promptly after receipt by the Issuer, the Trustee or the Majority Owner, or any other person indemnified hereunder, as the case may be, of notice of the commencement of any action with respect to which indemnity may be sought against the Borrower under this Section, such person will notify the Borrower in writing of the commencement thereof, and, subject to the provisions hereinafter stated, the Borrower shall assume the defense of such action (including the employment of counsel, who shall be counsel satisfactory to the Issuer, the Trustee, the Majority Owner or such other person as the case may be, and the payment of expenses). Insofar as such action shall relate to any alleged liability with respect to which indemnity may be sought against the Borrower, the Issuer or any such other Indemnified Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall not be at the expense of the Borrower unless the employment of such counsel has been specifically authorized by the Borrower. However, notwithstanding the foregoing, (i) if counsel for any Indemnified Party and counsel for the Borrower

agree that (1) having common counsel to represent both the Borrower and the Indemnified Party would present a conflict of interest or (2) defenses are available to the Indemnified Party which are not available to the Borrower or (ii) if the Borrower fails to assume the defense of the action or proceeding in a timely manner, then the Indemnified Party may employ separate counsel to represent or defend it in any such action or proceeding and the Borrower will pay the reasonable fees and disbursements of such counsel. However, in no event shall the Borrower be liable for more than one counsel (in addition to any local counsel) separate from its own counsel for the Indemnified Parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances.

(d) The Borrower shall not be liable to indemnify any Indemnified Party for any settlement of any such action effected without its consent, which consent shall not be unreasonably withheld.

(e) Notwithstanding anything else in this **Section 7.03** to the contrary, the Borrower shall have no liability to indemnify (i) the Issuer against the Issuer's own willful misconduct, (ii) the Trustee against the Trustee's own gross negligence or willful misconduct, or (iii) the Majority Owner against the Majority Owner's own negligence or willful misconduct.

(f) The provisions of this Section shall survive the payment and discharge of the Bonds and the resignation or removal of the Trustee.

Section 7.04. Status of Borrower.

(a) The Borrower will maintain its existence as a limited liability company organized under the laws of the State, will remain qualified to do business in the State, and will not wind up or otherwise dispose of all or substantially all of its assets; provided that, subject to the sale restrictions in **Section 5.02**, including the requirement that the written consents of the Majority Owner and the Issuer are obtained, the Borrower may, sell or otherwise transfer to another Person all or substantially all of its assets in its entirety if the transferee Person assumes all of the obligations of the Borrower under this Loan Agreement, the Tax Agreement, the Security Documents and the Land Use Restriction Agreement by a written instrument delivered to the Issuer and the Trustee. Every transferee shall be bound by all of the covenants and agreements of the Borrower herein with respect to any further sale or transfer.

(b) Except as provided in **Section 8.01**, upon any change in the identity of the Managing Member, subject to Majority Owner's consent in accordance with the Security Documents, by way of substitution, sale or otherwise of the Borrower, the Trustee and the Issuer shall be promptly informed, and, if requested by the Majority Owner, each and every Managing Member of the Borrower as newly constituted shall deliver to the Trustee and the Issuer for the benefit of the Issuer and Bondowners an instrument affirming the joint and several liability of each then existing Managing Member for the obligations of the Borrower under this Loan Agreement for which the Managing Member remains liable.

(c) The Issuer and the Borrower agree that, upon any change in the identity of the Managing Member, so long as the requirements, restrictions and conditions of **Sections 5.02** and **8.01**, the Security Documents, and the Land Use Restriction Agreement with respect to such change have been satisfied as provided therein, the Managing Member shall be discharged from liability hereunder. The Trustee by execution of the Indenture shall be deemed to have agreed to execute such documents as may be requested by the Borrower (and in the form provided by the Borrower) to indicate such discharge upon receipt of an Opinion of Counsel addressed to the Trustee and the Issuer that the requirements for this Section, **Sections 5.02** and **8.01**, the Security Documents and the Land Use Restriction Agreement have been satisfied, and provided that no Event of Default under this Loan Agreement has happened and is continuing on the date of the discharge.

(d) The Borrower will not effect such transfer or change if the result thereof would be to violate any sale restrictions set forth in **Sections 5.02 and 8.01**, the Security Documents and the Land Use Restriction Agreement. In connection with a transfer, the Borrower will cause an opinion of Bond Counsel to be delivered to the Trustee and the Issuer that the transfer or change would not subject the interest payable on the Bonds (in the hands of any Person who is not a “substantial user” of the Project or a Related Person) to inclusion in gross income for federal income tax purposes.

Section 7.05. No Additional Debt. The Borrower will not incur, directly or indirectly, any indebtedness for borrowed money other than under this Loan Agreement, the Security Documents and the Subordinate Debt.

ARTICLE VIII

BORROWER’S OPTIONS

Section 8.01. Assignment and Transfer.

(a) The Borrower may not assign its rights and obligations under this Loan Agreement or transfer its interest in the Project, except as specifically provided in this Loan Agreement, the Land Use Restriction Agreement and the Security Documents.

(b) Notwithstanding any provision herein or in the Indenture, the Land Use Restriction Agreement or in any Security Document to the contrary, the withdrawal, removal and/or replacement of the Managing Member in accordance with the Operating Agreement shall not require the consent of the Issuer, the Trustee or the Majority Owner if the substitute manager or managing member is the Federal Investor Member, the State Investor Member, or an Affiliate of Red Stone Equity Partners, LLC or State Investor Member, and shall not constitute a default under this Loan Agreement or accelerate the maturity of the Loan. Otherwise any withdrawal, removal and/or replacement of the Managing Member requires the written consent of the Majority Owner, which consent the Majority Owner will not unreasonably withhold. Notwithstanding the foregoing, the substitute Managing Member shall assume all of the rights and obligations of the removed Managing Member under all of the Loan Documents in accordance with their terms. In the event of a transfer in accordance with this paragraph (b), the Borrower will provide written notice to the Majority Owner, the Trustee and the Issuer that such transfer has occurred in accordance with the terms of the Operating Agreement. In the event of any withdrawal, removal and/or replacement of the Managing Member as contemplated in this section, and provided all requirements of this section are otherwise complied with, the members of the Borrower may make all such amendments to the Operating Agreement as are necessary to effectuate such withdrawal, removal and/or replacement without the consent of the Issuer, Trustee and/or Majority Owner.

(c) Notwithstanding any provision herein or in the Indenture, the Land Use Restriction Agreement or any Security Document to the contrary, with prior notice to the Majority Owner and the Trustee that such transfer has occurred in accordance with the terms of the Operating Agreement (i) the Federal Investor Member may transfer all or any part of its interest in the Borrower to an Affiliate of the Federal Investor Member, or transfer its beneficial ownership so long as the transferee remains controlled by Red Stone Equity Partners, LLC or an Affiliate thereof, and (ii) the State Investor Member may transfer all or any part of its interest in the Borrower to an Affiliate of the State Investor Member, or transfer its beneficial ownership so long as the transferee remains controlled by the State Investor Member or an Affiliate thereof. Federal Investor Member and/or State Investor Member may not transfer its respective interests in the Borrower to an entity that is not an Affiliate without the prior written consent of the Majority Owner. In the event of any transfer of the interests of the Federal Investor Member and/or

State Investor Member as contemplated in this section, and provided all requirements of this section are otherwise complied with, the members of the Borrower may make all such amendments to the Operating Agreement as are necessary to effectuate such transfer without the consent of the Issuer, Trustee and/or Majority Owner.

(d) The execution and delivery of a purchase option agreement or right of first refusal with respect to ownership interests in the Borrower shall not constitute a default under the Loan Documents or accelerate the maturity of the Loan thereunder. Any requisite consent of the Issuer to (i) the exercise of such purchase option agreement or right of first refusal by the optionee thereunder, and (ii) the assumption without penalty of the Borrower's obligations under the Loan by the optionee thereunder, and the release of the Borrower from such obligations, shall not be unreasonably withheld. Subject to any such consent requirement and any other requirements for transfer, the exercise of the rights under such purchase option agreement or right of first refusal shall not constitute a default or accelerate the maturity of the Loan. The Borrower will provide written notice of the execution and delivery of the purchase option agreement or right of first refusal to the Trustee, the Majority Owner and the Issuer.

Section 8.02. Prepayment.

(a) Except during the continuance of an Event of Default, the Borrower may at any time on or after [MATURITY DATE] transmit moneys directly to the Trustee for deposit in the Bond Fund, in addition to amounts, if any, otherwise required at that time pursuant to this Loan Agreement, and direct in writing that the moneys be utilized by the Trustee, as soon as practicable in accordance with the Indenture to:

- (i) redeem Bonds which are then or will be redeemable in accordance with their terms on a date specified by the Borrower; or
- (ii) provide for the discharge of Bonds prior to their maturity or redemption dates as provided in Article IX of the Indenture.

(b) The Borrower will prepay the Note in whole or in part to the extent of the mandatory redemption of the Bonds under Article III of the Indenture and will at any time transmit directly to the Trustee, for deposit in the Bond Fund, funds in the required amount in addition to any other amounts required to be paid at that time pursuant to this Loan Agreement. The principal amount of the Note to be prepaid upon casualty or condemnation will be determined in accordance with Section 507(b)(ii) of the Indenture.

Section 8.03. Direction of Investments. Except during the continuance of an Event of Default, the Borrower shall have the right, as provided in Section 413 of the Indenture, to direct the Trustee in writing to invest or reinvest all money held for the credit of Funds established by Article IV of the Indenture and held by the Trustee in Qualified Investments.

Section 8.04. Termination of Loan Agreement; Required Prepayment.

(a) Except during the continuance of an Event of Default, the Borrower shall have the option of terminating this Loan Agreement if (i) all Bonds shall have matured or will mature or be subject to redemption in accordance with their terms on the next succeeding Interest Payment Date and if provision is otherwise made for payment of all Bonds and all other amounts payable under the Indenture in such manner that the Indenture will be discharged under Article IX of the Indenture on or before the date of termination and (ii) the Borrower provides the Trustee and the Issuer with an Opinion of Bond Counsel to the effect that all such conditions have been satisfied.

(b) Notwithstanding the foregoing, the Borrower may not terminate this Loan Agreement unless and until the Trustee has on deposit moneys in any of the Funds established under Article IV of the Indenture and available for that purpose which are sufficient to discharge the Indenture in accordance with Article IX of the Indenture.

(c) After the discharge of the Indenture, the Issuer and Trustee shall execute and deliver to the Borrower such release and other instruments as the Borrower reasonably determines is necessary (in the forms provided by the Borrower) to terminate this Loan Agreement. All further obligations of the Borrower hereunder (except as specifically provided in **Sections 4.03** and **7.03**) shall thereupon terminate.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.01. Events of Default.

(a) Any one or more of the following events is an Event of Default under this Loan Agreement, and the term “Event of Default,” wherever used herein, means any one of the following events, whatever the reason for such default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body:

- (i) if the Borrower shall fail to make a Basic Payment when due and such failure to pay the Basic Payment shall continue for five Business Days, after written notice has been given to the Borrower, the Federal Investor Member and the State Investor Member by the Trustee;
- (ii) if the Borrower shall fail to pay any Additional Charge on or before the date such payment is due and such failure to pay the Additional Charge shall continue for 30 days after written notice has been given to the Borrower, the Federal Investor Member and the State Investor Member by the Issuer or the Trustee, as applicable, but in any event if the failure to pay has continued for 60 days after written notice has been given to the Borrower, the Federal Investor Member and the State Investor Member;
- (iii) if the Borrower shall fail in any respect to observe and perform (or cause the observance or performance) or shall breach in any respect any other covenant, condition or agreement on its part under this Loan Agreement and shall fail to remedy (or fail to have remedied) such default or breach within 30 days after mailing of a notice to it, the Federal Investor Member and the State Investor Member by the Issuer or the Trustee (and if by the Issuer, with the approval of the Trustee), specifying such default or breach and requesting that it be remedied, or within such longer period of time (up to an additional 90 days) as may be necessary to remedy such default or breach provided that (1) the default or breach in question is able to be remedied; (2) the Borrower (or any member of the Borrower) has commenced, or cause to be commenced, action during the 30 days necessary to remedy such default or breach; and (3) the Borrower (or any member of the Borrower) is proceeding with reasonable diligence to remedy the default or breach;

- (iv) if an Event of Bankruptcy shall occur with respect to the Borrower or the Managing Member, provided that no Event of Default with respect to an Event of Bankruptcy of the Managing Member shall be deemed to have occurred if, within 90 days after such Event of Bankruptcy of the Managing Member, the Federal Investor Member or the State Investor Member of the Borrower replace such Managing Member;
- (v) if the Operating Agreement shall expire or be annulled; or if the Borrower shall be dissolved or liquidated (other than when the conditions permitting such action contained in **Sections 7.04** and **8.01** or the applicable Security Document have occurred);
- (vi) if a default shall occur under the Indenture, the Land Use Restriction Agreement, the Tax Agreement or a Security Document and any applicable period for remedying such default has expired; or
- (vii) if any representation or warranty made by the Borrower in this Loan Agreement, or by the Managing Member or representative of the Borrower in any document or certificate furnished to the Trustee, the Issuer or the Majority Owner, in connection herewith or therewith or pursuant hereto or thereto shall prove at any time to be, in any material adverse respect, incorrect or misleading as of the date made.

(b) The Trustee shall also give written notice to the Borrower, with a copy to the Federal Investor Member, the State Investor Member, the Majority Owner and the Issuer, promptly (and in any event within five Business Days) after the Trustee has received notice in accordance with **Section 703(i)** of the Indenture of any act or failure to act which will, with the passage of time or otherwise, constitute an Event of Default under this Section. The Issuer, the Trustee and the Majority Owner agree that any cure of an Event of Default, or of any act or failure to act that will, with the passage of time or otherwise, constitute an Event of Default, made or tendered by one or more of the Borrower's members, or their respective Affiliates, shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower. Nothing herein shall be construed to create an obligation on the part of the Federal Investor Member or the State Investor Member to cure such defaults.

Section 9.02. Remedies.

(a) Whenever any Event of Default shall have occurred and be continuing, and the Trustee shall have accelerated the Bonds, as appropriate, pursuant to Section 602 of the Indenture, the Trustee shall declare all the applicable Basic Payments (in an amount equal to that necessary to pay in full all of the Bond Obligation and interest on such Bonds, assuming acceleration of such Bonds under the Indenture and to pay all other indebtedness thereunder) to be immediately due and payable, whereupon the same shall become immediately due and payable by the Borrower.

(b) Whenever any Event of Default shall have occurred and be continuing, any one or more of the following remedial steps may also be taken to the extent permitted by law:

- (i) the Trustee or the Issuer (with the prior written consent of the Trustee) may take whatever action at law or in equity may appear necessary or appropriate to collect all sums then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement, covenant, representation or warranty of the Borrower, under this Loan Agreement, the Land Use Restriction

Agreement, the Security Documents or any related instrument; or to otherwise compensate the Issuer, the Trustee or Bondholders for any damages on account of such Event of Default; and

- (ii) the Issuer (without the prior written consent of the Trustee if the Trustee is not enforcing the Issuer's rights in a manner to protect the Issuer or is otherwise taking action that brings adverse consequences to the Issuer) may take whatever action at law or in equity may appear necessary or appropriate to enforce its rights of indemnification under **Section 7.03** and to collect all sums then due and thereafter to become due to the Issuer under **Sections 4.03(3) and (4), 7.03 and 9.05**.

Section 9.03. Disposition of Funds. Any amounts collected pursuant to action taken under **Section 9.02** (other than sums collected for the Issuer or the Trustee on account of their rights to indemnification and certain direct payments to be made to the Issuer and the Trustee under **Sections 4.03, 7.03 and 9.05** which sums shall be paid directly to the Issuer and the Trustee) shall be applied in accordance with the provisions of the Indenture.

Section 9.04. Nonexclusive Remedies. No remedy herein conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to either of them in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required or as may be required by law.

Section 9.05. Attorneys' Fees and Expenses. If an Event of Default shall exist under this Loan Agreement and the Issuer or the Trustee employ attorneys or incur other expenses for the collection of any amounts due hereunder, or for the enforcement of performance of any obligation or agreement on the part of the Borrower, the Borrower shall upon demand pay to the Issuer or the Trustee, as the case may be, the reasonable fees of such attorneys and such other actual expenses so incurred.

Section 9.06. Effect of Waiver. In the event any agreement contained in this Loan Agreement is breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 9.07. Waiver of Stay or Extension. The Borrower covenants that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any appraisal, valuation, stay, or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants in, or the performance of, this Loan Agreement; and the Borrower hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Issuer or the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 9.08. Issuer or Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Borrower or the property of the Borrower, the Trustee or the Issuer (with the prior consent of the Trustee), shall be entitled and empowered, by intervention in such proceeding or otherwise:

- (i) to file and prove a claim and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Issuer and Trustee (for themselves and on behalf of Bondowners) (including any claim for the reasonable compensation, expenses, disbursements and advances of the Issuer and Trustee, their agents and counsel) allowed in such judicial proceeding, and
- (ii) to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute the same.

Section 9.09. Restoration of Positions. If the Issuer or the Trustee has instituted any proceeding to enforce any right or remedy under this Loan Agreement, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Issuer or Trustee, then and in every such case the Borrower, the Trustee and the Issuer shall, subject to any determination in the proceeding, be restored to the positions they held prior to commencement of such proceedings, and thereafter all rights and remedies of the Issuer shall continue as though no such proceeding had been instituted.

Section 9.10. Suits to Protect the Project. If the Borrower shall fail to do so after 30 days prior written notice from the Issuer or the Trustee to the Borrower, the Managing Member, the Federal Investor Member and the State Investor Member, the Trustee shall have power, but shall not be obligated, to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Project or any portion thereof, by any acts which may be unlawful or in violation of this Loan Agreement, and such suits and proceedings as the Trustee may deem expedient to protect its interests in the Project or any portion thereof, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of, or compliance with, such enactment, rule or order would impair or adversely affect the Project or be prejudicial to the interests of the Bondowners.

Section 9.11. Performance by Third Parties. The Issuer may permit third parties to perform any and all acts or take such action as may be necessary for and on behalf of the Borrower to cure any Event of Default hereunder. The acceptance by Issuer or the Trustee of any such performance by third parties shall not in any way diminish or absolve the Borrower of primary liability under this Loan Agreement. Any cure offered or effected by a member of the Borrower shall be accepted hereunder as if offered or effected by the Borrower itself.

Section 9.12. Exercise of the Issuer's Remedies by Trustee. Whenever any Event of Default shall have happened and be continuing the Trustee may, but except as otherwise provided in the Indenture shall not be obliged to, exercise any or all of the rights of the Issuer under this **Article IX**, without notice to the Issuer.

ARTICLE X

GENERAL PROVISIONS

Section 10.01. Amounts Remaining in Funds. Except during the continuance of an Event of Default, any amounts remaining in the Funds created under Article IV of the Indenture upon expiration or earlier termination of this Loan Agreement, as provided herein, shall be paid by the Trustee as provided in Section 414 of the Indenture.

Section 10.02. Notices. All notices, certificates or other communications hereunder shall be in writing (except as otherwise expressly provided herein), shall be deemed to have been properly given when delivered by hand delivery, telegram or facsimile or served by depositing the same with the United States Postal Service, or any official successor thereto, designated as registered or certified mail, return receipt requested, bearing adequate postage, or delivery by reputable private carrier such as FedEx, United Parcel Service or similar overnight delivery service, and addressed as hereinafter provided. Notices, except to the Trustee, shall be deemed given when mailed as provided herein. Notices to the Trustee shall be deemed given only when received by the Trustee. All parties listed below may, by written notice given to the others, designate any address or addresses to which notices, certificates or other communications to them shall be sent when required as contemplated by this Loan Agreement. Any notice, certificate, report, financial statement or other communication properly provided by legal counsel on behalf of any party hereunder shall be deemed properly provided by the party represented by such counsel. Until otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as set forth in Section 1004 of the Indenture.

Section 10.03. Binding Effect. This Loan Agreement will inure to the benefit of and shall be binding upon the Issuer, the Borrower and their respective successors and assigns.

Section 10.04. Severability. If any court of competent jurisdiction holds any provision of this Loan Agreement invalid or unenforceable, the holding shall not invalidate or render unenforceable any other provision of this Loan Agreement.

Section 10.05. Amendments, Changes, and Modifications. Except as otherwise provided in this Loan Agreement or in the Indenture, subsequent to the issuance of the Bonds and before the lien of the Indenture is satisfied and discharged in accordance with its terms, this Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Trustee pursuant to Section 803 of the Indenture.

Section 10.06. Execution in Counterparts. This Loan Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.07. Required Approvals. Consents and approvals required by this Loan Agreement to be obtained from the Borrower, the Majority Owner, the Issuer, or the Trustee shall be in writing and shall not be unreasonably withheld, conditioned or delayed; *provided* that, except as expressly set forth hereunder, nothing herein shall obligate the Trustee to provide its consent or approval until it first receives the consent or direction from the Majority Owner to provide such consent or approval.

Section 10.08. Limitation on Issuer's Liability. All covenants, obligations and agreements of the Issuer contained in this Loan Agreement shall be effective to the extent authorized and permitted by applicable law. No provision, covenant or agreement contained in this Loan Agreement, the Indenture, the Land Use Restriction Agreement, the Tax Agreement or the Bonds, or any obligation herein or therein imposed upon the Issuer, or the breach thereof, shall constitute or give rise to or impose upon the Issuer a pecuniary liability or a charge upon its general credit; nor shall the same constitute or give rise to or a charge upon the general credit or taxing powers of the State. The Issuer has no taxing power. No recourse shall be had for the payment of the principal of or premium or interest on any of the Bonds or for any claim based thereon or upon any representation, obligation, covenant or agreement in this Loan Agreement contained against any past, present or future officer, commissioner, employee or agent of the Issuer, or of any successor public corporation thereto, as such, either directly or through the Issuer, or any successor public corporation thereto, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers,

commissioners, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Loan Agreement and the issuance of the Bonds. Nothing herein shall preclude a proper party in interest from seeking and obtaining specific performance against the Issuer for any failure to comply with any term, condition, covenant or agreement herein; *provided* that no costs, expenses or other monetary relief shall be recoverable from the Issuer except as may be payable from the Trust Estate.

Section 10.09. Limitation on Investor Member Liability. The parties to this Loan Agreement agree that the Federal Investor Member and the State Investor Member will not have any liability to the other parties hereto or to any third party as a member of the Borrower resulting from any action taken by such Federal Investor Member and/or State Investor Member pursuant to the Operating Agreement, unless and until the Federal Investor Member and/or State Investor Member (respectively) is admitted to the Borrower as a manager or managing member. The Lender agrees that it will not, in connection with any demand, claim, or legal action concerning the Loan or the Loan Documents, claim that that Federal Investor Member and/or State Investor Member (as the case may be) was liable as a manager or managing member of the Borrower as a result of such investor member allegedly participating in the control of the Borrower by reason of any action taken by the Federal Investor Member and/or State Investor Member (as the case may be) pursuant to its powers as a member of the Borrower under the Operating Agreement.

Section 10.10. Representations of Borrower. All representations made in this Loan Agreement by the Borrower are based on its independent investigation of the facts and law, and accordingly no such representations are made in reliance upon any representations made or legal advice given by the Issuer, its Bond Counsel, the Trustee or any of their agents, officers or employees.

Section 10.11. Electronic Transactions. The transactions described in this Loan Agreement and the other Bond Documents may be conducted and related documents may be sent, received, or stored by electronic means. Copies, teletypes, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 10.12. Anti-Discrimination Against Israel Act. Pursuant to Section 34.600 of the Revised Statutes of Missouri (the “**Anti-Discrimination Against Israel Act**”), the Borrower hereby certifies and agrees that, to the extent the Anti-Discrimination Against Israel Act is applicable to this Agreement, they are not currently engaged in and shall not, for the duration of this Agreement, engage in a boycott of goods or services from (a) the State of Israel, (b) companies doing business in or with the State of Israel or authorized by, licensed by, or organized under the laws of the State of Israel, or (c) persons or entities doing business with the State of Israel, in all respects within the meaning of the Anti-Discrimination Against Israel Act. This certification shall not be deemed an admission or agreement that the Anti-Discrimination Against Israel Act is applicable to this Agreement, but the foregoing certification is provided if the Anti-Discrimination Against Israel Act is applicable. If the Anti-Discrimination Against Israel Act is initially deemed or treated as applicable to this Agreement, but is subsequently determined not to apply to this Agreement for any reason, including the repeal or amendment of the Anti-Discrimination Against Israel Act, then the foregoing certification shall cease to be effective.

Section 10.13. Complete Agreement. This notice is provided pursuant to Section 432.047 of the Revised Statutes of Missouri. As used herein, “**creditor**” means the Issuer and “**this writing**” and “**Credit Agreement**” means this Loan Agreement, the Note, the Land Use Restriction Agreement, the Tax Agreement and the Security Documents. **ORAL OR UNEXECUTED AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE, REGARDLESS OF THE LEGAL THEORY UPON**

WHICH IT IS BASED THAT IS IN ANY WAY RELATED TO THE CREDIT AGREEMENT. TO PROTECT YOU (BORROWER) AND US (CREDITOR) FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Issuer and the Borrower have caused this Loan Agreement to be executed by their duly authorized signatories.

**LAND CLEARANCE FOR REDEVELOPMENT
AUTHORITY OF KANSAS CITY, MISSOURI**

By _____
Name: Daniel Moye
Title: Executive Director

38 EUCLID, LLC, a Missouri limited liability company

By: **38 EUCLID MANAGING MEMBER, LLC**, a Missouri limited liability company, its Managing Member

By: **COMMUNITY BUILDERS OF KANSAS CITY**, a Missouri nonprofit corporation, its Managing Member

By _____
Name: Emmet Pierson, Jr.
Title: President and CEO

EXHIBIT A

LEGAL DESCRIPTION

Real property in the City of Kansas City, County of Jackson, State of Missouri, described as follows:

[to be inserted]

EXHIBIT B

FORM OF PROMISSORY NOTE

MAXIMUM PRINCIPAL AMOUNT:
\$[PRINCIPAL AMOUNT]

Dated [CLOSING DATE]
Kansas City, Missouri

FOR VALUE RECEIVED, the undersigned, **38 EUCLID, LLC**, a Missouri limited liability company (together with its successors and assigns as borrower under the below defined Loan Agreement, the “**Borrower**”), promises to pay in lawful money of the United States of America to the order of the **LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI**, its successors or assigns (the “**Issuer**”), the principal advanced but not to exceed the maximum principal sum of [PRINCIPAL AMOUNT] DOLLARS (\$[PRINCIPAL AMOUNT]).

The principal and interest on this Note shall be payable in installments at the times and in the amounts determined as provided in Section 4.02 of the Loan Agreement, dated as of [CLOSING MONTH] 1, 2026 (the “**Loan Agreement**”), between the Borrower and the Issuer, with the final payment of all outstanding principal and interest on this Note to be paid not later than [MATURITY DATE] (or if the maturity date of the below defined Bonds is extended, then such later date that is the same as the maturity date of the Bonds). Both principal and interest under this Note shall be payable in immediately available funds at the designated payment office of UMB Bank, N.A. (the “**Trustee**”).

This Note is made pursuant to the Loan Agreement wherein, among other things, the Issuer has agreed to loan to the Borrower and the Borrower has agreed to take a loan in the maximum principal amount of \$[PRINCIPAL AMOUNT] (the “**Loan**”), being the proceeds of the purchase price installments of the Issuer’s Multifamily Housing Revenue Bonds (Urban 38 Project) Series 2026 (the “**Bonds**”), said proceeds to be disbursed to the Borrower from time to time in accordance with the provisions of the Loan Agreement. The Bonds are being issued by the Issuer pursuant to the Trust Indenture, dated as of [CLOSING MONTH] 1, 2026 (the “**Indenture**”), between the Issuer and the Trustee. Terms not otherwise defined in this Note have the meanings set forth in the Indenture and the Loan Agreement. Interest on each advance under this Note shall accrue from and including the date made at an annual rate equal to [.]%.

This Note is subject to optional and mandatory prepayments as provided in **Section 8.02** of the Loan Agreement, with such prepayments being first applied to interest and next to principal.

Upon the occurrence of any Event of Default as described in **Section 9.01** of the Loan Agreement, all or a portion of the unpaid principal of and interest on this Note may be declared to be forthwith due and payable in the manner and with the effect provided in said Agreement. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent occurrence of such an Event of Default. If this Note shall be placed in the hands of an attorney or attorneys for collection, the Borrower agrees to pay, in addition to the amount due hereon, the reasonable costs and expenses of collection, including reasonable attorneys’ fees.

Except as otherwise provided in the Loan Agreement, or as otherwise set forth below, the personal liability of the Borrower and the members of the Borrower shall be limited to the Project and any other collateral securing the obligations of the Borrower under this Note, the Loan Agreement, the Indenture, or the Bonds, but this limitation of liability shall not prejudice the right of the Trustee, as beneficiary to enforce or foreclose on any other security given for the payment of the obligations of the Borrower under this Note, the Loan Agreement, the Indenture or the Bonds, or to exercise any of its remedies available to it with respect to the collateral securing the Borrower’s obligations under this Note and the Loan Agreement, including effecting the sale of the Project in accordance with the Security

Documents, foreclosing the Security Documents and in furtherance thereof naming the Borrower but not any of its members as a party defendant in any action or proceeding to enforce the same. Further, the indemnity obligations of the Borrower and its members set forth herein shall not otherwise require repayment of a Loan. The Managing Member shall be liable under this Note to the extent of any funds or property of the Project coming into the hands of the Managing Member which, by the provisions of this Note, the Borrower has distributed but was not entitled to distribute to the Managing Member. The Borrower and the Managing Member shall not be exonerated or exculpated for any loss or deficiency suffered or sustained by the Issuer or the Trustee as a result of:

- (a) any fraud or false representations by the Borrower or the Managing Member with regard to any matter relating to the Loan and the security therefor;
- (b) misappropriation or intentional misapplication of insurance or condemnation proceeds;
- (c) collection of rents for more than one month in advance or failure to apply rents to current maintenance, repair and taxes while an Event of Default exists under this Note or the Loan Agreement;
- (d) failure to deliver security deposits of tenants to the Trustee following an Event of Default, to the extent permitted by law;
- (e) permitting or suffering to occur any intentional waste of all or any portion of the Project;
- (f) a knowing failure to comply with any law, governmental standard or regulation applicable to the Borrower or the Premises with respect to Environmental Laws or Hazardous Materials (within the meaning of the Security Documents) or a material misrepresentation of the Borrower with respect to the same; or
- (g) any willful misconduct of the Borrower and/or any intentional tort created by the Borrower and resulting in loss or damage to the security of the Project.

This notice is provided pursuant to Section 432.047 of the Revised Statutes of Missouri. As used herein, “creditor” means the Issuer and “this writing” and “Credit Agreement” means this Note, the Loan Agreement, the Land Use Restriction Agreement, the Tax Agreement and the Security Documents. ORAL OR UNEXECUTED AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE, REGARDLESS OF THE LEGAL THEORY UPON WHICH IT IS BASED THAT IS IN ANY WAY RELATED TO THE CREDIT AGREEMENT. TO PROTECT YOU (BORROWER) AND US (CREDITOR) FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.

This Note is secured by the Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of [Closing Month] 1, 2026, from the Borrower for the benefit of the Trustee, and by the other Security Documents.

All parties to this Note, whether principal, surety, guarantor or endorser, hereby waive presentment for payment, demand, protest, notice or protest and notice of dishonor.

38 EUCLID, LLC, a Missouri limited liability company

By: **38 EUCLID MANAGING MEMBER, LLC**, a Missouri limited liability company, its Managing Member

By: **COMMUNITY BUILDERS OF KANSAS CITY**, a Missouri nonprofit corporation, its Managing Member

By _____
Name: Emmet Pierson, Jr.
Title: President and CEO

ENDORSEMENT

Pay to the order of UMB Bank, N.A., as Trustee under the Trust Indenture, dated as of [Closing Month] 1, 2026 between the undersigned and said bank, as Trustee, said Trustee to hold and apply all funds received hereunder as provided in the Trust Indenture. This endorsement shall be without recourse against the undersigned.

**LAND CLEARANCE FOR REDEVELOPMENT
AUTHORITY OF KANSAS CITY, MISSOURI**

By _____
Name: Daniel Moye
Title: Executive Director