MEMORANDUM OF UNDERSTANDING

BETWEEN

MCKINNEY HOUSING FINANCE CORPORATION

AND

SKYWAY VILLAS (TX) DEVELOPER LLC

"SKYWAY VILLAS"

THIS MEMORANDUM OF UNDERSTANDING (this *"MOU"*) is between the McKinney Housing Finance Corporation (the *"McKinney HFC"*), a public, nonprofit housing finance corporation organized under Chapter 394 of the Texas Local Government Code, and Skyway Villas (TX) Developer LLC, a Delaware limited liability company (the *"Developer"*), and is dated and effective as of July 24, 2026 (the *"Effective Date"*).

The Developer is a developer of affordable housing in the State of Texas. The McKinney HFC is a public, nonprofit housing finance corporation whose mission is to provide safe, decent and sanitary housing for persons of low and moderate income. The Developer and the McKinney HFC hereby agree to work cooperatively to rehabilitate affordable housing at the following location, in accordance with the terms of this MOU:

> Skyway Villas, being an approximately 232-unit development located in the City of McKinney, Collin County, Texas (the *"Project"*), financed with private activity bonds issued by the McKinney HFC and 4% Low Income Housing Tax Credits allocated by the Texas Department of Housing and Community Affairs (the *"TDHCA"*).

In order to accomplish this purpose, the parties agree as follows:

AGREEMENTS

A. OWNERSHIP STRUCTURE

1. Developer has formed a Texas limited partnership named Skyway Villas (TX) Owner LP (the *"Partnership"*) for the purpose of owning the Project. A single-purpose, Texas limited liability company, McKinney Skyway Villas GP, LLC, which will be transferred to and wholly-owned by the McKinney HFC at Closing (as defined herein), will serve as the sole General Partner (the *"General Partner"*).

2. Developer will designate, an affiliate, Skyway Villas (TX) SLP LLC, a Texas limited liability company, to serve as a special limited partner of the Partnership (the *"Special LP"*), with certain oversight and approval rights with respect to the Partnership and the Project, including a

delegation of management authority by the General Partner with respect to the Partnership and the Project to be set forth in the Partnership Agreement. Any such rights must be agreed to by the McKinney HFC and the Special LP and may not, in the opinion of the Special LP's counsel, adversely affect the Project's qualification for the ad valorem property tax exemption (the *"Exemption"*). The Special LP will also be the partnership representative of the Partnership for federal income tax purposes.

3. The duties of the General Partner and the Special LP shall be set forth in a partnership agreement (the *"Partnership Agreement"*) to be entered into among the General Partner, the Special LP and an equity investor as the limited partner (the *"Investor LP"* and together with the Special LP, the *"Limited Partners"*). The parties will cooperate in good faith to cause the Partnership Agreement to contain terms consistent with *Exhibit B* hereto, it being recognized that approval of the McKinney HFC's Board of Directors is contingent upon the Partnership Agreement containing terms consistent with *Exhibit B*.

The General Partner's execution of the Partnership Agreement shall be subject to the following terms:

(i) The General Partner's representations shall be limited to those within the General Partner's actual knowledge and in no case shall due inquiry be required, it being understood and agreed that the General Partner will not be looked upon by the Special LP or the Investor LP to conduct Project-related diligence, and any such diligence conducted by the McKinney HFC is solely for its own benefit;

(ii) The General Partner shall be indemnified by the Partnership, the Special LP, the Developer and the Guarantor (as defined herein) for any liabilities incurred under the Partnership Agreement and the Management Agreement (as defined herein) or in connection with the Project, except for liabilities incurred as a result of the General Partner's gross negligence or willful misconduct and in no event shall such indemnification be contingent upon a ruling of a court of law;

(iii) The McKinney HFC and the Ground Lessor (as defined herein) shall be indemnified by the Partnership, Special LP, the Developer and the Guarantor for any liabilities incurred in connection with the Project (including, but not limited to, any liabilities under the Management Agreement and the Ground Lease (each as hereinafter defined), except for liabilities incurred as a result of the respective gross negligence or willful misconduct of the McKinney HFC or the Ground Lessor, and in no event shall such indemnification be contingent upon a ruling of a court of law;

(iv) The General Partner shall not be required to covenant to undertake actions or obligations that the Special LP will be required to take under the Partnership Agreement; and

(v) The Partnership Agreement shall contain a provision wherein the Special LP and Investor LP acknowledge that the obligations of the General Partner under the Partnership Agreement are obligations solely of the General Partner and not the owner of the General Partner or the McKinney HFC.

Additionally, pursuant to the terms of the Partnership Agreement, the Special LP and Investor LP shall not make any of the following major decisions of the Partnership without the consent of the General Partner, which consent shall not be unreasonably withheld, conditioned, or delayed:

(i) except as specifically authorized under the Partnership Agreement, to borrow money, incur indebtedness for money borrowed on the general credit of the Partnership, issue evidences of indebtedness or secure the same by mortgage, deed of trust, security interest, pledge or other lien on the Project or any other assets of the Partnership, or

(ii) following completion of rehabilitation of the Project, to construct any new capital improvements (including but not limited to the installation of solar panels), or to replace any existing capital improvements if construction or replacement would substantially alter the use of the Project property, or

(iii) to acquire any real property in addition to the Project (other than easements or similar rights necessary or convenient for the operation of the Project), or

(iv) to cause the Partnership to make any loan or advance to any Person, or

(v) to lease any tax credit units to other than qualified tenants or otherwise operate the Project in such a manner or take any action which could cause any tax credit unit to fail to be treated as a qualified low-income housing unit under Section 42(i)(3) of the Code or which would cause the recapture by the Partnership of any low income housing credit under Section 42 of the Code, or

(vi) except for the Loan Financing (as defined herein) or any other loan entered into as of the Closing (as defined herein), enter into any agreement with any lender or governmental agency, or

(vii) to amend any Project document (including the Partnership Agreement, the Loan Financing Documents, the Ground Lease or the Management Agreement), or to waive or provide consent for any party thereunder to waive, any provision of any Project document unless the same does not have a material adverse effect on the General Partner, the Ground Lessor or any other McKinney HFC affiliate, or on the management of the Project; or

(viii) to prepay in whole or in part, increase, refinance, renew, recast, modify or extend any loan or mortgage, or

(ix) to sell, transfer, convey, assign, or make other disposition of all or substantially all of the real property or other assets of the Partnership, except for the Special LP's right under the Partnership Agreement to market the property for sale at fair market value, or

(x) to cause the Partnership to commence a proceeding seeking any decree, relief, order or appointment in respect to the Partnership under the federal bankruptcy laws, as now or hereafter constituted, or under any other federal or state bankruptcy, insolvency or similar law, or the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) for the Partnership or for any substantial part of the Partnership's business or property, or to cause the Partnership to consent to any such decree, relief, order or appointment initiated by any person other than the Partnership, or

(xi) to cause the Partnership to accept or receive any grant (unless otherwise expressly contemplated under the terms of the Partnership Agreement), or

(xii) except as provided under the Loan Financing documents, to pledge or assign any of the capital contributions of a Partner or the proceeds thereof, or

(xiii) to permit the merger, termination or dissolution of the Partnership, or

(xiv) to dismiss and/or engage a new Partnership accountant or Manager, or

(xv) to take any action which would cause the Project or Partnership property or any part thereof to be treated as tax exempt use property within the meaning of Section 168(h) of the Code, or

(xvi) to file a lawsuit on behalf of the Partnership (other than lease enforcement, collection or other routine legal actions in the ordinary course of business of the Partnership), or

(xvii) to take any material action that is outside the scope of the Special LP's authority as set forth in the Partnership Agreement or that is noncustomary in a transaction such as the one described in this MOU, or

(xviii) to engage any sale or leasing agent or broker other than the Manager (as defined herein), or

(xix) unless repair or rebuilding is determined to be economically infeasible in the Limited Partners' discretion, to decide not to repair or rebuild in case of material damage to the Project, or any portion thereof, arising out of a casualty or condemnation, or

(xx) to hire any employees for any purposes, or

(xxi) to take any action outside of the ordinary course of business of the Partnership, or

(xxii) to execute agreements with any governmental agency.

The Developer agrees that it will make the Investor LP aware of the terms of Exhibit B to this MOU prior to executing an equity letter of intent or similar document (an *"LOI"*) and, as set forth in Paragraph C.2 below, agrees to provide the LOI to the McKinney HFC and its counsel for review and comment prior to execution.

4. Certain rights and obligations of the McKinney HFC, the Developer, the Guarantor, the Partnership, the General Partner and the Special LP and certain of the indemnifications described in Paragraph A.3 above shall be outlined in a Master Agreement, which shall be executed as of the closing of the Project financing described in Section C. below (the *"Closing"*).

5. Title to the land for the Project (the *"Land"*) shall be granted via special warranty deed from the seller (which may be the Partnership, if applicable) to a wholly-owned subsidiary of the McKinney HFC (the *"Ground Lessor"*), and the Ground Lessor shall then enter into a long-term ground lease (the *"Ground Lease"*) for a term of 99 years with the Partnership, as tenant. The terms of the Ground Lease shall be mutually acceptable to the McKinney HFC and the Developer, and the Ground Lease will not be terminated during the tax credit compliance period (the *"Compliance Period"*) without the approval of the partners in the Partnership and applicable lending entities. At all times during the term of the Ground Lease (unless otherwise disposed of in accordance with the Partnership Agreement), the Partnership will own the improvements that constitute the Project. The Ground Lessor will require delivery by the title company of a title policy showing the Ground Lessor as a named insured. Funding for the acquisition of the Land will come from the financing of the Project, and will be paid to the Ground Lessor in the form of an up-front Ground Lease payment equal to the purchase price of the Land. Upon expiration of the term of the Ground Lease, ownership of the improvements constituting the Project shall revert to the Ground Lessor.

Upon the sale of the Project by the Partnership to a third party, the Ground Lessor shall transfer title of the land to such third party purchaser upon payment to the Ground Lessor of $100.00. In addition, all options and rights of first refusal in favor of the McKinney HFC or its designated affiliate, as further described in Paragraph J below, shall terminated concurrently with transfer of the Land as described in this paragraph. Closing shall occur within 90 days after exercise of the option and within 180 days after exercise of the right of first refusal. If an option or right of first refusal is exercised but closing pursuant thereto is not timely consummated, the Special LP may proceed to sell the Project to the third party purchaser (in the case of the right of first refusal), and all options or right of first refusals shall terminate upon sale of the property to such third party purchaser.

6. In no event shall the Special LP have the right to assign its interests in the Partnership other than to an affiliate entity that is controlled by the Developer without the written consent of the General Partner, which consent may be granted or withheld in the sole discretion of the General Partner. The Special LP shall have the right to assign its interests in the Partnership

to an affiliate entity that is controlled by the Developer without the written consent of the General Partner but shall provide advance written notice of such assignment.

B. Due Diligence

As a condition to the McKinney HFC's participation in the Project, the McKinney HFC requires the Developer to provide due diligence information on the Project and its proposed financing and operations pursuant to the due diligence checklist (the *"Checklist"*) attached hereto as *Exhibit A*. The Developer shall deliver the due diligence items on the Checklist within a reasonable time after such due diligence items are available to the Developer. Failure of the Developer to deliver to the McKinney HFC due diligence items acceptable to the McKinney HFC shall be grounds for the McKinney HFC to terminate this MOU in its discretion in accordance with paragraph K.10(g) of this MOU.

C. Financing

1. On behalf of the Partnership, the Developer has applied or will apply for a reservation of up to $52,000,000 in private activity bond volume cap in connection with multifamily housing bonds (the *"Bonds"*) to be issued by the McKinney HFC. If the Partnership receives a reservation of private activity volume cap in connection with the issuance of the Bonds, the Developer shall be responsible for selecting the manner in which the Bonds will be sold to facilitate debt financing for the Project and negotiating the financing terms of the Bonds on behalf of the Partnership; provided, that the McKinney HFC shall have the right to review and approve the financing arrangements and the terms and conditions of any Bond or loan documents.

2. On behalf of the Partnership, the Developer has applied or will apply for a commitment of low-income housing Tax Credits (the *"Tax Credits"*) from the TDHCA. If the Partnership receives a commitment of Tax Credits, the Developer shall be responsible for selecting the manner in which the Tax Credits will be sold to facilitate equity financing (the *"Equity"*) for the Project, and negotiating the equity financing terms on behalf of the Partnership; provided, that the McKinney HFC shall have the right to review and approve the identity of the Investor LP, the financing arrangements and the terms and conditions of any Equity financing documents. The Equity financing documents are expected to include the Partnership Agreement.

3. The Developer will apply for any additional third-party construction and permanent financing (the *"Loan"*) on behalf of the Partnership, if applicable. The Developer shall be responsible for selecting the lender and negotiating the Loan terms on behalf of the Partnership. It is contemplated that the Partnership will obtain a seller loan in the approximate amount of $13,027,446 (the *"Seller Loan"* and collectively with the Loan, the *"Loan Financing"*). The McKinney HFC shall have the right to review and approve the financing arrangements and the terms and conditions of any Loan Financing documents.

4. The Developer shall pay all costs and fees associated with applying for the Bonds, the Loan Financing and the Tax Credits, which costs, along with all other pre-development costs incurred by the Developer, shall be reimbursed at closing of the Equity and initial Loan Financing/Bonds (the *"Closing"*) from the proceeds of the Bonds and Equity. In the event this MOU is terminated or the transaction fails to close as contemplated herein, the Developer shall be solely responsible for all costs described above and the McKinney HFC and its affiliates shall have no responsibility for payment or reimbursement of such costs.

5. The Developer or its affiliate, shall provide any guarantees of construction/rehabilitation completion, operating expenses, Tax Credit delivery, and the like that may be required in conjunction with the Bond financing or the Equity financing, such guaranties to be acceptable to Developer in its sole and absolute discretion. Neither the McKinney HFC nor any of its affiliates will provide any guarantees or indemnities and shall not be listed as a Section 50 guarantor should the Project be financed with a HUD-insured loan.

D. DESIGN AND CONSTRUCTION/REHABILITATION

1. The Developer shall provide comprehensive development services to the Partnership pursuant to a Development Agreement to be entered into by the Partnership and the Developer.

2. The Developer shall prepare and promptly provide the McKinney HFC a detailed development budget for the Project.

3. The Developer shall be responsible for obtaining the services of design professionals for the design of the site plan and design of the Project. The McKinney HFC will be provided copies of the final plans and specifications for the Project, including all construction contracts. The McKinney HFC will have the right to review, comment and approve such plans, specifications and contracts prior to the execution of the contracts, such review and approval not to be unreasonably withheld, conditioned, or delayed.

4. Reserved.

5. The Developer shall be responsible for obtaining all governmental approvals and permits needed in order to rehabilitate and operate the Project.

6. The McKinney HFC or its affiliate shall have the right to review and approve any material change orders or any material changes in the scope of work or plans and specifications (costing over $25,000 for a single change or $250,000 in the aggregate) during rehabilitation, such review and approval not to be unreasonably withheld, conditioned, or delayed. In the event the McKinney HFC does not respond to Developer's request for approval within such five (5) business days, the McKinney HFC shall be deemed to have provided its consent.

7. The Project shall be rehabilitated so as to comply with Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973 requirements, as applicable under federal and state law.

E. MANAGEMENT AND OPERATION

1. A property manager designated by Developer shall serve as the property manager (the *"Manager"*) for the Project, which will be memorialized in a management agreement (the *"Management Agreement"*). The McKinney HFC shall have the right to review and approve the Management Agreement.

2. Notwithstanding anything to the contrary, the Management Agreement will automatically renew upon its scheduled termination other than upon a termination for cause unless either the Partnership or the Manager gives ninety (90) days' notice to renegotiate the terms or terminate the Management Agreement.

3. The McKinney HFC shall have the right to approve of any change to the Manager, with the McKinney HFC to give notice of approval or disapproval within 10 days of written notice of the proposed change, and the McKinney HFC agrees that its approval will not be unreasonably withheld. The Investor LP may remove the Manager without consent of the Special LP or the McKinney HFC in the event of a default under the Partnership Agreement; *provided, however*, that the requirements and approval rights of the McKinney HFC as described in this Section E shall remain in place with respect to any replacement property manager so long as the General Partner remains as general partner of the Partnership.

F. SOCIAL SERVICES

The Developer will be responsible for initiating and arranging for social services to be provided (as required by the TDHCA) for the residents of the Project with the Special LP retaining ultimate responsibility. The Special LP shall have the right to monitor the provision of such social services during the Compliance Period.

G. COMMUNITY SUPPORT

The Developer shall be primarily responsible for interfacing with the local governmental officials in connection with support for the Project and the McKinney HFC shall provide reasonable cooperation in connection with such matters. The parties will consult with each other and coordinate the response to any media inquiries and/or public opposition to the Project that may arise.

H. TAX EXEMPTION

The ownership structure contemplated herein is expected to generate the Exemption. Prior to Closing, the McKinney HFC, on behalf of the Partnership, shall work with the Developer and the Collin Central Appraisal District to obtain confirmation of the availability of the Exemption in the form of a pre-determination letter. The Partnership shall engage Naman Howell Smith & Lee PLLC as local counsel for purposes of rendering an opinion regarding the Exemption. After the Closing, if the Exemption is terminated or the McKinney HFC is unable to obtain the Exemption for any reason other than the negligence or willful misconduct of the Partnership, Special LP or an affiliate of Developer or Investor LP, or the failure of the Manager to operate the Project in accordance with the statutory requirements of the Exemption, Special LP shall have a cause for removal of the General Partner following notice to the General Partner and a 60-day cure period. In the event that the General Partner is removed from the Partnership, the Ground Lessor shall convey the Land to the Partnership free and clear of the Ground Lease, the rights of first refusal, and any other rights or related encumbrance of the McKinney HFC, the General Partner and their affiliates, with respect to long-term ownership of the Land and the Project, with the Partnership paying (a) $1 plus reasonable transfer costs and (b) unless the removal is due to the failure of the General Partner to take action as specifically directed by the Special LP or as required pursuant to the terms of the Partnership Agreement (including to uphold any covenants by the General Partner in the Partnership Agreement), any accrued but unpaid General Partner fees pursuant to Section I(2) below as of the date of the General Partner's removal.

I. FEES AND EXPENSES

1. The Developer shall be entitled to receive a development fee (the *"Development Fee"*) for its services in rehabilitating the Project. The amount of the Development Fee shall be equal to 15% of the Project's total development costs, as calculated pursuant to applicable TDHCA guidelines. All payments of Development Fee shall be made pro-rata with 75% going to Developer and 25% going to the McKinney HFC or its subsidiary.

2. The General Partner shall be entitled to receive a Partnership Management Fee payable from cash flow (after priority payments to the Investor LP and prior to payment of deferred Development Fee) in the amount of $35,000 per year (increasing by 3% per year) for its services in connection with management of the Partnership. In the event that net cash flow is insufficient in any year to pay the full amount of the foregoing fees, such amount(s) unpaid shall accrue without interest and be payable in subsequent years.

3. The General Partner shall be entitled to receive a fee equal to 40% of net cash flow (after repayment of deferred Development Fee and the Seller Loan) available for distribution by the partnership.

4. The General Partner shall be entitled to receive a fee equal to 40% of net proceeds available for distribution by the Partnership pursuant to a sale or refinance of the Project, as applicable.

5. Neither party shall enter into any contractual relationship or agreement relating to the Project that would cause either financial or legal liability to the other, without the other party's prior written consent.

6. All reasonable expenses incurred by the McKinney HFC in connection with this MOU, including but not limited to costs for third-party reports, GP Counsel (as defined below), Hilltop Securities (as defined below), and other expenses incurred by the McKinney HFC in connection with the proposed Project (collectively, the *"Costs"*), shall be included in the Project's development budget and reimbursed by the Partnership to the McKinney HFC or to such third parties concurrently with the Closing.

7. For the avoidance of doubt, the usual and customary fees received by the McKinney HFC as issuer of the Bonds are separate and apart, and in addition to all Costs and fees payable to the McKinney HFC, its subsidiaries or its advisors as described in this MOU.

8. If this MOU or the Project is terminated before the Closing and the McKinney HFC has unreimbursed out-of-pocket Costs relating to this Project, the McKinney HFC, GP Counsel or Hilltop Securities, as applicable, shall invoice the Developer for such Costs and the Developer shall reimburse the McKinney HFC or such third party directly for such Costs within thirty (30) days of receipt of such invoice. Notwithstanding any language in this paragraph, the McKinney HFC shall not be entitled to reimbursement for any of its Costs if the McKinney HFC terminates pursuant to paragraph K.10(f) of this MOU.

9. The Developer acknowledges and agrees that it is the intent of the parties hereto that the McKinney HFC shall bear no out-of-pocket costs or expenses in connection with the Development, except as otherwise contemplated in paragraph I.8 above.

J. LONG TERM OWNERSHIP

At the end of the Compliance Period, in the event that the Special LP has determined to cause the Partnership to sell the Project to a third party buyer, the General Partner, the McKinney HFC, or the McKinney HFC's designated affiliate shall have a right of first refusal (the *"Right of First Refusal"*) to acquire the Project on the same terms offered by such third party buyer. In addition, upon execution of the Partnership Agreement, the General Partner, or other McKinney HFC affiliate shall have an option (the *"Option"*) to acquire the Project for the greater of: (1) fair market value or (2) an amount sufficient repay outstanding amounts under all of the Partnership's loans (including any prepayment or transfer premium or penalty) plus the amount of all federal, state and local tax liability of the Limited Partners (and their direct and indirect owners) resulting from the transfer of the Project. In addition, if such Option is exercised prior to the end of the

Compliance Period, the purchase price for the Option shall include, to the extent not already included as part of the purchase price, repayment of additional amounts to the Limited Partners and their respective affiliates for a return of capital contributions, repayment of loan or advances, outstanding Development Fee, costs incurred for participation in the Project, and the present value of anticipated cash flow and fees to the Limited Partners (or their respective affiliates) payable to the Limited Partners over the term of the Compliance Period (assuming a sale at the end of the Compliance Period), using a discount rate of 6%. In addition, in connection with any acquisition of the Project by the General Partner, McKinney HFC, or designated affiliate of the McKinney HFC after the Compliance Period, the purchase price shall include additional amounts as necessary, and to the extent not already included as part of the purchase price, to repay amounts loaned or advanced by the Limited Partners. The terms of the Right of First Refusal and the Option will be set forth in the Ground Lease and the exercise thereof shall be conditioned on McKinney HFC replacing, or causing the replacement of, the Special LP and all of its affiliates with respect to any and all guaranty or indemnity obligations in any Financing Documents that will continue after the Landlord's acquisition of the Property. In lieu of the Option, the McKinney HFC may also acquire the interests of the Investor LP and the Special LP for a price equal to the amount that each partner would receive under the foregoing price calculation for the Option.

In the event that the Exemption is lost or unable to be obtained or the General Partner is removed from the Partnership, all rights of first refusal and option rights to the McKinney HFC, the General Partner, or any affiliate thereof shall terminate.

The parties hereto recognize that the McKinney HFC desires to have long-term ownership of the Project and shall cooperate in establishing opportunities for such ownership by the McKinney HFC, provided that such rights of the McKinney HFC shall not preclude other rights that may be held by the Developer or its affiliates to acquire the interest of the Investor LP (such right to be negotiated in the Partnership Agreement).

Notwithstanding the foregoing, at any time after the Compliance Period, the Special LP shall have the right to market the Project and the Land for sale, including but not limited to, to an affiliate of the Special LP (which in any case shall include termination of the Ground Lease and transfer of the fee interest in the Land for the price set forth in A.5 above). If an offer is received at a purchase price equal to at least the minimum purchase price pursuant to Section 42(i)(7)(B) of the Code and such offer is acceptable to the Special LP and the Investor LP, each in its sole and absolute discretion, and the consent of the McKinney HFC (solely in the case of an offer from an affiliate of the Special LP), the Project may be sold pursuant to such offer; provided that, such offer shall be subject to the McKinney HFC's Right of First Refusal. If the McKinney HFC does not exercise its Right of First Refusal, the Special LP may proceed to sell the Project pursuant to the terms of the third-party offer, without additional consent of the General Partner.

K. MISCELLANEOUS

1. This MOU reflects the entire understanding between the parties and may only be amended in writing, signed by both parties.

2. Each party hereto is prohibited from assigning any of its interests, benefits or responsibilities hereunder to any third party or related third party, without the prior written consent of the other party. Notwithstanding the foregoing, an affiliate of Developer or Special LP on one hand, or of McKinney HFC or General Partner on the other hand, may perform some or all of the activities of Developer or McKinney HFC, respectively, set forth in this MOU, except that AH LIHTC Guarantor, LLC, an affiliate of April Housing, LLC (the *"Guarantor"*) shall provide the required indemnities as set forth in A.3 above. For purposes of this MOU, any references to "Developer" shall be deemed to refer, as applicable, to Developer or to any affiliate thereof that actually performs the activities of Developer set forth herein as will be set forth in the closing documents, and any references to "McKinney HFC" shall be deemed to refer, as applicable, to McKinney HFC or to any affiliate thereof that actually performs the activities of McKinney HFC set forth herein as will be set forth in the closing documents.

3. The parties agree to execute such documents and do other such reasonable things as may be necessary or appropriate to facilitate the rehabilitation of the Project and the consummation of the agreements set forth herein.

4. This MOU may be executed in several counterparts, each of which shall be deemed to be an original and all of which together shall constitute one contract binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart

5. THIS MOU SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUSIVE OF CONFLICT OF LAWS PRINCIPLES.

6. In case any one or more of the provisions contained in this MOU for any reason is held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provision hereof, and this MOU will be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

7. The parties hereto submit exclusively to the jurisdiction of the state and federal courts of Collin County, Texas, and venue for any cause of action arising hereunder shall lie exclusively in the state and federal courts of Collin County, Texas.

8. Should any party employ an attorney or attorneys to enforce any of the provisions hereof, to protect its interest in any manner arising under this MOU, or to recover damages for the breach of this MOU, the non-prevailing party in any action pursued in courts of competent jurisdiction (the finality of which is not legally contested) agrees to pay to the prevailing party all

reasonable costs, damages and expenses, including specifically, but without implied limitation, attorneys' fees, expended or incurred by the prevailing party in connection therewith.

9. The subject headings contained in this MOU are for reference purposes only and do not affect in any way the meaning or interpretation hereof.

10. This MOU shall continue until terminated upon the occurrence of any one of the following conditions:

(a) The McKinney HFC and the Developer sign a mutual consent to terminate this MOU;

(b) The Project has not received a commitment for Tax Credits within six months of the Effective Date;

(c) The Project has not received a commitment for Bond financing within six months of the Effective Date;

(d) Loan and Equity financing for the Project are not closed within one year of the Effective Date;

(e) If the terms of the Loan and Equity financing for the Project are unacceptable to the McKinney HFC, in its sole discretion, and the McKinney HFC provides the Developer notice of such fact and a 30-day opportunity to provide financing terms that are acceptable to the McKinney HFC and the Developer, but the Developer does not do so;

(f) The McKinney HFC's Board of Directors takes action to disapprove of the participation of the McKinney HFC in the financing of the Project as described in this MOU at any time prior to the Closing;

(g) Either party breaches its obligations under this MOU, the non-breaching party provides the breaching party notice of such fact and a 15-day opportunity to cure, and the breaching party fails to do so;

(h) Either party files for bankruptcy protection, makes an assignment for the benefit of creditors, has a receiver appointed as to its assets, or generally becomes insolvent;

(i) If any party or any of its affiliates is determined to be in material non-compliance with the rules of TDHCA or otherwise is ineligible to participate in TDHCA's tax credit program; or

(j) If Developer determines, in its sole discretion, that the transactions contemplated by this MOU are not economically feasible or that the terms contemplated herein will not achieve the Developer's goals for the transaction and delivers written notice detailing the reasons therefor to the McKinney HFC.

Termination of this MOU by either party shall be effected only by written notice provided to the other party in accordance with the notice provisions of this MOU.

Upon termination of this MOU for any of the reasons cited above, neither party shall have any ongoing obligation to the other with respect to this MOU nor the Project, except for any provisions expressly stated to survive such termination. In addition, the provisions of this MOU with respect to the Project will be terminated when the McKinney HFC is admitted to the General Partner and the McKinney HFC and the Developer and their affiliates, as applicable, enter into definitive agreements with respect to the governance of the Partnership and the rehabilitation, financing, and operation of the Project as contemplated herein.

If this MOU is terminated for any reason, Developer shall retain all rights to control the Project. McKinney HFC agrees, upon such termination, to execute any document reasonably requested by Developer to give effect to the provisions of this paragraph. The provisions of this paragraph shall survive termination of this MOU.

11. The parties acknowledge that the General Partner, the McKinney HFC and its affiliates will be represented in this transaction by Chapman and Cutler LLP (*"GP Counsel"*) in a legal capacity and Hilltop Securities Inc. in a financial advisory capacity (*"Hilltop Securities"*). The Partnership, the Developer, the Special LP and their affiliates will be represented by separate counsel, will not be entitled to rely on GP Counsel for representation in this matter and acknowledge that no financial advisory relationship will exist among the Partnership, the Developer, the Special LP and their affiliates and Hilltop Securities. The Partnership shall engage Naman Howell Smith & Lee PLLC as local counsel for purposes of rendering an opinion regarding the Exemption addressed to the Partnership, the McKinney HFC and the Ground Lessor.

12. Any notice, request, demand, instruction or other document to be given or served hereunder shall be in writing and shall be (a) delivered personally, (b) sent by overnight express courier, postage prepaid, or (c) sent by facsimile or electronic mail, each addressed to the parties at their respective addresses set forth below, and the same shall be effective upon receipt if delivered personally, by overnight courier or by facsimile or electronic mail (with proof of delivery). A party may change its address for receipt of notices by service of a notice of such change in accordance herewith. If any deadline under this MOU falls on a Saturday, Sunday or legal holiday, the deadline shall be extended to the next business day.

McKinney HFC:

401 E. Virginia Street
McKinney, Texas 75069

Attention: Secretary
Email: ctodd@mckinneytexas.org

Developer: Skyway Villas (TX) Developer LLC
c/o April Housing, LLC
200 S. Grand Avenue, 2nd Floor
Los Angeles, CA 90071
Attention: General Counsel
Email: lnelson@aprilhousing.com
mkahnowitz@aprilhousing.com

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EXECUTED to be effective as of the date above shown.

MCKINNEY HOUSING FINANCE CORPORATION

By ____________________________________
Name: Tyler Underwood
Title: President

SKYWAY VILLAS (TX) DEVELOPER LLC, a Delaware limited liability company

By ___________________________________
Name: ______________________________
Title: _______________________________

AH LIHTC GUARANTOR LLC, a Delaware limited liability company (with respect to Paragraph K.2

By ___________________________________
Name: ______________________________
Title: _______________________________

EXHIBIT A

MCKINNEY HOUSING FINANCE CORPORATION
CHECKLIST OF DUE DILIGENCE
FOR TAX CREDIT TRANSACTIONS

PROPERTY ITEMS		
RECEIVED	ITEM	NOTES
	Project Description, including number of units, unit sizes, and amenities	
	Site Location information, with map	
	Proposed Rent Schedule, with tenant income restrictions	
	Site Plan	
	Market Study	
	Appraisal	
	Phase I Environmental	
	Soils Report	
	Evidence of site control	
	Evidence of zoning	
	Title commitment with all exceptions	
	Survey	
	Physical needs analysis (for rehabilitation projects)	
DEVELOPMENT ITEMS		
RECEIVED	ITEM	NOTES
	Detailed Development Budget	
	Sources and Uses	
	Statement of Developer's experience, including evidence of net worth	
	Resume of Master Subcontractor, with evidence of experience	
	Plans and Specifications	
	Resume of Architect, with evidence of experience	

Financing Items		
Received	Item	Notes
	15-year Pro Forma	
	Debt financing commitment	
	Equity financing commitment	
	Description of all other sources of financing	
	Application for debt financing	
	Application for Tax Credits	
Operational Items		
Received	Item	Notes
	Resume of property management company, with evidence of experience	
	Description of social services to be provided and information regarding social services provider	
	Proposed Rent Schedule, with tenant income restrictions	
	Current rent roll (if applicable)	
Organizational Items		
Received	Item	Notes
	Organizational documents for limited partnership	

EXHIBIT B
PARTNERSHIP AGREEMENT TERMS

The following is a summary of terms that the McKinney HFC will require in the Partnership Agreement. The following list is not intended to be exhaustive and is intended to supplement and not limit the terms of the MOU.

REPRESENTATIONS

- The General Partner will make representations only as to its existence and due authorization and execution of Partnership documents.
- The General Partner will become a partner in the Partnership at Closing, therefore pre-closing items must be addressed by the Special LP or other Developer affiliate. Under no circumstances will McKinney HFC execute documents on behalf of the General Partner or the Partnership that are effective prior to McKinney HFC's admission to the General Partner and the Partnership.
- The General Partner is not performing due diligence on the Project, except as may be for its own benefit. Therefore, any representations regarding the Project must be provided by the Special LP.
- The General Partner's representations are generally as to its own knowledge. The knowledge of the General Partner may not be qualified by phrases such as "after due inquiry." The General Partner will make no inquiry.

COVENANTS

- The General Partner may covenant not to take affirmative actions, but the General Partner cannot covenant not to permit or allow others to do things.
- The General Partner cannot covenant to maintain the Exemption, but the General Partner will cooperate with the Special LP in making any required filings.
- Any covenants relating to the operation of the Partnership or the rehabilitation (if applicable) or operation of the Project shall be made by the Special LP (including, but not limited to, qualification for tax credits, if applicable).
- The General Partner will not covenant to maintain adequate capital.

INDEMNITIES AND GUARANTEES

- The General Partner shall be indemnified for all losses other than those caused by the General Partner's gross negligence or willful misconduct.
- The General Partner's indemnification shall not be conditioned on a court determination.
- The General Partner will indemnify only for its own gross negligence or willful misconduct. The General Partner will not indemnify for actions or inactions of the Special LP.
- The General Partner will not provide completion guarantees, environmental guarantees, credit guarantees, or covenant to make up for cash flow short falls.
- The General Partner will not be required to make loans to the Partnership.

- If the Partnership is required to provide a guarantee, the guarantee should either be limited to the assets of the Partnership or should explicitly state that the guarantee is not intended to be recourse to the General Partner.

DUTIES AND OBLIGATIONS FOR ADMINISTRATION OF PARTNERSHIP

- The General Partner will make a broad delegation to the Special LP with respect to the administration of the Partnership and the operation of the Project.
- The Special LP will be responsible for obtaining any insurance required by the Partnership Agreement or other Partnership documents and will name the General Partner as an additional insured party where applicable.
- The Special LP will be responsible for ensuring any requirements for maintaining the Exemption are met, including any ongoing correspondence with the applicable appraisal district. The General Partner will agree to provide reasonable cooperation at the direction of the Special LP with respect to the Exemption.
- All reports that are required by the Investor LP shall be made by the Special LP, and any penalties imposed for late reports shall be imposed only on the Special LP.
- Notices required by the Investor LP shall be made by the Special LP.

OPTIONS/RIGHTS OF FIRST REFUSAL

- The McKinney HFC will be granted the Option and Right of First Refusal described in the MOU.
- Under no circumstances shall the Special LP be granted an option to purchase the General Partner's Partnership interests.

TAXES AND ALLOCATIONS

- The Special LP will be responsible for the preparation of the Partnership tax return and tax filings. The General Partner will cooperate with the Special LP to the extent its signature is required.
- If excess loss allocations would result in income tax liability to the General Partner that is not paid by the Partnership, such losses in excess of capital accounts shall not be allocated to the General Partner.
- The General Partner will not have a deficit restoration obligation either annually or on liquidation; *provided, however,* the Special LP may agree to fund such deficit restoration obligation on behalf of the General Partner without recourse or rights to indemnification from or subrogation against the General Partner, and in such event, the Guarantor shall guarantee the obligation of the Special LP and indemnify the General Partner for any liabilities in connection therewith.
- The Special LP will be the "partnership representative" for the purposes of tax audits.
- If the Partnership has an adjustment on audit, the General Partner will pay its allocated share but will not put additional funds into the Partnership.

REMOVAL

- Unless a removal is caused by its own gross negligence or willful misconduct, the General Partner will not be liable for the costs related to removal or replacement.
- The General Partner will not be liable for events after removal.

MISCELLANEOUS

- Texas will be the governing law, and jurisdiction and venue for the Partnership Agreement, all other Equity documents and Loan Financing documents will be Collin County, Texas.