
AMENDED AND RESTATED SUBORDINATE BOND FINANCING AGREEMENT

Dated as of May 1, 2025

by and among

PEDCOR INVESTMENTS-2020-CLXXX, L.P.,

MCKINNEY HOUSING FINANCE CORPORATION

and

MERCHANTS BANK OF INDIANA

relating to

MCKINNEY HOUSING FINANCE CORPORATION
MULTIFAMILY HOUSING SUBORDINATE REVENUE BONDS
(MILL STREAM APARTMENT HOMES), SERIES 2023B

and

MCKINNEY HOUSING FINANCE CORPORATION
MULTIFAMILY HOUSING SUBORDINATE REVENUE BONDS
(MILL STREAM APARTMENT HOMES), SERIES 2025C

The amounts payable to McKinney Housing Finance Corporation (the “**Issuer**”) and other rights of the Issuer (except for Reserved Rights, as defined herein) under this Financing Agreement have been pledged and assigned to the Purchaser to secure payment of the Bonds.

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AMENDED AND RESTATED SUBORDINATE BOND FINANCING AGREEMENT

THIS AMENDED AND RESTATED SUBORDINATE BOND FINANCING AGREEMENT (the “**Agreement**” or this “**Financing Agreement**”) is made as of May 1, 2025, by and among **PEDCOR INVESTMENTS-2020-CLXXX, L.P.**, a Texas limited partnership (together with its successors and assigns, the “**Borrower**”), **MCKINNEY HOUSING FINANCE CORPORATION**, a public, nonprofit housing finance corporation duly organized and existing under the laws of the State of Texas (together with its successors and assigns, the “**Issuer**”) and **MERCHANTS BANK OF INDIANA**, an Indiana banking and financial institution (together with its successors and assigns, the “**Purchaser**”).

RECITALS

A. The Issuer has been created and organized pursuant to and in accordance with the provisions of the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended (the “**Act**”), for the purpose, among others, of financing the costs of residential developments that will provide decent, safe and sanitary housing for persons or families of low or moderate income at prices or rentals they can afford.

B. The Borrower desires to acquire, construct and equip a multifamily apartment housing facility consisting of a total of 240 units, located in the City of McKinney, Collin County, Texas (the “**Project Facilities**” or the “**Project**”), the acquisition, construction and/or equipping of which are being financed in part by the proceeds of the Bonds (hereinafter defined).

C. Pursuant to the Subordinate Bond Financing Agreement, among the Issuer, the Borrower and the Purchaser, dated as of February 1, 2023 as amended by that certain First Amendment to Subordinate Bond Financing Agreement among the Issuer, the Borrower and the Purchaser, dated as of August 1, 2023 (the “**Original Subordinate Agreement**”), the Issuer previously determined that the public purposes set forth in the Act were furthered by the issuance, sale and delivery of the Issuer’s Multifamily Housing Subordinate Revenue Bonds (Mill Stream Apartment Homes Project), Series 2023B (the “**Series 2023B Bonds**”) in the maximum principal amount of \$3,575,000 to provide funds to finance a portion of the costs of the acquisition, construction and equipping of the Project Facilities, by loaning the proceeds of the Series 2023B Bonds to the Borrower in the manner herein described.

D. Pursuant to this Amended and Restated Subordinate Bond Financing Agreement, the Issuer has determined that the public purposes set forth in the Act will be furthered by the issuance, sale and delivery of the Issuer’s Multifamily Housing Subordinate Revenue Bonds (Mill Stream Apartment Homes Project), Series 2025C (the “**Series 2025C Bonds**” and together with the Series 2023B Bonds, the “**Bonds**”) in the maximum principal amount of \$2,000,000 to provide funds to finance a portion of the costs of the acquisition, construction and equipping of the Project Facilities, by loaning the proceeds of the Series 2025C Bonds to the Borrower in the manner herein described.

E. To secure the Bonds, to provide for conditions on the disbursement of the proceeds of the Bonds and to commit the Borrower to the agreements, covenants and representations required by the Purchaser as a condition to executing this Agreement, the Borrower has executed and delivered

to the Purchaser (i) the Construction Disbursement Agreement related to the Series 2023B Bonds (the “**Construction Disbursement Agreement – Series B**”) dated as of February 1, 2023, and (ii) the Construction Disbursement Agreement related to the 2025C Bonds (the “**Construction Disbursement Agreement-Series C**”) dated as of _____, 2025, together with the Construction Disbursement Agreement – Series B, individually and collectively from time to time referred to as the “Construction Disbursement Agreement”).]

F. To reimburse the Borrower for the costs of the acquisition, construction and equipping of the Project Facilities, upon the satisfaction of the conditions set forth herein and in the Construction Disbursement Agreement, the Purchaser will deposit the proceeds of the Bonds into the Subordinate Construction Fund and disburse such proceeds from the Subordinate Construction Fund from time to time to the Borrower.

G. To secure the Bonds, the Issuer shall assign and pledge to the Purchaser the Issuer’s right, title and interest in this Financing Agreement (except the Reserved Rights defined herein), the Subordinate Construction Fund and the Bond Note defined herein.

H. This Agreement amends and restates the Original Subordinate Agreement in its entirety.

The Series 2023B Bonds and Series 2025C Bonds are issued on parity with each other.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING AND THE UNDERTAKINGS HEREIN SET FORTH AND INTENDING TO BE LEGALLY BOUND, THE BORROWER, THE ISSUER AND THE PURCHASER HEREBY AGREE AS FOLLOWS:

ARTICLE I DEFINITIONS

Section 1.1. Definitions. In addition to terms defined elsewhere in this Agreement, the following words and terms as used in this Agreement and the preambles hereto shall have the following meanings unless the context or use clearly indicates another or different meaning or intent.

“**Act**” means the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as now in effect and as it may from time to time hereafter be amended and supplemented.

“**Act of Bankruptcy**” means the actual notice received by the Purchaser that the Borrower has become insolvent or has failed to pay its debts generally as such debts become due or has admitted in writing its inability to pay any of its indebtedness or has consented to or has petitioned or applied to any court or other legal authority for the appointment of a receiver, liquidator, trustee or similar official for itself or for all or any substantial part of its properties or assets or that any such trustee, receiver, liquidator or similar official has been appointed or that insolvency, reorganization or liquidation proceedings (or similar proceedings) have been instituted by or against the Borrower.

“**Affiliate**” means, with respect to any designated Person, each Person who directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common

control with, another designated Person, pursuant to the organizational document(s) of an entity or by other express, written agreement.

“Agreement” means this Amended and Restated Subordinate Bond Financing Agreement, dated as of May 1, 2025, by and among the Issuer, the Borrower and the Purchaser and any modifications, amendments and supplements thereto permitted hereunder.

“Approved Investor” means any investor that is (i) a “qualified institutional buyer” as defined in Rule 144A promulgated by the Securities Exchange Commission under the Securities Act of 1933, as amended, (ii) an “accredited investor” as defined in Rule 501(a)(1), (2), (3), (4), (7) or (8) of Regulation D promulgated by the Securities Exchange Commission under the Securities Act of 1933, as amended, (iii) a custodial trust the sole beneficial owners of which are entities described in clauses (i) and (ii), or (iv) any other investor approved by the Issuer.

“Authorized Representative” means one or more individuals duly authorized to bind the Borrower in connection with the administration of the Project Facilities. The initial Authorized Representatives of the Borrower are Phillip J. Stoffregen, Jared M. Houser, Thomas G. Crowe and Bruce A. Cordingley.

“Bond Counsel” means an attorney, or firm of attorneys, nationally recognized and experienced in legal work relating to the financing of facilities through the issuance of tax-exempt bonds, selected by the Issuer and reasonably acceptable to the Purchaser.

“Bond Documents” means, collectively, the Bonds, this Agreement, the Construction Disbursement Agreement, the Bond Note, the Regulatory Agreement, the Tax Certificate and Agreement, and other agreements or instruments relating to, or executed in connection with the issuance and delivery of, the Bonds, including all modifications, amendments or supplements thereto.

“Bond Loan” means, collectively, the loan of the proceeds of the Bonds by the Issuer to the Borrower by the deposit of proceeds of the Bonds received by the Issuer into the Subordinate Construction Fund as further described herein.

“Bond Note” means, individually and collectively, the Bond Note – Series 2023B and the Bond Note – Series 2025C.

“Bonds” means the Series 2023B Bonds and the Series 2025C Bonds authorized under this Agreement.

“Borrower” means Pedcor Investments-2020-CLXXX, L.P., a Texas limited partnership, and its successors and assigns.

“Business Day” means any day on which the offices of the Purchaser are open for business and on which The New York Stock Exchange is not closed.

“Code” means the Internal Revenue Code of 1986, as amended, and all applicable regulations (whether proposed, temporary or final) under the Code and the statutory predecessor

of the Code, and any official rulings and judicial determinations under the foregoing applicable to the Bonds.

“Construction Disbursement Agreement” has the meaning for such term as defined in the Recitals above.

“Control” (including, with the correlative meanings, the terms “controlling”, “controlled by” and “under common control with”) means, as used with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such other Person, or of the Person, whether through contract, stock ownership, partnership interests, membership, voting rights, governing boards, committees, divisions or other bodies with one or more common members, directors, trustees or other managers, or otherwise.

“Counsel” means an attorney, or firm of attorneys, admitted to practice law before the highest court of any state in the United States of America or the District of Columbia, including any Bond Counsel.

“Default” means an event or condition which is, or which after giving notice or lapse of time or both would be, an Event of Default.

“Default Rate” shall mean the Interest Rate on the Bonds then in effect plus four percent (4.00%).

“Determination of Taxability” means a determination that the interest accrued or paid on either Bond is included in gross income of the Purchaser for federal income tax purposes, which determination shall be deemed to have been made upon the occurrence of the first to occur of the following:

(i) the day on which the Borrower is advised in writing by the Commissioner or any District Director of the Internal Revenue Service that the interest on such Bond is includable in the gross income of the Purchaser for federal income tax purposes;

(ii) the day on which the Borrower receives notice from the Purchaser in writing that the Purchaser has received (1) a notice in writing that the Internal Revenue Service has issued a statutory notice of deficiency or similar notice to the Purchaser that asserts in effect that the interest on such Bond received by the Purchaser is includable in the gross income of the Purchaser for federal income tax purposes, or (2) an Opinion of Bond Counsel that concludes in effect that the interest on such Bond is includable in the gross income of the Purchaser for federal income tax purposes;

(iii) the day on which there has been issued a public or private ruling of the Internal Revenue Service or a technical advice memorandum issued by the national office of the Internal Revenue Service that the interest on such Bond is includable in the gross income of the Purchaser for federal income tax purposes; or

(iv) the day on which the Borrower is advised in writing by Counsel that a final determination, from which no further right of appeal exists, has been made by a court of competent jurisdiction in the United States of America in a proceeding with respect to

which the Borrower has been given written notice and an opportunity to participate and defend that the interest on such Bond is includable in the gross income of the Purchaser for federal income tax purposes;

provided, however, no Determination of Taxability shall occur if the interest on such Bond or any portion thereof is includable in the gross income of the Purchaser for federal income tax purposes solely because such Bond or any portion thereof were held by a Person who is a Substantial User or a Related Person (unless as a result of an action not permitted by Section 8.10 hereof) or as a result of a change in existing law or regulations.

“Equity Bridge Loan” means, collectively, (a) the taxable loan, as amended, made by Truist Bank, a North Carolina banking corporation (“Truist”) to the Borrower pursuant to that certain Bridge Loan Agreement dated as of August 17, 2023 by and between Borrower and Truist Bank; and (b) the purchase of the Series 2023B Bonds and the administration thereof pursuant to the Construction Disbursement Agreement – Series 2023B, and (c) the purchase of the Series 2025C Bonds and the administration thereof pursuant to the Construction Disbursement Agreement – Series 2025C.

“Event of Default” means any of the events specified in Section 9.1 hereof.

“Fiscal Year” means the annual accounting year of the Borrower, which currently begins on January 1 in each calendar year for the Borrower.

“GAAP” means generally accepted accounting principles in effect in the United States from time to time, consistently applied.

“General Partner” means Mill Stream Housing Company, LLC, an Indiana limited liability company authorized to do business in the State, the general partner of the Borrower, together with its successors and assigns.

“Governmental Action” means all permits, authorizations, registrations, consents, certifications, approvals, waivers, exceptions, variances, claims, orders, judgments and decrees, licenses, exemptions, publications, filings, notices to and declarations of or with any Governmental Authority and shall include all permits and licenses required to use, operate and maintain any of the Project Facilities.

“Governmental Authority” means any federal, state, or local governmental or quasi-governmental subdivision, authority, or other instrumentality thereof and any entity asserting or exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“HUD Loan” shall have the meaning given to such term in the Construction Disbursement Agreement.

“Improvements” means all buildings and other improvements included in the Project Facilities.

“Indemnified Parties” shall have the meaning given to such term in Section 8.19 of this Agreement.

“Interest Rate” shall have the same meaning given to the term “Applicable Rate” in the applicable Bond Note.

“Investor Letter” means a letter substantially in the form set forth in Exhibit C hereto, which form may be modified upon the Issuer’s approval of an Approved Investor pursuant to clause (iv) of the definition of Approved Investor.

“Investor Partner” means TCC Mill Stream, LLC, a Georgia limited liability company, and its permitted successors and assigns.

“Issuance Fee” means, for the Series 2023B Bonds, a fee equal to 0.50% of the initial aggregate principal amount of the Series 2023B Bonds, and for the Series 2025C Bonds, a fee equal to 0.50% of the initial aggregate principal amount of the Series 2025C Bonds, which was paid or is payable, as applicable, to the Issuer on the Issue Date by the Borrower.

“Issue Date” means, for the Series 2023B Bonds, February 17, 2023, the date on which the Series 2023B Bonds were delivered to the Purchaser, and for the Series 2025C Bonds, _____, 2025, the date on which the Series 2025C Bonds are delivered to the Purchaser.

“Issuer” means McKinney Housing Finance Corporation, a public, nonprofit housing finance corporation duly organized and existing under the laws of the State of Texas, including the Act, or any successor to its rights and obligations under this Agreement.

“Issuer’s Administrative Fee” means the annual fee of the Issuer in an amount equal to 0.125% of the original principal amount of the Bonds, payable in arrears. The Issuer’s Administrative Fee is payable by the Borrower to the Issuer on each January 1, beginning January 1, 2024, with respect to the Series 2023B Bonds, so long as any of the Bonds are Outstanding. The first two years (2026 and 2027) of Issuer’s Administrative Fee for the Series 2025C Bonds are due on the Issue Date of the Series 2025C Bonds.

“Legal Requirements” means all statutes, codes, laws, ordinances, regulations, rules, policies, or other federal, state, local and municipal requirements of any Governmental Authority whether now or hereafter enacted or adopted, and all judgments, decrees, injunctions, writs, orders or like action of an arbitrator or a court or other Governmental Authority of competent jurisdiction (including those pertaining to the health, safety or the environment).

“Lien” means any lien, mortgage, security interest, tax lien, pledge, encumbrance, conditional sale or title retention arrangement, or any other interest in property designed to secure the repayment of indebtedness, whether arising by agreement or under any statute or law, or otherwise.

“Maturity Date” shall have the meaning given to such term in the applicable Bond Note.

“Opinion of Bond Counsel” means any opinion of Bond Counsel delivered pursuant to this Agreement with respect to the excludability of interest on the Bonds from gross income of the

Purchaser for federal income tax purposes. Each such opinion shall be addressed to the Borrower, the Issuer and the Purchaser. No such opinion delivered pursuant hereto shall be deemed unsatisfactory when required as a condition to any provision hereunder because such opinion states that interest on the Bonds is an item of tax preference, is included in determining alternative minimum taxable income under the Code or is taxable when the Bonds are held by a Substantial User or Related Person.

“Outstanding” means the drawn but unpaid principal portion of the Bonds at any date the principal amount of the Bonds is to be determined.

“Partnership Agreement” means the Amended and Restated Agreement of Limited Partnership of the Borrower dated on or about the date hereof, as may be amended from time to time.

“Permitted Encumbrances” means only:

- (i) the HUD Regulatory Agreement, the Regulatory Agreement, the Senior Mortgage, and the Subordinate Mortgage, each as defined in the Primary Financing Agreement;
- (ii) impositions not yet due and payable or being contested in good faith and by appropriate proceedings promptly initiated and diligently conducted if such proceedings do not in the opinion of the Purchaser and HUD involve the risk of the sale, forfeiture or loss of the property subject to such lien or interfere with the operation of the Project Facilities, and provided that the Borrower shall have established a reserve or made other appropriate provision, if any, as shall be required by the Purchaser, and any foreclosure, distraint, sale or other similar proceedings shall have been effectively stayed;
- (iii) liens of carriers, warehouseman, mechanics and materialmen incurred in the ordinary course of business for sums not yet due or being contested by appropriate proceedings promptly initiated and diligently conducted if such proceedings do not in the opinion of the Purchaser and HUD involve the risk of the sale, forfeiture or loss of the property subject to such lien or interfere with the operation of the Project Facilities, and provided that such liens have been bonded or the Borrower shall have established a reserve or made other appropriate provision, if any, as shall be required by the Purchaser;
- (iv) The Primary Financing Agreement; and
- (v) exceptions to title listed in the pro forma title insurance policy delivered to the lender of the HUD Loan on the Issue Date.

“Permitted Investments” means any investment, if and to the extent the same is then a legal investment under the applicable laws of the State and approved by the Purchaser.

“Person” means any individual, for-profit or not-for-profit corporation, partnership, joint venture, association, limited liability company, limited liability partnership, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Primary Financing Agreement” means the Financing Agreement, dated as of February 1, 2023, among the Issuer, the Borrower, BOKF, N.A., Merchants Capital Corp., and United Fidelity Bank, fsb.

“Project” or **“Project Facilities”** means the multifamily apartment housing facilities consisting of a total of 240 units, to be located in the City of McKinney, Collin County, Texas, on the Project Site, the acquisition, construction and equipping of which facilities are being financed in part by the proceeds of the Bonds.

“Project Costs” means the costs, fees, and expenses associated with the acquisition, construction and equipping of the Project Facilities for use as affordable rental housing including but not limited to the cost of materials, appliances, equipment, and other items of tangible personal property, the fees and expenses of architects, contractors, engineers, attorneys, accountants, developers, surveyors, and the payment of certain costs and expenses incidental to the issuance of the Bonds.

“Project Site” means the land described in Exhibit F hereto on which the Project will be developed at the northeast corner of Wilmeth Road and Community Avenue (approximately 2300 Wilmeth Road), McKinney, Texas 75071.

“Purchaser” means Merchants Bank of Indiana, an Indiana banking and financial institution, as the initial purchaser of the Bonds, and any successors or assigns thereof.

“Qualified Project Costs” means the actual costs incurred to acquire, construct, furnish and equip the Project Facilities which except for preliminary expenditures incurred prior to the commencement of the acquisition, construction, furnishing and equipping of the Project Facilities that do not exceed 20% of the aggregate issue price of the Bonds that will finance Project Costs and other amounts that do not exceed the lesser of \$100,000 or 5% of the proceeds of the Bonds, which (i) are or were incurred after October 21, 2020, (ii) are (A) chargeable to the Project Facilities’ capital account or would be so chargeable either with a proper election by the Borrower or but for a proper election by the Borrower to deduct such costs, within the meaning of Treasury Regulation Section 1.103-8(a)(1), and if charged or chargeable to the Project Facilities’ capital account are or would have been deducted only through an allowance for depreciation or (B) made for the acquisition of land, to the extent allowed in Section 147(c) of the Code and (iii) are made exclusively with respect to a “qualified residential rental project” within the meaning of Section 142(d) of the Code.

“Rebate Amount” shall have the meaning given to such term in Section 8.10 of this Agreement.

“Rebate Analyst” means any rebate analyst selected by the Issuer and reasonably acceptable to the Borrower.

“Rebate Analyst’s Fee” means the fee payable by the Borrower pursuant to Section 3.1(b)(4) hereof.

“Rebate Report” shall have the meaning given to such term in Section 8.10 of this Agreement.

“Regulatory Agreement” means the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of May 1, 2025, as amended, among the Issuer, the Borrower and the Purchaser, as such agreement may be amended, modified or supplemented from time to time.

“Related Person” with reference to any Substantial User, means a “related person” within the meaning of Section 147(a)(2) of the Code.

“Reserved Rights” means the rights of the Issuer pursuant to Sections 2.6, 3.1(b)(2), 3.1(c), 4.2, 8.7, 8.19, 9.7, 10.5 and 10.13 of this Agreement and the rights of the Issuer pursuant to other sections of this Agreement providing that notices, reports and other statements be given to the Issuer and that specified consents be obtained from the Issuer.

“Series 2023B Bond Note” means the promissory note delivered by the Borrower to the Issuer and endorsed to the Purchaser in the form attached hereto as **Exhibit D**, as amended, and subject to the provisions set forth in the Construction Disbursement Agreement – Series 2023B.

“Series 2025C Bond Note” means the promissory note delivered by the Borrower to the Issuer and endorsed to the Purchaser in the form attached hereto as **Exhibit D**, as amended, and subject to the provisions set forth in the Construction Disbursement Agreement – Series 2025C.

“Special Limited Partner” means CDC Special Limited Partner, L.L.C., a Georgia limited liability company.

“State” means the State of Texas.

“Subordinate Construction Fund” means the account[s] of that name created pursuant to Section 2.7 of this Agreement and held under the Construction Disbursement Agreement.

“Substantial User” means, with respect to any “facilities” (as the term “facilities” is used in Section 144(a) of the Code), a “substantial user” of such “facilities” within the meaning of Section 147(a) of the Code.

“Tax Certificate and Agreement” means jointly, the Issuer’s Tax Certificate and the Borrower’s Tax Letter of Representations, including all exhibits and attachments thereto, of the Issuer and the Borrower, dated the Issue Date, concerning certain federal tax matters furnished in connection with the initial issuance and delivery of the Bonds.

Section 1.2. Rules of Construction; Time of Day. In this Agreement, unless otherwise indicated, (i) defined terms may be used in the singular or the plural and the use of any gender includes all genders, (ii) the words “hereof”, “herein”, “hereto”, “hereby” and “hereunder” refer to this entire Agreement, and (iii) all references to particular Articles or Sections are references to the Articles or Sections of this Agreement, (iv) the terms “agree” and “agreements” contained herein are intended to include and mean “covenant” and “covenants”, (v) the term “including” shall mean “including, but not limited to,” and (vi) the terms “best knowledge” or “knowledge” shall mean the actual knowledge (and shall not include constructive knowledge) of the manager of the General Partner of the Borrower. References to any time of the day in this Agreement shall refer to Eastern Standard Time or Eastern daylight saving time on such day.

ARTICLE II PLAN OF FINANCING

Section 2.1. Issuance of Bonds; Loan of Bond Proceeds. In order to provide funds for payment of a portion of the costs related to financing the Project Facilities:

(a) The Issuer has authorized the issuance of the Bonds and the making of the Bond Loan to the Borrower. The Bonds shall be issued in the maximum principal amount of \$5,575,000, consisting of the Series 2023B Bonds in the original principal amount of \$3,575,000 and the Series 2025C Bonds in the original principal amount of \$2,000,000 and shall be issued as fully registered bonds in substantially the form set forth hereto as Exhibit B and shall be dated February 1, 2023 and [_____, 2025], respectively. The Bonds shall be executed in the name and on behalf of the Issuer by the manual or facsimile signatures of the President or Vice President of the Issuer and attested by the Secretary of the Issuer. The President, Vice President, Treasurer and Secretary of the Issuer are hereby authorized to have control of the Bonds and all necessary records and proceedings pertaining to the Bonds pending their investigation, examination, and approval by the Attorney General of the State; their registration by the Comptroller of Public Accounts of the State; and their delivery to the Purchaser. A single bond for each series shall be submitted to the Attorney General of the State (the "*Initial Bond*") for such purpose and shall be registered in the name of the Purchaser. Upon registration of the Initial Bond, said Comptroller of Public Accounts (or deputy designated in writing to act for said Comptroller) shall sign the Comptroller Registration Certificate. The Initial Bond thus registered shall remain in the custody of the Secretary (or her designee) until such Initial Bond is cancelled upon delivery of a separate definitive Bond to the Purchaser. The proceeds of the Bonds shall be deposited to the applicable account of the Subordinate Construction Fund on the Issue Date. The Bonds will be secured as provided herein, including funds held in the applicable account of the Subordinate Construction Fund and payments received on each Bond Note. Payment of principal and interest on the Bonds shall be made to the Purchaser or its assigns, as the registered owner of the Bonds.

The Initial Bond of the Series 2023B Bonds numbered T-1 was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas on February 15, 2023. The Initial Bond of the Series 2025C Bonds will be numbered T-1 and will be submitted to the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas. The definitive Bonds shall be numbered R-1 upwards.

The Purchaser shall be responsible for managing the disbursements from the Subordinate Construction Fund as requested by the Borrower in a manner provided herein and in the Construction Disbursement Agreement.

(b) The Bonds shall bear interest payable monthly on the 10th day of each calendar month commencing, for the Series 2023B Bonds, April 10, 2023, and commencing for the Series 2025C Bonds, _____ 10, 2025, at the Interest Rate under the applicable Bond Note. The Bonds shall mature and all principal and unpaid interest shall be due on the Maturity Date. Principal on the Bonds shall be due and payable as required in each Bond Note.

(c) Subject to the satisfaction of all of the terms and conditions set forth in this Agreement and the applicable Construction Disbursement Agreement, the Purchaser agrees to make disbursements from the Subordinate Construction Fund authorized by a payment request form submitted by the Borrower in the form set forth in Exhibit E and as required in the applicable Construction Disbursement Agreement.

(d) The Borrower and its General Partner agree to take or cause to be taken all actions necessary to cause the Investor Partner to make all equity deposits contemplated by the Borrower's Partnership Agreement, subject to the terms and conditions thereof, and the documents related thereto and to administer those existing deposits as provided in the Construction Disbursement Agreement.

(e) The Borrower agrees to take all actions required in order that all funds disbursed from the Subordinate Construction Fund shall be applied to pay, or to reimburse the payment of, costs as described in the certificates of the Borrower in substantially the form of Exhibit E attached hereto.

Section 2.2. Reserved.

Section 2.3. Sufficiency of Funds. The Purchaser shall not have any obligation to disburse funds that exceed the amount in the applicable account of the Subordinate Construction Fund. The Borrower agrees that if the Borrower should pay any costs relating to the acquisition, construction, furnishing or equipping of the Project Facilities other than from the proceeds of the Bonds, the Borrower shall not be entitled to any reimbursement therefor from the Issuer or the Purchaser, and shall not be entitled to any reduction of amounts due under this Agreement. The Issuer and the Purchaser make no warranty, either express or implied, that the moneys to be deposited in the Subordinate Construction Fund and available for payment will be sufficient to pay all the Project Costs.

Section 2.4. Reserved.

Section 2.5. Investment of Moneys. Any moneys held as part of the Subordinate Construction Fund shall be invested or reinvested, from time to time, by the Purchaser in Permitted Investments. The Borrower has reviewed the provisions hereof, including without limitation those provisions relating to investment of funds held hereunder and the use of such investment earnings, and has reviewed the proposed initial investment of funds held under this Agreement and hereby approves and directs the same.

Section 2.6. Limitation of Issuer's Liability. THE BONDS SHALL BE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER PAYABLE, AS TO PRINCIPAL AND INTEREST SOLELY FROM THE ASSETS PLEDGED BY SECTION 3.4 HEREUNDER. THE BONDS SHALL NOT BE A DEBT OR INDEBTEDNESS OF THE STATE OF TEXAS OR ANY POLITICAL SUBDIVISION OF THE STATE OF TEXAS, AND NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL THE BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER PLEDGED UNDER THIS AGREEMENT OR THE APPLICABLE CONSTRUCTION DISBURSEMENT AGREEMENT. THE BONDS SHALL

NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE ISSUER FROM THE SOURCES IDENTIFIED HEREIN) SHALL BE LIABLE FOR PAYMENT OF THE BONDS NOR IN ANY EVENT SHALL PRINCIPAL OF AND INTEREST ON THE BONDS BE PAYABLE OUT OF ANY FUNDS OR ASSETS OTHER THAN THOSE PLEDGED TO THAT PURPOSE BY THE ISSUER HEREIN OR IN THE APPLICABLE CONSTRUCTION DISBURSEMENT AGREEMENT. THE ISSUER HAS NO TAXING POWER. THE BONDS ARE ISSUED UNDER CHAPTER 394, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS AGAINST ANY PAST, PRESENT OR FUTURE MEMBER OF THE ISSUER'S GOVERNING BODY, OR THE OFFICERS, COUNSEL, FINANCIAL ADVISORS OR AGENTS OF THE ISSUER, OR OF ANY SUCCESSOR THERETO, UNDER ANY RULE OF LAW OR EQUITY, STATUTE OR CONSTITUTION, AND ALL SUCH LIABILITY IS HEREBY EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF, AND CONSIDERATION FOR, THE EXECUTION AND ISSUANCE OF THE BONDS.

Section 2.7. Subordinate Construction Fund.

(a) The Purchaser shall establish and maintain, or cause to be established and maintained, a special account designated as the "Subordinate Construction Fund" and therein a "Series 2023B Subordinate Construction Account" for proceeds of the Series 2023B Bonds and a "Series 2025C Subordinate Construction Account" for proceeds of the Series 2025C Bonds and shall keep such account segregated from all other funds held by the Borrower or the Purchaser and administer such fund in accordance with this Agreement and the applicable Construction Disbursement Agreement.

(b) The Purchaser shall deposit the proceeds of the Bonds on the Issue Dates thereof into the applicable account of the Subordinate Construction Fund upon the satisfaction of the terms and conditions of the applicable Construction Disbursement Agreement required for the deposit of the Bond proceeds to the applicable account of the Subordinate Construction Fund and shall disburse such funds from time to time to pay or reimburse the Borrower for the costs of the acquisition, construction and equipping of the Project Facilities in the manner provided in the applicable Construction Disbursement Agreement.

**ARTICLE III
PAYMENT OF LOAN**

Section 3.1. Amounts Payable.

(a) The Borrower covenants to make payments required by each Bond Note, as and when the same become due. The Borrower covenants that, for so long as the Bonds are Outstanding and except as otherwise contemplated hereby, it will not execute any amendment to the Bond Note that results in a decrease in the amount payable thereunder without the consent of the Purchaser. Payments made to the Purchaser pursuant to the applicable Bond Note shall be

credited against the amounts due under the applicable Bond Note on the basis provided in the Bond Note and on the Issuer's obligations on the Bonds.

(b) To the extent not paid pursuant to the Bond Note, the Borrower also shall pay, or cause to be paid, as and when the same become due: (1) to the Purchaser the expenses reasonably incurred by it as Purchaser hereunder, including without limitation the reasonable fees and expenses of its counsel and the amount, if any, required to pay the principal of and interest on the Bonds when due; (2) to the Issuer or to any payee designated by the Issuer, all expenses of the Issuer, and its respective agents reasonably incurred at any time related to the Bonds or the Project Facilities or the financing thereof, including, without limitation, legal and advisory fees and expenses incurred in connection with the interpretation, performance, enforcement or amendment of any documents relating to the Project Facilities or the Bonds or in connection with questions or other matters arising under such documents, which amounts described in this clause (2) shall be paid upon demand and in any event no later than thirty (30) days after receipt of request for payment thereof; (3) to Bond Counsel, the reasonable fees and expenses of Bond Counsel incurred after the Issue Date in connection with the Bonds or any Bond Documents at the request of the Issuer or the Purchaser; (4) to the Rebate Analyst, the Rebate Analyst's Fee; and (5) to the respective payee, any other expenses payable in accordance with this Agreement.

(c) In addition to the foregoing, the Borrower shall pay to: (1) the Issuer (A) on the Issue Date for the Series 2025C Bonds, an Issuance Fee and the first two years of the Issuer's Administrative Fee for the Series 2025C Bonds and (B) on each January 1, commencing January 1, 2027 while the Bonds are Outstanding, the Issuer's Administrative Fee; and (2) the Purchaser a commitment fee equal to one tenth of one percent (0.10%) of the principal amount of the Series 2025C Bonds.

Section 3.2. Prepayment of Loan; Redemption of Bonds. The Issuer and the Purchaser acknowledge that the Borrower shall have the option to prepay the Bond Loan in full or in part at any time upon thirty (30) days advance written notice to the Purchaser.

Section 3.3. Absolute Obligations of Borrower. The obligation of the Borrower to make payments on the Bond Note, to make all other payments provided for herein and to perform and observe the other agreements and covenants on its part herein contained shall be absolute and unconditional, irrespective of any defense or any rights of setoff, recoupment or counterclaim it might otherwise have against the Issuer, the Purchaser or any other person. Subject to prepayment of each Bond Note in full and termination as provided herein, the Borrower shall not suspend or discontinue any such payment hereunder or on either Bond Note or fail to perform and observe any of its other agreements and covenants contained herein or terminate this Agreement for any cause, including, without limiting the generality of the foregoing, any acts or circumstances that may deprive the Borrower of the use and enjoyment of the Project Facilities, failure of consideration or commercial frustration of purpose, any damage to or destruction of the Project Facilities or any part thereof, the taking by eminent domain of title to or the right to temporary use of all or any part of the Project Facilities, any change in the tax or other laws of the United States of America, the State or any political or taxing subdivision of either thereof, or any failure by the Issuer to perform and observe any agreement or covenant, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement.

Section 3.4. Pledge and Assignment. The Issuer hereby pledges and assigns to the Purchaser all the Issuer's rights under this Agreement (except its Reserved Rights), the Bond Note and the Construction Disbursement Agreement to secure payment of the Bonds. The Borrower hereby consents to such pledge and assignment.

ARTICLE IV REPRESENTATIONS OF ISSUER

Section 4.1. Representations by the Issuer. The Issuer represents and warrants as follows:

(a) The Issuer is a public, nonprofit housing finance corporation organized under the laws of the State of Texas.

(b) The Issuer has all requisite power, authority and legal right to execute and deliver the Bond Documents to which it is a party and all other instruments and documents to be executed and delivered by the Issuer pursuant thereto, to perform and observe the provisions thereof and to carry out the transactions contemplated by the Bond Documents. All corporate action on the part of the Issuer which is required for the execution, delivery, performance and observance by the Issuer of the Bond Documents has been duly authorized and effectively taken, and such execution, delivery, performance and observation by the Issuer do not contravene applicable law or any contractual restriction binding on or affecting the Issuer.

(c) The Issuer has duly approved the issuance of the Bonds and the Bond Loan for the acquisition and construction of the Project Facilities; no other authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required as a condition precedent to the execution of this Agreement or the delivery of the Bonds that are to be delivered on the Issue Date other than the approval of the Bonds by the Attorney General of the State of Texas and the registration of the Bonds by the Comptroller of Public Accounts of the State of Texas.

(d) This Agreement is, and each other Bond Document to which the Issuer is a party when delivered will be, a valid and binding special obligation of the Issuer enforceable against the Issuer in accordance with its terms except as the enforceability thereof may be limited by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other laws affecting creditors' rights generally; (ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the Issuer.

(e) There is no action, suit, proceeding, inquiry, or investigation at law or in equity or before or by any court, public board or body pending, or, to the knowledge of the Issuer, threatened against or affecting the Issuer wherein an unfavorable decision, ruling or finding would adversely affect (i) the transactions contemplated by, or the validity or enforceability of, the Bonds or this Agreement or (ii) the tax-exempt status of interest on the Bonds.

(f) In connection with the authorization, issuance and sale of the Bonds, the Issuer has complied in all material respects with all provisions of the laws of the State, including the Act.

(g) The Issuer has not assigned or pledged and will not assign or pledge its interest in this Agreement for any purpose other than to secure the Bonds under this Financing Agreement. The Bonds constitute the only obligations of the Issuer in any manner payable from the revenues to be derived from this Agreement, and except for the Bonds, no obligations have been or will be issued on the basis of this Agreement.

(h) The Issuer is not in default under any of the provisions of the laws of the State, which default would affect the issuance, validity or enforceability of the Bonds or the transactions contemplated by this Agreement.

(i) THE ISSUER AND THE PURCHASER MAKE NO REPRESENTATION OR WARRANTY THAT THE PROJECT FACILITIES WILL BE ADEQUATE OR SUFFICIENT FOR THE PURPOSES OF THE BORROWER. NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED AS REQUIRING THE ISSUER OR THE PURCHASER TO PROVIDE ANY FINANCING FOR THE PROJECT FACILITIES OTHER THAN THE PROCEEDS OF THE BOND LOAN OR TO PROVIDE SUFFICIENT MONEYS FOR ALL OF THE COSTS OF THE PROJECT.

Section 4.2. Role of the Issuer. The Issuer will not take or omit to take any action, which action or omission will adversely affect the excludability of gross income for federal income tax purposes of the interest of the Bonds under the Code. The Issuer shall not be required to take any action not expressly provided for herein. In addition, the Issuer shall have no obligation to review, control or oversee the activities of the Purchaser or any other person in connection with this Agreement or the Bonds. Furthermore, the Issuer shall not be obligated to take any action that might in its reasonable judgment involve it in any expense or liability unless it shall have been furnished with assurance of payment or reimbursement for any expense satisfactory to the Issuer, and with reasonable indemnity for liability of the Issuer, its officers, members, officials, agents and employees.

The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Agreement and the Bonds executed and delivered hereunder; provided, however, that the liability of the Issuer under any such covenant, condition or agreement for any breach or default by the Issuer thereof or thereunder shall be limited solely to the revenues and receipts held hereunder or derived from the Construction Disbursement Agreement.

The Issuer acknowledges and agrees that all representations, warranties and covenants contained in this Agreement are for the benefit of the Purchaser and relied upon by Purchaser and shall survive the delivery of the Bonds.

Section 4.3. Further Assurances. The Issuer shall, upon request and subject to its right to reimbursement and indemnity in Section 8.19 hereof, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such agreements supplemental hereto and such further acts, instruments and transfers as the Purchaser may reasonably require for the better assuring, transferring, conveying, pledging and assigning to the Purchaser of all the rights assigned hereby and the revenues and receipts pledged hereby to the payment of the principal of and interest on the Bonds. The Issuer shall, upon request and subject to its right to reimbursement

and indemnity in Section 8.19 hereof, cooperate reasonably with the Borrower and the Purchaser in protecting the rights and security of the Purchaser.

ARTICLE V REPRESENTATIONS AND WARRANTIES OF THE BORROWER

The Borrower represents and warrants to and for the benefit of the Issuer and the Purchaser as follows:

Section 5.1. Existence. The Borrower is a limited partnership, duly organized, validly existing and in good standing under the Legal Requirements of the State of Texas and is duly qualified to do business in the State. The Borrower has furnished true and complete copies of its partnership agreement and certificate of limited partnership. The Borrower owns no assets other than the Project Facilities. The Borrower has been, is and will be engaged solely in the business of financing, owning, managing and operating the Project Facilities and activities incident thereto. The General Partner of the Borrower is Mill Stream Housing Company, LLC a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Indiana and is duly qualified to do business in the State. The General Partner has furnished to the Purchaser true and complete copies of its Articles of Organization and Certificates of Existence. The Borrower represents that the ownership of interests in the Borrower, as follows, are correct as of the Issue Date: (a) the General Partner – .01%; and (b) the Investor Partner – 99.99%; and (c) the Special Limited Partner – 0.00%.

Section 5.2. Power, Authorization and No Conflicts. The Borrower has all requisite power and authority and the legal right to own and operate its properties and to conduct its business and operations as they are currently being conducted and as proposed to be conducted by it. The execution, delivery and performance by the Borrower of this Agreement and the other Bond Documents to which the Borrower is a party (i) are within the Borrower's powers, (ii) have been duly authorized by all necessary company and legal action, and (iii) do not contravene the partnership agreement, operating agreement, articles of organization, or certificate of limited partnership of the Borrower or the General Partner, as applicable, or any Legal Requirement applicable to the Borrower or the General Partner or any material contract or restriction binding on or affecting the Borrower, the General Partner or any of their respective assets, or result in the creation of any mortgage, pledge, lien or encumbrance upon any of their assets other than as provided by the terms thereof.

Section 5.3. Governmental Authorizations and other Approvals. The Borrower and the General Partner have all necessary Governmental Actions and qualifications, and have complied in all material respects with all applicable Legal Requirements necessary to conduct their business as it is presently conducted and to own and operate the Project Facilities in accordance with the provisions of the Bond Documents. No authorization, approval or other action by, and no notice to or filing with, any Governmental Authority is required for the due execution, delivery and performance by the Borrower of this Agreement, or the other Bond Documents, except such as have been obtained or are not issuable on or before the date of execution and delivery of this Agreement.

Section 5.4. Validity and Binding Effect. This Agreement and the other Bond Documents to which the Borrower is a party are the legal, valid and binding obligations of the Borrower, enforceable against it in accordance with their terms, subject to the application by a court of general principles of equity and to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar Legal Requirement affecting creditors' rights generally.

Section 5.5. No Litigation. There is no pending action or proceeding before any Governmental Authority or arbitrator against or involving the Borrower, the General Partner or to the Borrower's knowledge after due inquiry, the Project Facilities and, to the best knowledge of the Borrower and the General Partner, there is no threatened action or proceeding affecting the Borrower or the General Partner before any Governmental Authority or arbitrator which, in any case, might materially and adversely affect the business, operations, assets, condition (financial or otherwise) or prospects of the Borrower or the General Partner, or the validity or enforceability of this Agreement, the Bonds or the other Bond Documents or the operation or ownership of the Project Facilities.

Section 5.6. Compliance. The Borrower shall, through the term of this Agreement and at no expense to the Issuer, promptly comply or cause compliance with all laws, ordinances, orders, rules, regulations and requirements of duly constituted public authorities which may be applicable to the Project Facilities or to the repair and alteration thereof, or to the use or manner of use of the Project Facilities.

ARTICLE VI [RESERVED]

ARTICLE VII ACQUISITION OF BONDS; REGISTRATION AND TRANSFER

Section 7.1. Acquisition of Bonds for Account of the Purchaser; Registration and Transfer. The Purchaser is hereby appointed by the Issuer as the registrar of the Bonds (the "Registrar") and as registrar for the Bonds, shall maintain the registration records containing the names and addresses of the registered owner or owners of the Bonds and shall register the Bonds in the registration records, a copy of which shall be provided to the Issuer in the form attached hereto as Exhibit G as the same may be modified from time to time. The Purchaser represents and warrants that it will acquire the Bonds for its own account and that it has no present intention of making any distribution or disposition of the Bonds. The Person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of and interest on such Bond shall be made only to or upon the order of the registered owner thereof, or its legal representative.

The Purchaser may only sell a Bond or any participations, receipts evidencing ownership or other participatory interests in the Bonds upon delivery to the Issuer and the Borrower of an Investor Letter from an Approved Investor. The Issuer agrees to execute, acknowledge and deliver, at the Purchaser's expense, such further instruments as the Purchaser may reasonably request to effectuate any transaction establishing such sale, participations, receipts evidencing ownership or other participatory interests by the Purchaser.

If there is a successor registrar for the Bonds, such successor shall by a trust company or commercial bank authorized to do business in Texas and shall maintain the registration records in Texas.

ARTICLE VIII GENERAL COVENANTS

So long as any amount is due and owing hereunder, the Borrower covenants and agrees that, except to the extent the Purchaser and the Issuer shall otherwise consent in writing, each of the following covenants shall be performed and complied with:

Section 8.1. Conduct of Business; Maintenance of Existence; Mergers. The Borrower will (i) engage solely in the business of financing, owning and operating the Project Facilities, and activities incident thereto, (ii) preserve and maintain in full force and effect its existence as a limited partnership under the Legal Requirements of the state of its organization, and its rights and privileges and its qualification to do business in the State, (iii) not dissolve or otherwise dispose of all or substantially all of its assets and (iv) not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it.

Section 8.2. Compliance with Legal Requirements. The Borrower will comply with all Legal Requirements applicable to the Borrower or the Project Facilities.

Section 8.3. Maintenance of Governmental Authorizations. The Borrower will maintain in full force and effect all of its Governmental Actions and qualifications necessary for the conduct of its business as it is presently being conducted and the ownership and operation of its facilities as they are presently being operated.

Section 8.4. Reserved.

Section 8.5. Compliance with Other Contracts and Bond Documents. The Borrower will comply with all of its covenants and agreements under the Bond Documents, as the same may hereafter be amended or supplemented from time to time, and each of such covenants is incorporated herein by reference as if fully set forth herein. The Borrower shall comply in all material respects with, or cause to be complied with, all requirements and conditions of all material contracts or restrictions binding on, relating to or affecting the Borrower, the General Partner or any of their respective assets, or relating to the Project Facilities. The Borrower shall not take any action which would adversely affect the excludability from gross income of interest on the Bonds, nor shall the Borrower omit or fail to take any action required to maintain the excludability from gross income of interest on the Bonds.

Section 8.6. Maintenance of Properties. The Borrower will, at its sole expense, maintain and preserve, or cause to be maintained and preserved, the Project Facilities in good working order and repair, fit for the purposes for which the Project Facilities were originally erected; not permit, commit or suffer any waste of any of its properties; not use (and use reasonable efforts to not permit tenants to use) any of the Project Facilities for any unlawful purpose and use reasonable efforts to not permit any nuisance to exist thereon; promptly make such repairs or replacements (structural or nonstructural, foreseen or unforeseen) as are required for the proper operation, repair and maintenance of the Project Facilities in an economical and efficient manner and consistent

with customary and prudent practices, standards and procedures applicable to properties of like size and type; perform all repairs or replacements in a good and workmanlike manner, and in compliance with all applicable Legal Requirements; keep and maintain abutting grounds, sidewalks, roads, parking and landscape areas which may be owned by the Borrower in good and neat order and repair; not take (or fail to take) any action, which if taken (or not so taken) would increase in any way the risk of fire or other hazard occurring to or affecting any of the Project Facilities; and not sell, lease (other than pursuant to residential Leases), cause a sale of or otherwise dispose of any part of its properties, except as otherwise permitted hereunder and under the other Bond Documents.

Section 8.7. Inspection Rights. The Borrower will, at any reasonable time and from time to time, permit the Purchaser, the Issuer and the agents or representatives of the Purchaser and the Issuer, to examine and copy and make abstracts from the records and books of account of, and visit the properties of, the Borrower, and to discuss the affairs, finances and accounts of the Borrower with the General Partner and its accountant. Upon reasonable prior notice, and subject to the rights of tenants, the Borrower will permit the Issuer or the Purchaser to inspect, or cause to be inspected, the Project Facilities at any reasonable time or times as the Purchaser or the Issuer may direct. The Borrower shall pay or reimburse the Purchaser on demand for reasonable and necessary advances and expenses incurred in connection with such inspections.

Section 8.8. Reserved.

Section 8.9. Reserved.

Section 8.10. Tax-Exempt Status. The Borrower covenants, represents and agrees to comply with the provisions of the Tax Certificate and Agreement and that it will not take or omit to take or permit any action that would adversely affect the excludability of interest on the Bonds from the gross income of the recipients thereof for federal income tax purposes and, if it should take or permit any such action, the Borrower will take all lawful actions that it can take to rescind such action promptly upon having knowledge thereof and that the Borrower will take such action or actions, including amendment of this Agreement and the Regulatory Agreement, as may be necessary, in the Opinion of Bond Counsel, to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service applicable to the Bonds or affecting the Project Facilities. Further, except as otherwise provided in this Section 8.10, the Borrower shall not permit the ownership in the Borrower, the General Partner or any Affiliate thereof to be modified without the prior written consent of the Purchaser and the Issuer. Notwithstanding the foregoing or anything to the contrary contained herein or in any of the Bond Documents, but subject to the Construction Disbursement Agreement, (a) the withdrawal, removal and/or replacement of the General Partner in accordance with the Borrower's Partnership Agreement shall not require the consent of the Purchaser, the Issuer or any other Person, and (b) the consent of the Purchaser, the Issuer or any other Person shall not be required for (i) a transfer of the limited partner interests of the Investor Partner or Special Limited Partner in the Borrower in accordance with the Partnership Agreement, or (ii) a transfer of ownership interests in the General Partner, the Investor Partner or the Special Limited Partner, in any case, in accordance with the Borrower's Partnership Agreement, and (c) a transfer, in whole or in part, of the Project in accordance with the Partnership Agreement. Further, except with the prior written approval of the Purchaser (such

approval for the Purchaser's purchase of the Bonds having been acknowledged as given), the Borrower agrees to operate, construct and develop the Project in such a manner as to assure that no entity other than the Borrower is or will be a Substantial User or Related Person to a Substantial User and, if it should take or permit any such action, the Borrower will take all lawful actions that it can take to rescind such action promptly upon having knowledge thereof.

The Borrower will not make or permit any use, and will not direct the Purchaser to make any investment or use of the proceeds of the Bonds, which would cause the Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code and the Regulations thereunder as the same may be applicable to the Bonds at the time of such action, investment or use and agrees to take and cause the Issuer and the Purchaser to take all actions required to comply with the provisions of Section 148 of the Code.

The Borrower further covenants and agrees that it will comply with and will take all action reasonably required to comply with all applicable requirements of Section 148 and the rules and regulations of the United States Treasury Department thereunder relating to the Bonds and the interest thereon, including the employment of the Rebate Analyst for the calculation of any rebatable amount (the "**Rebate Amount**") to the United States Treasury Department. The Borrower agrees that it will cause the rebate analyst to calculate the Rebate Amount not later than forty-five (45) days after the fifth anniversary of the Issue Date and each five (5) years thereafter and agrees that the Borrower will pay all costs associated therewith. Within fifteen (15) days of the date of each such calculation, the Borrower shall promptly deliver a report or letter from the Rebate Analyst setting forth the Rebate Amount, if any, then due and the methods used to calculate such amount (each a "**Rebate Report**") to the Issuer and the Purchaser. In addition, the Borrower shall prepare, or cause the Rebate Analyst to prepare, and file any forms required by the Internal Revenue Service to be submitted with the Rebate Amount, if any.

Neither the Borrower, any Substantial User, nor any Related Person shall, pursuant to any arrangement, formal or informal, purchase or acquire the Bonds or other tax-exempt obligations of the Issuer in an amount related to the Bond Loan, unless the Borrower or such Substantial User or Related Person delivers a favorable Opinion of Bond Counsel with a reliance letter addressed to the Purchaser.

No changes will be made to the Project Facilities, no actions will be taken by the Borrower and the Borrower will not omit to take any actions, which will in any way adversely affect the tax-exempt status of the Bonds.

The Borrower will not make any changes in the Project Facilities that would, at the time made, cause the average reasonably expected economic life of the Project Facilities, determined pursuant to Section 147(b) of the Code, to be less than the average reasonably expected economic life of the Project set forth in such certificates or letters of representation of the Borrower, unless the Borrower files with the Issuer and the Purchaser a favorable Opinion of Bond Counsel that such changes to the Project Facilities will not result in loss of the excludability of interest on the Bonds from gross income for federal income tax purposes.

No portion of the proceeds of the Bonds will be used to acquire existing property or any interest therein unless such acquisition meets the rehabilitation requirements of Section 147(d) of the Code.

The Issuer covenants and agrees that it will, solely at the written request of the Borrower and at the expense of the Borrower, take or cause to be taken all required actions reasonably within its control, to preserve the excludability from gross income for federal income tax purposes of interest on the Bonds.

Section 8.11. Reserved.

Section 8.12. Reserved.

Section 8.13. Reserved.

Section 8.14. Reserved.

Section 8.15. Reserved.

Section 8.16. Determination of Taxability; Increased Costs.

(a) Neither the Borrower nor the General Partner shall admit in writing to the Issuer or the Purchaser that interest on the Bonds has become includable in gross income for purposes of federal income taxation of a Purchaser without first providing reasonable advance notice to the Purchaser and permitting the Purchaser, at its sole discretion and expense, to contest such conclusion. Promptly after the Borrower first becomes aware of any Determination of Taxability or an event that could trigger a Determination of Taxability, the Borrower shall give written notice thereof to the Issuer and the Purchaser.

(b) If either of the following shall occur:

(i) A Determination of Taxability, or

(ii) other than due to matters constituting a Determination of Taxability, in the event that the Purchaser shall reasonably determine (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto) that any law, treaty or governmental rule, regulation or order, or any change therein or in the interpretation, administration or application thereof (including the introduction of any new law, treaty or governmental rule, regulation or order), or any determination of a court or governmental authority, in each case that becomes effective after the date hereof, or compliance by the Purchaser with any guideline, request or directive issued or made after the date hereof by any central bank or other governmental or quasi-governmental authority (whether or not having the force of law):

(A) subjects the Purchaser to any additional tax (other than any tax on the overall net income of the Purchaser) with respect to the Bonds, the transactions contemplated by the Bonds and this Financing Agreement, any of the Purchaser's obligations hereunder or any payments to the Purchaser of principal, interest,

penalties, fees or any other amount payable hereunder or under the Bonds;

(B) imposes, modifies or holds applicable any reserve (including any marginal, emergency, supplemental, special or other reserve), special deposit, compulsory loan, FDIC insurance or similar requirement against assets held by, or deposits or other liabilities in or for the account of, or advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of the Purchaser; or

(C) imposes any other condition on or affecting the Purchaser (or its applicable lending office) or its obligations under the Financing Agreement; and the result of any of the foregoing events described in (i) or (ii) above is:

(1) to increase the cost to the Purchaser of purchasing or owning the Bonds, or

(2) to reduce the amount of interest, or any amount received or receivable by a Purchaser (or its applicable lending office) with respect to the Bonds, or

(3) to require a Purchaser to make any payment or to forego any interest or other sum payable under the Bonds, the amount of which payment or foregone interest or other sum is calculated by reference to the gross amount of any sum receivable or deemed received by the Purchaser from the Issuer under the Bonds, including any federal income taxes due on the interest on the Bonds;

then, in any such case, the Borrower shall pay or caused to be paid to the Purchaser, upon receipt of the statement referred to in the next sentence, such additional amount or amounts (in the form of a fee (rather than interest payable on the Bonds) representing the increased amount, or a different method of calculating costs, interest or otherwise as the Purchaser in its sole discretion shall determine) as may be necessary to compensate the Purchaser for any such increased cost or reduction in amounts received or receivable hereunder. The Purchaser shall deliver to the Issuer and the Borrower a written statement setting forth in reasonable detail the basis for calculating the additional amounts owed to the Purchaser under this Section 8.16(b), which statement shall be conclusive and binding upon all parties hereto absent manifest error.

Section 8.17. Reserved.

Section 8.18. Borrower's Approval of Assignment of Security Interest. The Borrower understands that pursuant to the provisions of Section 10.17 hereof, the Issuer, as security for the payment of the principal of and the interest on the Bonds, has assigned and pledged to the Purchaser, certain of the Issuer's rights, title and interest in and to this Agreement (including all payments hereunder and under the Bond Note) reserving, however, the Reserved Rights; and the Borrower hereby agrees and consents to such assignment and pledge. By its execution of this Agreement, the Borrower acknowledges that it has approved, has agreed to and is bound by such assignment and pledge. The Borrower agrees that the Purchaser shall be entitled to enforce and to benefit from the terms and conditions of this Agreement that relate to it.

Section 8.19. Indemnification. Each of the Borrower and Pedcor Investments, A Limited Liability Company separately indemnifies and holds harmless the Issuer and each of its Affiliates (and each of the Issuer's and its Affiliates' respective directors, officers, employees, representatives and agents), and the Purchaser and each of its Affiliates (and each of the Purchaser's and its Affiliates' respective directors, officers, employees, representatives and agents) (collectively, the "**Indemnified Parties**") except as limited below, from and against any and all claims, damages, losses, liabilities, costs or expenses (including attorneys' fees for counsel of each of the Indemnified Parties' choice) whatsoever which the Indemnified Parties may incur (or which may be claimed against any of the Indemnified Parties by any person or entity whatsoever) by reason of or in connection with:

(a) any breach by the Borrower of any representation, warranty, covenant, term or condition in, or the occurrence of any default or Event of Default under, this Agreement or the other Bond Documents, including all reasonable fees or expenses resulting from the settlement or defense of any claims or liabilities arising as a result of any such breach or default or any Determination of Taxability;

(b) the involvement of any of the Indemnified Parties in any legal suit, investigation, proceeding, inquiry or action as a consequence, direct or indirect, of the Purchaser's actions taken pursuant to this Agreement or any other event or transaction contemplated by any of the foregoing;

(c) any untrue statement or alleged untrue statement contained or incorporated by reference in any offering or reoffering materials prepared in respect of the Bonds, or any supplement or amendment thereof, or the omission or alleged omission to state therein a material fact necessary to make such statements in light of the circumstances under which they are or were made not misleading;

(d) the acceptance or administration of the Bond Documents or the trusts thereunder or the performance of duties under the Bond Documents or any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project Facilities or the use thereof, including without limitation any lease thereof or assignment of its interest in this Agreement;

(e) any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees in connection with the Project Facilities, the operation of the Project Facilities, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation or construction of, the Project Facilities or any part thereof;

(f) any Lien (other than a **Permitted Encumbrance**) or charge upon payments by the Borrower to the Issuer and the Purchaser hereunder, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Issuer or the Purchaser in respect of any portion of the Project Facilities;

(g) the enforcement of, or any action taken by the Issuer or the Purchaser, related to remedies under, this Agreement and the other Bond Documents;

(h) any action, suit, claim, proceeding, audit, inquiry, examination, or investigation of a judicial, legislative, administrative or regulatory nature concerning or related to interest payable on the Bonds not being exempt from federal or state income taxation;

(i) any action, suit, claim or demand contesting or affecting the title of the Project Facilities; and

(j) the investigation of, preparation for or defense of any litigation, proceeding or investigation in connection with the Project Facilities or the transactions to be consummated in connection therewith of any nature whatsoever, commenced or threatened against the Borrower, the Project Facilities or any Indemnified Party.

The indemnification shall include the reasonable costs and expenses of defending itself or investigating any claim of liability and other reasonable expenses and attorneys' fees incurred by the Issuer or the Purchaser. The obligations of the Borrower and Pedcor Investments, A Limited Liability Company under this Section shall survive the termination of this Agreement. Notwithstanding any other provision of this Agreement or the Bond Documents to the contrary, each of the Borrower and Pedcor Investments, A Limited Liability Company separately agrees (i) not to assert any claim or institute any action or suit against the Purchaser or its employees arising from or in connection with any investment of funds made by the Purchaser in good faith as directed by the Borrower or the Purchaser, and (ii) to indemnify and hold the Purchaser and its employees harmless against any liability, losses, damages, costs, expenses, causes of action, suits, claims, demands and judgments of any nature arising from or in connection with any such investment. Nothing in this Section is intended to limit the Borrower's reimbursement obligations contained in Section 3.1 and 3.3 hereof. Amounts payable to the Issuer or the Purchaser hereunder shall be due and payable five (5) days after demand and will accrue interest at the Default Rate, commencing with the expiration of the five (5) day period. When the Issuer or the Purchaser incurs expenses or renders service in connection with any bankruptcy or insolvency proceeding, such expenses (including the fees and expenses of its counsel) and the compensation for such services are intended to constitute expenses of administration under any bankruptcy law or law relating to creditors rights generally.

ARTICLE IX DEFAULTS AND REMEDIES

Section 9.1. Defaults. The occurrence of an "Event of Default" under the Construction Disbursement Agreement shall constitute an event of default under this Agreement and each such occurrence is herein referred to as an "**Event of Default**".

Section 9.2. Remedies. If an Event of Default has occurred, the Purchaser may exercise remedies as provided for in the Construction Disbursement Agreement.

Section 9.3. No Waivers; Consents. No waiver of, or consent with respect to, any provision of this Agreement shall in any event be effective unless the same shall be in writing and signed by the Issuer at the direction of the Purchaser, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

Section 9.4. No Waiver; Remedies Cumulative. No failure on the part of the Issuer or the Purchaser to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; and no single or partial exercise of any right hereunder shall preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies available under any other document or at law or in equity.

Section 9.5. Issuer and Borrower to Give Notice of Default. The Issuer and the Borrower severally covenant that they will, at the expense of the Borrower, promptly give to the Purchaser, the Issuer and the Investor Partner and to each other written notice of any Default or Event of Default of which they shall have actual knowledge or written notice.

Section 9.6. Cure by Investor Partner. Notwithstanding anything to the contrary contained herein, the Issuer and the Purchaser hereby agree that any cure of any default made or tendered by the Investor Partner or Special Limited Partner or their respective designees, 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; provided, however, that neither the Investor Partner nor Special Limited Partner shall have any obligation or duty to take any action to cure any default or to cause any default to be cured.

Section 9.7. Attorney Fees. Upon the occurrence of an Event of Default under this Agreement, if the Issuer or the Purchaser employs attorneys or incurs other expenses for the collection of amounts payable hereunder or for the enforcement of the performance or observance of any covenants or agreements on the part of the Borrower herein contained, whether or not suit is commenced, the Borrower agrees that it will on demand therefor pay to the Issuer or the Purchaser, as applicable, the reasonable fees of such attorneys to the extent actually incurred and such other reasonable expenses so incurred by the Issuer or the Purchaser.

ARTICLE X MISCELLANEOUS

Section 10.1. Notices. All notices and other communications provided for hereunder shall be in writing and sent by facsimile and by reputable overnight mail service or private delivery service addressed as follows:

To the Issuer:

McKinney Housing Finance Corporation
401 E. Virginia Street
McKinney, Texas 75069
Attention: President

with a copy to:

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201
Attention: Robert D. Dransfield
Email: robert.dransfield@nortonrosefulbright.com

To the Borrower: Pedcor Investments-2020-CLXXX, L.P.
c/o Pedcor Investments
One Pedcor Square
770 3rd Avenue, S.W.
Carmel, IN 46032
Attention: Thomas G. Crowe
Email: tgcrowe@pedcor.net

with a copy to: Pedcor Investments, A Limited Liability Company
One Pedcor Square
770 3rd Avenue, S.W.
Carmel, IN 46032
Attention: Development Legal
Email: devlegal@pedcor.net

To the Investor Partner: TCC Mill Stream, LLC
c/o Truist Community Capital, LLC
303 Peachtree Street, N.E., Suite 2200
Atlanta, GA 30308
Mail Code: GA – ATL – 0243

With a copy to: Nixon Peabody LLP
53 State Street
Boston, MA 02109
Attention: Nathan Bernard
Email: nbernard@nixonpeabody.com

To the Purchaser: Merchants Bank of Indiana
410 Monon Boulevard, 2nd Floor
Carmel, Indiana 46032
Attention: Asset Management

With a copy to: Dinsmore & Shohl LLP
One Indiana Square, Suite 1800
Indianapolis, Indiana 46204
Attention: Michael A. Valinetz
Email: michael.valinetz@dinsmore.com

The parties listed above may change the address to which notices to it are to be sent by written notice given to the other persons listed in this Section. All notices shall, when sent as aforesaid, be effective when received.

Section 10.2. Successors and Assigns. This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns. The Borrower may not assign its rights under this Agreement without the prior written consent of the Purchaser. The Borrower and the Issuer intend that no person other than the parties hereto, and their

successors and assigns as permitted hereunder, shall have any claim or interest under this Agreement or right of action hereon or hereunder.

Section 10.3. Survival of Covenants. All covenants made by the Borrower herein and in any document delivered pursuant hereto shall survive the delivery of this Agreement and the payment of any amounts under the Bond Documents.

Section 10.4. Counterparts. The execution hereof by each party hereto shall constitute a contract between them for the uses and purposes herein set forth, and this Agreement may be executed in any number of counterparts, with each executed counterpart constituting an original and all counterparts together constituting one agreement.

Section 10.5. Costs, Expenses and Taxes. The Borrower agrees to pay at closing and thereafter within 30 days after demand, all reasonable costs and expenses of the Issuer and the Purchaser in connection with the preparation, execution, delivery and administration of this Agreement, the other Bond Documents and any other documents that may be delivered in connection with this Agreement or the Bond Documents or any amendments or supplements thereto, including, without limitation, the reasonable fees and expenses of Bond Counsel, Issuer counsel, the Rebate Analyst or counsel for the Purchaser with respect thereto and with respect to advising the Purchaser as to its rights and responsibilities under this Agreement, the other Bond Documents and such other documents, and all costs and expenses, if any, (including, without limitation, reasonable counsel fees and expenses of the Purchaser) in connection with the enforcement of this Agreement, the other Bond Documents and such other documents.

Section 10.6. Severability; Interest Limitation. If any provision hereof is found by a court of competent jurisdiction to be prohibited or unenforceable in any jurisdiction, it shall be ineffective as to such jurisdiction only to the extent of such prohibition or unenforceability, and such prohibition or unenforceability shall not invalidate the balance of such provision as to such jurisdiction to the extent it is not prohibited or unenforceable, nor invalidate such provision in any other jurisdiction, nor invalidate the other provisions hereof, all of which shall be liberally construed in favor of the Issuer in order to effect the provisions of this Agreement. Notwithstanding anything to the contrary herein contained, the total liability of the Borrower for payment of interest pursuant hereto shall not exceed the maximum amount, if any, of such interest permitted by applicable Legal Requirements to be contracted for, charged or received, and if any payments by the Borrower to the Purchaser include interest in excess of such a maximum amount, the Purchaser shall apply such excess to the reduction of the unpaid principal amount due pursuant hereto, or if none is due, such excess shall be refunded to the Borrower; provided that, to the extent permitted by applicable Legal Requirements, in the event the interest is not collected, is applied to principal or is refunded pursuant to this sentence and interest thereafter payable pursuant hereto shall be less than such maximum amount, then such interest thereafter so payable shall be increased up to such maximum amount to the extent necessary to recover the amount of interest, if any, theretofore uncollected, applied to principal or refunded pursuant to this sentence. Any such application or refund shall not cure or waive any Event of Default. In determining whether or not any interest payable under this Agreement exceeds the highest rate permitted by applicable Legal Requirements, any non-principal payment (except payments specifically stated in this Agreement to be "interest") shall be deemed, to the extent permitted by applicable Legal Requirements, to be an expense, fee, premium or penalty rather than interest.

Section 10.7. Conflicts. Insofar as possible the provisions of this Agreement shall be deemed complementary to the terms of the other Bond Documents, but in the event of conflict the terms hereof shall control to the extent such are enforceable under applicable Legal Requirements; however, insofar as the provisions of this Agreement conflict with the terms of the Construction Disbursement Agreement regarding depositing to or disbursement from the Subordinate Construction Fund, the terms of the Construction Disbursement Agreement shall control.

Section 10.8. Complete Agreement. Taken together with the other Bond Documents and the other instruments and documents delivered in compliance herewith, this Agreement is a complete memorandum of the agreement of the Borrower, the General Partner, the Purchaser and the Issuer.

Section 10.9. Consent to Jurisdiction; Venue; Waiver of Jury Trial. The parties hereby irrevocably (i) agree that any suit, action or other legal proceeding to which the Issuer is a party arising out of or relating to this Agreement or the other Bond Documents shall be brought solely in a federal or state court located in the State and consent to the jurisdiction of such court in any such suit, action or proceeding, (ii) agree that any suit, action or other legal proceeding to which the Issuer is not a party arising out of or relating to this Agreement or the other Bond Documents shall be brought solely in a federal or state court located in the State and consent to the jurisdiction of such court in any such suit, action or proceeding, and (iii) waive any objection which it may have to the laying of venue of any such suit, action or proceeding in any such court and any claim that any such suit, action or proceeding has been brought in an inconvenient forum. The parties hereby irrevocably consent to the service of any and all process in any such suit, action or proceeding by mailing of copies of such process to such party at its address provided under or pursuant to Section 10.1 hereof. The parties agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Legal Requirements. All mailings under this Section shall be by certified or registered mail, return receipt requested. Nothing in this Section shall affect the right of the Purchaser to serve legal process in any other manner permitted by applicable Legal Requirements. **TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HERETO HEREBY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING HEREUNDER OR UNDER THIS AGREEMENT, ANY OF THE OTHER BOND DOCUMENTS OR OTHERWISE IN CONNECTION HERewith.**

Section 10.10. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State without reference to its principles of conflicts of law; provided that the duties and obligations of the Purchaser under this Agreement shall be governed by and construed in accordance with the internal laws of the State of Indiana without giving effect to conflict of law principles.

Section 10.11. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 10.12. Determinations. Subject to specific provisions in this Agreement to the contrary, in any instance under this Agreement where the consent or approval of the Purchaser may be given or is required, or where any determination, judgment or decision is to be rendered

by the Purchaser under this Agreement, the granting, withholding or denial of such consent or approval and the rendering of such determination, judgment or decision shall be made or exercised by the Purchaser (or its designated representative) at their discretion.

Section 10.13. Issuer, Members, Directors Attorneys, Officers, Employees and Agents of Issuer Not Liable. To the extent permitted by law, no recourse shall be had for the enforcement of any obligation, promise or agreement of the Issuer contained herein or in the other Bond Documents to which the Issuer is a party or for any claim based hereon or thereon or otherwise in respect hereof or thereof against any director, officer, agent, attorney or employee, as such, in his individual capacity, past, present or future, of the Issuer or of any successor entity, either directly or through the Issuer or any successor entity whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise. No personal liability whatsoever shall attach to, or be incurred by, any director, officer, agent, attorney or employee as such, past, present or future, of the Issuer or any successor entity, either directly or through the Issuer or any successor entity, under or by reason of any of the obligations, promises or agreements entered into between the Issuer and the Borrower, whether herein contained or to be implied here from as being supplemental hereto; and all personal liability of that character against every such director, officer, agent attorney and employee is, by the execution of this Agreement and as a condition of, and as part of the consideration for, the execution of this Agreement, expressly waived and released.

Section 10.14. HUD Requirements. The provisions of this Agreement and the Bond Documents are subject and subordinate to the National Housing Act, and all other applicable HUD Requirements, the Senior Mortgage Loan Documents, all applicable Ginnie Mae Requirements and the Ginnie Mae Documents; and in the event of any conflict between the provisions of the Bond Documents and the provisions of the National Housing Act, any HUD Requirements, the Senior Mortgage Loan Documents, any applicable Ginnie Mae Requirements and/or the Ginnie Mae Documents, the HUD Requirements, Senior Mortgage Loan Documents, Ginnie Mae Requirements and Ginnie Mae Documents shall be controlling in all respects.

Section 10.15. Supremacy of Senior Mortgage Loan Documents, HUD Requirements and Ginnie Mae Requirements. This Section 10.15 shall remain effective for so long as the Senior Mortgage Loan, or any other mortgage loan encumbering the Project Facilities that is insured or held by HUD, remains in full force and effect. In the event the terms of this Agreement or the Bond Documents shall conflict with the Senior Mortgage Loan Documents, applicable HUD Requirements, the Ginnie Mae Documents or applicable Ginnie Mae Requirements, such Senior Mortgage Loan Documents, HUD Requirements, the Ginnie Mae Documents and Ginnie Mae Requirements shall control. Notwithstanding any other provision of this Agreement to the contrary, it is expressly agreed by the Borrower, the Purchaser and the Issuer as follows:

(a) in the event of a foreclosure of the Senior Mortgage or a transfer of title by deed in lieu of foreclosure to the holder of the Senior Mortgage or to a person other than the Borrower or any Related Person and the retirement of the Bonds within a reasonable time thereafter, this Agreement shall automatically terminate;

(b) any amendment to this Agreement shall be contingent upon the prior written approval of HUD, if required;

(c) any provisions of this Agreement that require the Borrower to take any action necessary to preserve the tax exemption of the interest on the Bonds or prohibiting the Borrower from taking any action that might jeopardize the tax exemption, are qualified to except therefrom actions required or prohibited by FHA pursuant to Section 221(d)(4) of the National Housing Act;

(d) the Borrower, the Purchaser, and the Issuer agree that this Agreement and the Bond Documents are subordinate to all applicable provisions of the National Housing Act, the other HUD Requirements, the Senior Mortgage and the other Senior Mortgage Loan Documents;

(e) no failure on the part of the Borrower to comply with the provisions of this Agreement shall serve as a basis for a default on the Senior Mortgage Loan or any of the Senior Mortgage Loan Documents;

(f) enforcement of the provisions of this Agreement shall not result in any claim under the Senior Mortgage Loan, or any claim against the Project, Senior Mortgage Loan proceeds, any reserve or deposit made with the Lender or another person or entity required by HUD or the Lender in connection with the Senior Mortgage Loan transaction or against the rents or other income from the Project;

(g) the Borrower shall not be deemed to be in violation of this Agreement if it shall take (or refrain from taking) any actions required (or prohibited) by HUD pursuant to the National Housing Act, applicable HUD Requirements, the Senior Mortgage Loan Documents, applicable Ginnie Mae Requirements and the Ginnie Mae Documents; and

(h) in consideration of HUD's agreeing to insure the Senior Mortgage Loan, and in reliance by HUD upon the promises of the Borrower and the Issuer to comply herewith, HUD has reserved the right to require the Issuer to unilaterally (without the consent of the Borrower, the Lender or the Purchaser) remove or void any restrictions in this Agreement in excess of those necessary to ensure tax exemption for the Bonds and continued eligibility of the federal tax credits relating to the Project or that are required under the laws of the State upon a written determination by HUD that the excess restriction(s) in this Agreement is (are) threatening the financial viability of the Project (i.e., impairing the Borrower's ability to sustain a level of income sufficient to meet all financial obligations of the Project, including debt service costs, HUD required escrows, and Project operating expenses); in the absence of the Issuer's compliance with a written request from HUD to take appropriate action to unilaterally remove or void the aforesaid excess restriction(s), in this Agreement, HUD shall have the right and authority under this Section 10.15 to unilaterally remove or void such excess restriction(s) in this Agreement.

The Purchaser acknowledges that unless there shall be delivered to the Issuer, the Borrower, and the Purchaser an Opinion of Bond Counsel to the effect that any action taken with respect to this Section 10.15 will not, in and of itself cause, the interest on the Bonds to no longer be excludable from gross income for federal income tax purposes, the interest on the Bonds may no longer represent tax exempt interest. The Purchaser expressly agrees that the Opinion of Bond Counsel rendered in connection with the original issuance of the Bonds shall no longer apply to such interest on and after the date such action is taken.

Section 10.16. Modification, Amendment, Waiver, Etc. No modification, amendment or waiver of any provision of this Agreement shall be effective unless the same shall be in writing and signed by all of the parties hereto and an Opinion of Bond Counsel is delivered with respect to such modification, amendment or waiver.

Section 10.17. Assignment of Issuer's Interests. For so long as the Bonds are Outstanding, the interests of the Issuer in this Agreement (except its Reserved Rights) will be, and hereby are, assigned to the Purchaser, and its respective successors, under this Agreement, and during such period this Agreement shall be enforceable by the Purchaser in accordance with its terms.

Section 10.18. Guaranty of Certain Reserved Rights Payments. Pedcor Investments, A Limited Liability Company hereby guarantees the prompt payment when due of any pecuniary obligations of the Borrower to the Issuer pursuant to Sections 2.1(e), 2.6, 3.1(b)(2), 3.1(c), 8.19, 9.7 or 10.5 of this Agreement. Pedcor Investments, A Limited Liability Company hereby acknowledges to the Issuer that it understands the Issuer would not make the Bond Loan to the Borrower without the guarantee provided by this Section 10.18 and Section 8.19 hereof. The Issuer in its sole discretion, may proceed to exercise any right or remedy which it may have under this Section 10.18 or Section 8.19 hereof without pursuing or exhausting any right or remedy which it may have against the Borrower.

* * * * *

IN WITNESS WHEREOF, the Issuer, the Borrower and the Purchaser have caused this Agreement to be duly executed and delivered on the day and year first above written.

**MCKINNEY HOUSING FINANCE
CORPORATION**

Tyler Underwood, President

PEDCOR INVESTMENTS-2020-CLXXX, L.P.

By: Mill Stream Housing Company, LLC
its General Partner

By: Pedcor Investments, A Limited Liability
Company, its Managing Member

By: _____
Name: Thomas G. Crowe
Title: Executive Vice President

**MERCHANTS BANK OF INDIANA,
an Indiana banking and financial institution**

By: _____
Name: Philip Daubenmire
Title: Executive Vice President

Sections 8.19 and 10.18 of this Financing Agreement
acknowledged and agreed to by **PEDCOR
INVESTMENTS, A LIMITED LIABILITY
COMPANY**

By: _____
Name: Thomas G. Crowe
Title: Executive Vice President

EXHIBIT A
RESERVED

**EXHIBIT B
FORMS OF BONDS**

EXHIBIT B-1: FORM OF SERIES 2023B BONDS

**THIS BOND MAY BE SOLD OR TRANSFERRED ONLY TO AN APPROVED
INVESTOR UPON DELIVERY OF AN INVESTOR LETTER
AND SUBJECT TO OTHER CONDITIONS PROVIDED IN THE
FINANCING AGREEMENT**

No. [I-1][R-1]

\$3,575,000

MCKINNEY HOUSING FINANCE CORPORATION
MULTIFAMILY HOUSING SUBORDINATE REVENUE BONDS
(MILL STREAM APARTMENT HOMES), SERIES 2023B

DATED DATE: February 1, 2023

MATURITY DATE: As defined in the Financing Agreement (defined below)

REGISTERED OWNER: MERCHANTS BANK OF INDIANA

PRINCIPAL AMOUNT: Three Million Five Hundred Seventy-Five Thousand Dollars (\$3,575,000)

INTEREST PAYMENT DATE: The 10th day of each month commencing April 10, 2023

MCKINNEY HOUSING FINANCE CORPORATION(the "Issuer"), a public, nonprofit housing finance corporation duly organized and existing under the laws of the State of Texas (the "State"), for value received, promises to pay to the Registered Owner specified above or registered assigns, but solely from the sources and in the manner referred to herein and in the Bond Note, the Principal Amount specified above on the aforesaid Maturity Date or on such earlier date as provided herein and in the Bond Note, and interest on such Principal Amount from the later of the date hereof or the most recent Interest Payment Date to which interest has been paid at the Interest Rate and subject to the provisions specified below and in the Bond Note, payable on each Interest Payment Date. Principal of and interest on this Bond are payable at the principal office of the Registered Owner, or at such other place and in such other manner as may be elected by the Registered Owner hereof in accordance with the Financing Agreement (as defined below). Upon payment in full of the principal of this Bond, whether at maturity or prior redemption, the Registered Owner shall forthwith deliver this Bond to the Issuer for cancellation.

Defined Terms. In addition to terms defined elsewhere herein or in the Financing Agreement, the following terms, as used herein, shall have the respective meanings set forth below:

"Borrower" shall mean Pedcor Investments-2020-CLXXX, L.P., a Texas limited partnership.

"Interest Rate" shall have the same meaning given to the term "Applicable Rate" in the Bond Note.

The provisions of the Bond Note are incorporated herein by reference and shall govern the payments due on this Bond as if fully restated in this Bond.

This Bond may be redeemed in whole or in part upon thirty (30) days prior written notice to the Registered Owners, at any time and at such redemption prices as shall be in accordance with the prepayment provisions of the Bond Note and the Financing Agreement.

This Bond is one of a duly authorized issue of the Issuer's Multifamily Housing Subordinate Revenue Bonds (Mill Stream Apartment Homes Project), Series 2023B (the "Bonds"), issuable under the Subordinate Bond Financing Agreement dated as of February 1, 2023 (the "Financing Agreement") by and among the Issuer, the Borrower, and Merchants Bank of Indiana (the "Purchaser"). The Bonds are issued pursuant to Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended (the "Act"), and a resolution duly adopted by the Issuer.

THIS BOND IS A SPECIAL, LIMITED OBLIGATION OF THE ISSUER PAYABLE, AS TO PRINCIPAL AND INTEREST SOLELY FROM THE PLEDGED ASSETS. THIS BOND SHALL NOT BE A DEBT OR INDEBTEDNESS OF THE STATE OF TEXAS OR ANY OTHER POLITICAL SUBDIVISION THEREOF (INCLUDING THE ISSUER), AND NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION OF THE STATE OF TEXAS SHALL BE LIABLE HEREON, NOR IN ANY EVENT SHALL THIS BOND BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER PLEDGED UNDER THE FINANCING AGREEMENT AND THE CONSTRUCTION DISBURSEMENT AGREEMENT. THIS BOND SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE ISSUER FROM THE SOURCES IDENTIFIED IN THE FINANCING AGREEMENT) SHALL BE LIABLE FOR PAYMENT OF THIS BOND NOR IN ANY EVENT SHALL PRINCIPAL OF AND INTEREST ON THIS BOND BE PAYABLE OUT OF ANY FUNDS OR ASSETS OTHER THAN THOSE PLEDGED TO THAT PURPOSE BY THE ISSUER IN THE FINANCING AGREEMENT AND THE CONSTRUCTION DISBURSEMENT AGREEMENT. THE ISSUER HAS NO TAXING POWER.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND AGAINST ANY PAST, PRESENT OR FUTURE MEMBER OF THE ISSUER'S GOVERNING BODY, OR THE OFFICERS, COUNSEL, FINANCIAL ADVISORS OR AGENTS OF THE ISSUER, OR OF ANY SUCCESSOR THERETO, UNDER ANY RULE OF LAW OR EQUITY, STATUTE OR CONSTITUTION, AND ALL SUCH LIABILITY IS HEREBY EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF, AND CONSIDERATION FOR, THE EXECUTION AND ISSUANCE OF THIS BOND.

All payments hereunder shall be payable in lawful money of the United States of America representing legal tender in payment of all debts and dues, public and private, at the time of payment.

This Bond shall be construed according to the laws of the State of Texas.

This Bond may be transferred only in accordance with the provisions of the Financing Agreement.

Any capitalized terms appearing herein which are not otherwise defined shall have the meaning ascribed to them in the Financing Agreement or the Bond Note.

[Definitive Bonds Only: This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Financing Agreement until the Certificate of Authentication hereon shall have been signed by the Purchaser, as registrar.]

[Initial Bond Only: This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Financing Agreement until the Comptroller's Registration Certificate hereon has been executed by an authorized representative of the Texas Comptroller of Public Accounts by manual signature.]

This Bond will not be entitled to any security or benefit under the Financing Agreement, the Bond Note and the Construction Disbursement Agreement, or be valid or become obligatory for any purpose, until the Certificate of Authentication hereon shall have been manually signed by the Registrar.

IN WITNESS WHEREOF, McKinney Housing Finance Corporation has caused this Bond to be executed with the facsimile signature of its President or Vice President and a facsimile of its official seal to be imprinted hereon and attested with the facsimile signature of its Secretary.

MCKINNEY HOUSING FINANCE
CORPORATION

By: _____
President

ATTEST:

By: _____
Secretary

[SEAL]

[Definitive Bonds Only]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the Financing Agreement referred to herein.

Date of Authentication: _____, 2023

MERCHANTS BANK OF INDIANA, as Registrar

By: _____
Authorized Officer

[INITIAL BOND ONLY]

COMPTROLLER'S REGISTRATION CERTIFICATE

OFFICE OF THE COMPTROLLER §
OF PUBLIC ACCOUNTANTS OF §
THE STATE OF TEXAS §

REGISTER NO. _____

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas and that this Bond has been registered by the Comptroller of the Public Accounts of the State of Texas.

WITNESS MY HAND AND SEAL OF OFFICE at Austin, Texas, this _____, 2023.

COMPTROLLER OF PUBLIC ACCOUNTS
OF THE STATE OF TEXAS

(COMPTROLLER'S SEAL)

EXHIBIT B-2: FORM OF SERIES 2025C BONDS

**THIS BOND MAY BE SOLD OR TRANSFERRED ONLY TO AN APPROVED
INVESTOR UPON DELIVERY OF AN INVESTOR LETTER
AND SUBJECT TO OTHER CONDITIONS PROVIDED IN THE
FINANCING AGREEMENT**

No. [I-1 - R-1]

[\$2,000,000]

**MCKINNEY HOUSING FINANCE CORPORATION
MULTIFAMILY HOUSING SUBORDINATE REVENUE BONDS
(MILL STREAM APARTMENT HOMES), SERIES 2025C**

DATED DATE: _____ 1, [2025]

MATURITY DATE: As defined in the Financing Agreement (defined below)

REGISTERED OWNER: MERCHANTS BANK OF INDIANA

PRINCIPAL AMOUNT: [Two Million Dollars (\$2,000,000)]

INTEREST PAYMENT DATE: The 10th day of each month commencing [_____] 10,
[2025]

MCKINNEY HOUSING FINANCE CORPORATION(the “Issuer”), a public, nonprofit housing finance corporation duly organized and existing under the laws of the State of Texas (the “State”), for value received, promises to pay to the Registered Owner specified above or registered assigns, but solely from the sources and in the manner referred to herein, the Principal Amount specified above on the aforesaid Maturity Date or on such earlier date as provided herein, and interest on such Principal Amount from the later of the date hereof or the most recent Interest Payment Date to which interest has been paid at the Interest Rate and subject to the provisions specified below, payable on each Interest Payment Date. Principal of and interest on this Bond are payable at the principal office of the Registered Owner, or at such other place and in such other manner as may be elected by the Registered Owner hereof in accordance with the Financing Agreement (as defined below). Upon payment in full of the principal of this Bond, whether at maturity or prior redemption, the Registered Owner shall forthwith deliver this Bond to the Issuer for cancellation.

Defined Terms. In addition to terms defined elsewhere herein or in the Financing Agreement, the following terms, as used herein, shall have the respective meanings set forth below:

“Borrower” shall mean Pedcor Investments-2020-CLXXX, L.P., a Texas limited partnership.

“Interest Rate” shall mean the “Applicable Rate,” as defined in the Bond Note.

The provisions of the Bond Note are incorporated herein by reference and shall govern the payments due on this Bond as if fully restated in this Bond.

[In addition to interest at the Interest Rate, upon a Determination of Taxability (as defined in the Financing Agreement) or other event described in Section 8.16(b) of the Financing Agreement, additional amounts shall be payable to the Registered Owner of this Bond in accordance with such Section 8.16(b).]

This Bond may be redeemed in whole or in part upon thirty (30) days prior written notice to the Registered Owners, at any time and at such redemption prices as shall be in accordance with the prepayment provisions of the Bond Note and the Financing Agreement.

This Bond is one of a duly authorized issue of the Issuer's Multifamily Housing Subordinate Revenue Bonds (Mill Stream Apartment Homes Project), Series 2025C (the "Bonds"), issuable under the Amended and Restated Subordinate Bond Financing Agreement dated as of May 1, 2025 (the "Financing Agreement") by and among the Issuer, the Borrower, and Merchants Bank of Indiana (the "Purchaser"). The Bonds are issued pursuant to Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended (the "Act"), and a resolution duly adopted by the Issuer.

THIS BOND IS A SPECIAL, LIMITED OBLIGATION OF THE ISSUER PAYABLE, AS TO PRINCIPAL AND INTEREST SOLELY FROM THE ASSETS PLEDGED THERETO UNDER THE FINANCING AGREEMENT AND THE CONSTRUCTION DISBURSEMENT AGREEMENT. THIS BOND SHALL NOT BE A DEBT OR INDEBTEDNESS OF THE STATE OF TEXAS OR ANY OTHER POLITICAL SUBDIVISION THEREOF (INCLUDING THE ISSUER), AND NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION OF THE STATE OF TEXAS SHALL BE LIABLE HEREON, NOR IN ANY EVENT SHALL THIS BOND BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER PLEDGED UNDER THE FINANCING AGREEMENT AND THE CONSTRUCTION DISBURSEMENT AGREEMENT. THIS BOND SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE ISSUER FROM THE SOURCES IDENTIFIED IN THE FINANCING AGREEMENT) SHALL BE LIABLE FOR PAYMENT OF THIS BOND NOR IN ANY EVENT SHALL PRINCIPAL OF AND INTEREST ON THIS BOND BE PAYABLE OUT OF ANY FUNDS OR ASSETS OTHER THAN THOSE PLEDGED TO THAT PURPOSE BY THE ISSUER IN THE FINANCING AGREEMENT AND THE CONSTRUCTION DISBURSEMENT AGREEMENT. THE ISSUER HAS NO TAXING POWER.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND AGAINST ANY PAST, PRESENT OR FUTURE MEMBER OF THE ISSUER'S GOVERNING BODY, OR THE OFFICERS, COUNSEL, FINANCIAL ADVISORS OR AGENTS OF THE ISSUER, OR OF ANY SUCCESSOR THERETO, UNDER ANY RULE OF LAW OR EQUITY, STATUTE OR CONSTITUTION, AND ALL SUCH LIABILITY IS HEREBY EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF, AND CONSIDERATION FOR, THE EXECUTION AND ISSUANCE OF THIS BOND.

All payments hereunder shall be payable in lawful money of the United States of America representing legal tender in payment of all debts and dues, public and private, at the time of payment.

This Bond shall be construed according to the laws of the State of Texas.

This Bond may be transferred only in accordance with the provisions of the Financing Agreement.

Any capitalized terms appearing herein which are not otherwise defined shall have the meaning ascribed to them in the Financing Agreement or the Bond Note.

[Definitive Bonds Only: This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Financing Agreement until the Certificate of Authentication hereon shall have been signed by the Purchaser, as registrar.]

[Initial Bond Only: This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Financing Agreement until the Comptroller's Registration Certificate hereon has been executed by an authorized representative of the Texas Comptroller of Public Accounts by manual signature.]

This Bond will not be entitled to any security or benefit under the Financing Agreement, the Bond Note and the Construction Disbursement Agreement, or be valid or become obligatory for any purpose, until the Certificate of Authentication hereon shall have been manually signed by the Registrar.

IN WITNESS WHEREOF, McKinney Housing Finance Corporation has caused this Bond to be executed with the facsimile signature of its President or Vice President and a facsimile of its official seal to be imprinted hereon and attested with the facsimile signature of its Secretary.

MCKINNEY HOUSING FINANCE
CORPORATION

By: _____
President

ATTEST:

By: _____
Secretary

[SEAL]

[Definitive Bonds Only]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the Financing Agreement referred to herein.

Date of Authentication: _____, [2025]

MERCHANTS BANK OF INDIANA, as Registrar

By: _____
Authorized Officer

[INITIAL BOND ONLY]

COMPTROLLER'S REGISTRATION CERTIFICATE

OFFICE OF THE COMPTROLLER §
OF PUBLIC ACCOUNTANTS OF §
THE STATE OF TEXAS §

REGISTER NO. _____

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas and that this Bond has been registered by the Comptroller of the Public Accounts of the State of Texas.

WITNESS MY HAND AND SEAL OF OFFICE at Austin, Texas, this _____, 2025.

COMPTROLLER OF PUBLIC ACCOUNTS
OF THE STATE OF TEXAS

(COMPTROLLER'S SEAL)

EXHIBIT C
FORM OF INVESTOR LETTER

McKinney Housing Finance Corporation
401 E. Virginia Street
McKinney, Texas 75069
Attention: Vice President

Pedcor Investments-2020-CLXXX, L.P.
One Pedcor Square
770 3rd Avenue, S.W.
Carmel, Indiana 46032

Re: McKinney Housing Finance Corporation Multifamily Housing Subordinate Revenue Bonds (Mill Stream Apartment Homes Project), Series [2023B][2025C]

Ladies and Gentlemen:

The undersigned authorized signatory for Merchants Bank of Indiana (the “Purchaser”), the Purchaser of [\$3,575,000][\$2,000,000] aggregate principal amount of Multifamily Housing Subordinate Revenue Bonds (Mill Stream Apartment Homes Project), Series [2023B/2025C] (the “Purchaser Bonds”), does hereby certify, represent and warrant for the benefit of the McKinney Housing Finance Corporation (the “Issuer”) and Pedcor Investments-2020-CLXXX, L.P. (the “Borrower”), that the Purchaser is either a “qualified institutional buyer” as defined in Rule 144A under the Securities Act of 1933, as amended (a “QIB”), or an “accredited investor” (as defined in Rule 501(a)(1), (2), (3), (4), (7) or (8) of Regulation D promulgated under the Securities Act of 1933) (an “Accredited Investor”).

The Purchaser hereby acknowledges, represents, and warrants to, and agrees with, the Issuer and the Borrower, as follows:

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

(2) The Purchaser has such knowledge and experience in business and financial matters, including (i) the evaluation of residential real estate developments such as the Project Facilities, (ii) the evaluation of the capabilities of persons such as Pedcor Investments-2020-CLXXX, L.P. (the “Borrower”), and the manager of the Project Facilities to operate and maintain the Project Facilities, and (iii) the analysis, purchase and ownership of multifamily housing revenue bonds, tax-exempt securities and other investment vehicles similar in character to the Bonds, so as to enable it to understand and evaluate the risks of such investments and form an investment decision with respect thereto, the Purchaser has no need for liquidity in such investment and the Purchaser

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

(3) The Purchaser acknowledges that it has been provided with, and has had the opportunity to review, the Amended and Restated Subordinate Bond Financing Agreement dated as of May 1, 2025 (the “Financing Agreement”), among the Issuer, the Borrower and Merchants Bank of Indiana, and all other documents relating to the issuance of the Purchaser Bonds. The Purchaser has conducted its own investigation of the Project Facilities, the Borrower, the manager of the Project Facilities, the Purchaser Bonds, the Financing Agreement and related documents and the transactions relating thereto, to the extent it deemed necessary. The Purchaser has been offered an opportunity to have made available to it any and all such information it might request from the Issuer, the Borrower and the manager of the Project Facilities. On this basis, it is agreed by the Purchaser that the Purchaser is not relying on the Issuer or any other party or person to undertake the furnishing or verification of information related to the referenced transaction.

(4) In connection with the purchase of the Purchaser Bonds, the Purchaser has been advised that (i) the Issuer has not undertaken steps to ascertain the accuracy, completeness or truth of any statements made or omitted to be made to the undersigned concerning any of the facts relating to the business, operations, financial condition, or future prospects of the Borrower or the manager of the Project Facilities, and (ii) the Issuer has not made any representations concerning the accuracy or completeness of any information supplied to the undersigned by the Borrower or the manager of the Project Facilities.

(5) THE PURCHASER UNDERSTANDS THAT:

(i) THE PURCHASER BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY OUT OF THE REVENUES, RECEIPTS AND OTHER MONEYS PLEDGED THEREFOR UNDER THE FINANCING AGREEMENT AND THE CONSTRUCTION DISBURSEMENT AGREEMENT. THE PURCHASER BONDS SHALL NOT BE A DEBT OR INDEBTEDNESS OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (INCLUDING THE ISSUER), AND NEITHER THE STATE OF TEXAS (“STATE”) NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL THE PURCHASER BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER PLEDGED UNDER THE FINANCING AGREEMENT AND THE CONSTRUCTION DISBURSEMENT AGREEMENT. THE PURCHASER BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

(ii) THE ISSUER HAS NO TAXING POWER AND PRINCIPAL AND INTEREST ON THE PURCHASER BONDS ARE PAYABLE SOLELY OUT OF THE MONEYS TO BE RECEIVED BY THE ISSUER UNDER THE FINANCING AGREEMENT AND AMOUNTS ON DEPOSIT IN THE FUNDS AND ACCOUNTS ESTABLISHED AND PLEDGED UNDER THE FINANCING AGREEMENT. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE ISSUER FROM THE SOURCES IDENTIFIED ABOVE) SHALL BE LIABLE FOR PAYMENT OF THE PURCHASER BONDS NOR IN ANY EVENT SHALL PRINCIPAL OF AND INTEREST ON THE PURCHASER BONDS BE

PAYABLE OUT OF ANY FUNDS OR ASSETS OTHER THAN THOSE PLEDGED TO THAT PURPOSE BY THE ISSUER UNDER THE FINANCING AGREEMENT AND THE CONSTRUCTION DISBURSEMENT AGREEMENT.

(6) The Purchaser understands that in connection with any proposed transfer or exchange of Purchaser Bonds, there must be delivered to the Issuer a letter of the transferee to substantially the same effect as this letter or otherwise as permitted under the Financing Agreement.

(7) The Purchaser understands that, in connection with any proposed transfer of the Purchaser Bonds, such transfer must be limited to an Approved Investor (as defined in the Financing Agreement) that makes representations with respect to itself to substantially the same effect as the representations set forth herein.

(8) THE PURCHASER AND ANY TRANSFEREE AGREE TO INDEMNIFY THE ISSUER FROM AND AGAINST ANY AND ALL LIABILITY, COST OR EXPENSE (INCLUDING ATTORNEYS' FEES AND EXPENSES) THAT MAY RESULT IF THE REPRESENTATIONS OF SUCH PURCHASER OR ANY SUCH TRANSFEREE, RESPECTIVELY, CONTAINED HEREIN ARE FALSE IN ANY MATERIAL RESPECT.

(9) THE PURCHASER ACKNOWLEDGES THAT THE PROCEEDS OF THE BONDS WILL BE DEPOSITED INTO THE SUBORDINATE CONSTRUCTION FUND TO BE HELD BY THE PURCHASER UNDER THE FINANCING AGREEMENT. SUCH DEPOSITS ARE AUTHORIZED TO BE HELD AND INVESTED BY THE PURCHASER AS PROVIDED IN THE FINANCING AGREEMENT. THE PURCHASER AGREES THAT THE ISSUER SHALL NO LIABILITY FOR THE INVESTMENT OF FUNDS HELD UNDER THE FINANCING AGREEMENT.

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

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

MERCHANTS BANK OF INDIANA

By: _____

Name: Philip Daubenmire

Title: Executive Vice President

MUST BE SIGNED BY ACTUAL
PARTICIPANT. MAY NOT BE SIGNED
BY NOMINEE OR AGENT.

EXHIBIT D
FORM OF BOND NOTE

PROMISSORY NOTE

[To be provided by MBI]

ALLONGE

[To be provided by MBI]

EXHIBIT E
PAYMENT REQUEST FORM

Requisition No. _____

Date: _____

Merchants Bank of Indiana
Carmel, Indiana,

RE: McKinney Housing Finance Corporation Multifamily Housing Subordinate Revenue Bonds (Mill Stream Apartment Homes Project), Series [2023B][2025C] (the "Bonds") issued pursuant to the Amended and Restated Subordinate Bond Financing Agreement, dated as of _____, 2025 (the "Agreement") among McKinney Housing Finance Corporation (the "Issuer"), Pedcor Investments-2020-CLXXX, L.P. (the "Borrower"), and Merchants Bank of Indiana (the "Purchaser")

Ladies and Gentlemen:

The undersigned, on behalf of the Borrower, hereby certifies that he/she is a duly appointed Authorized Representative of the Borrower. The Borrower hereby requests the Purchaser to make payment from the [Series 2023B][Series 2025C] Account of the Subordinate Construction Fund (as defined in the Agreement) to pay to the Borrower for Project Costs of the Project Facilities all of which are described in the attached schedule.

The undersigned further certifies on behalf of the Borrower that, in connection with the Borrower's requisition, subject to the provisions of Section 10.14 and 10.15 of the Agreement, such disbursement from the Subordinate Construction Fund will not cause or result in the violation, or be in violation, of any covenant contained in the Agreement, the Primary Financing Agreement, the Regulatory Agreement or in the Tax Certificate and Agreement relating to the Bonds, including without limitation, the covenants that, after taking into account draws under the Primary Financing Agreement, (i) at least 95% of the proceeds of the Bonds will be allocated to pay Qualified Project Costs and (ii) the issuance costs of the Bonds financed with proceeds of the Bonds will not exceed 2% of the proceeds of the Bonds. Capitalized terms used herein, but not defined herein, shall have the respective meanings ascribed thereto in the Agreement.

The payments to be made to the payees set forth above have not been the basis for a prior request under the Agreement or the Primary Financing Agreement which has been paid.

All of the Borrower's representations, covenants and warranties contained in the Financing Agreement and the Tax Certificate and Agreement were true and accurate in all material respects as of the date made, and remain true and accurate in all material respects as of the date of this Payment Request Form except as disclosed to the Purchaser, and the Borrower has fully and satisfactorily performed all of its covenants and obligations to date required under the Financing Agreement and the Tax Certificate and Agreement except as disclosed to the Purchaser. No Default or Event of Default has occurred and is continuing under the Financing Agreement except for Defaults or Events of Default that have been disclosed to Purchaser.

The Borrower understands that the Purchaser is relying on the certifications herein with regard to and in connection with approving the disbursement requested hereby.

Please indicate if this Payment Request Form relates to the final disbursement from the [Series 2023B][Series 2025C] Account of the Subordinate Construction Fund: ____ Yes ____ No.

If this Certificate relates to the final disbursement from the applicable account of the Subordinate Construction Fund, the Borrower hereby instructs the Purchaser to disburse to the Issuer and the Borrower the remaining moneys held in the applicable account of the Subordinate Construction Fund to be applied to prepay the corresponding Loan and redeem the related Bonds as set forth in the Agreement.

Please indicate if this Payment Request Form reimburses the Borrower for any payment or payments previously made by Borrower under the Agreement or the Primary Financing Agreement: ____ Yes ____ No.

If this Payment Request Form requests such a reimbursement for expenditures made prior to the issuance of the Bonds, the payment or payments for any obligations originally paid by the Borrower, for federal income tax purposes, was after [October 21, 2020].

The Borrower attaches hereto the invoices and/or bills of sale relating to the Project Facilities and, if such invoices have been paid by Issuer or Borrower, evidence of payment thereof.

[Execution on Following Page]

IN WITNESS WHEREOF, the undersigned Authorized Representative has executed this Certificate to be effective as of the date first set forth hereinabove.

PEDCOR INVESTMENTS-2020-CLXXX, L.P.

By: Mill Stream Housing Company, LLC
its General Partner

By: Pedcor Investments, A Limited Liability
Company, its Managing Member

By: _____
Name: Thomas G. Crowe
Title: Executive Vice President

Approved by:

MERCHANTS BANK OF INDIANA

By: _____

Its: _____

EXHIBIT F
PROJECT SITE

EXHIBIT G

REGISTRATION RECORD

MCKINNEY HOUSING FINANCE CORPORATION
MULTIFAMILY HOUSING SUBORDINATE REVENUE BONDS
(MILL STREAM APARTMENT HOMES), SERIES 2023B AND SERIES 2025C

_____, 2025

REGISTERED OWNER	ADDRESS	PRINCIPAL AMOUNT
Merchants Bank of Indiana	410 Monon Boulevard, 2nd Floor Carmel, Indiana 46032	\$3,575,000 2023B
Merchants Bank of Indiana	410 Monon Boulevard, 2nd Floor Carmel, Indiana 46032	\$2,000,000 2025C

The undersigned, as registrar for the above-captioned bonds, certifies the information provided in this Registration Record is true and correct to the best of its knowledge and belief.

MERCHANTS BANK OF INDIANA, as Registrar

By: _____
Authorized Officer

The foregoing Registration Record was received on _____, 20__.

MCKINNEY HOUSING FINANCE
CORPORATION

[Secretary]