

MEMORANDUM OF UNDERSTANDING

BETWEEN

McKINNEY HOUSING FINANCE CORPORATION

AND

NRP HOLDINGS LLC

“FRANKLIN BRANCH APARTMENTS”

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 NRP Holdings LLC (“*Developer*”), an Ohio limited liability company, and is dated and effective as of [April 10], 2026.

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 develop affordable housing, in accordance with the terms of this MOU to be 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, to be located on land at approximately 3565 FM 1461, McKinney, Texas (the “*Project*”).

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

AGREEMENTS

A. OWNERSHIP STRUCTURE

1. The Developer will form a limited partnership (the “*Partnership*”) for the purpose of owning the Project. McKinney Franklin Branch GP, LLC, a single-purpose Texas limited liability company, will be the sole General Partner (the “*General Partner*”) of the Partnership, and ownership of the General Partner will be transferred to the McKinney HFC at Closing.

2. The Developer may designate an affiliate to serve as a special limited partner of the Partnership (the “*Special LP*”), with certain oversight and approval rights. Any such rights must be agreed to by the McKinney HFC and may not, in the opinion of the McKinney HFC’s counsel, result in the Special LP being deemed a General Partner for exercising its rights under the Partnership Agreement (as hereinafter defined); *provided, however*, that it is acknowledged that neither the Developer, nor its affiliates, will be required to guarantee any items or indemnify for any items over which such entities are not given control.

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*”).

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 for any liabilities incurred under the Partnership Agreement, except for liabilities incurred as a result of the General Partner’s gross negligence, willful misconduct, or willful breach of the Partnership Agreement and in no event shall such indemnification be contingent upon a ruling of a court of law, *provided* that indemnitees shall be given notice and right to defend any claim, and in all events shall not be liable for any claims settled without indemnitees consent;

(iii) The McKinney HFC shall be indemnified by the (a) Partnership and the Special LP for any liabilities incurred in connection with the Project, except for liabilities incurred as a result of the gross negligence or willful misconduct of the McKinney HFC and (b) Developer for any liabilities incurred in connection with the Project, except for liabilities incurred as a result of the negligence, gross negligence or willful misconduct of the McKinney HFC, and in no event shall such indemnification be contingent upon a ruling of a court of law, *provided* that indemnitees shall be given notice and right to defend any claim, and in all events shall not be liable for any claims settled without indemnitees consent;

(iv) The Contractor (as defined herein) shall be indemnified by the (a) Partnership for any liabilities incurred in connection with the Project, except for liabilities incurred as a result of the gross negligence or willful misconduct of the Contractor and (b) Developer and the Developer-affiliated master subcontractor for any liabilities incurred in connection with the Project, except for liabilities incurred as a result of the negligence, gross negligence or willful misconduct of the Contractor, and in no event shall such indemnification be contingent upon a ruling of a court of law, *provided* that indemnitees shall be given notice and right to defend any claim, and in all events shall not be liable for any claims settled without indemnitees consent;

(v) The Special LP and the Developer shall be indemnified by the Partnership for any liabilities incurred under the Partnership Agreement, except for liabilities incurred as a result of the gross negligence or willful misconduct of the Special LP and/or Developer, and in no event shall such indemnification be contingent upon a ruling of a court of law, *provided* indemnitees

shall be given notice and right to defend any claim, and in all events shall not be liable for any claims settled without indemnitees consent;

(vi) 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; *provided*, that the General Partner will cooperate in good faith with the Special LP to undertake or meet any such obligations; and

(vii) 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.

The Developer agrees that it will provide an executed copy of this MOU to the Investor LP 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. Certain Partnership and Project management and indemnification provisions shall be documented in a separate Master Agreement.

4. Title to the land for the Project (the “*Land*”) shall be taken in the name of a wholly-owned subsidiary of the McKinney HFC (the “*Ground Lessor*”), and the Ground Lessor shall then enter into a 99-year ground lease (the “*Ground Lease*”) with the Partnership, as tenant, holding an interest in the improvements that constitute the Project. Funding for the acquisition of the land will come from the financing of the Project, and may be paid to the Ground Lessor in the form of an up-front Ground Lease payment. The Ground Lessor agrees to execute a joinder of its fee interest in connection with any deed of trust or mortgage required for the financing of the Project. Upon termination 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 upon payment to the Ground Lessor of an amount equal to the initial acquisition price for the land; *provided, however*, that the Partnership shall be entitled to a credit for any unamortized annual lease payments occurring prior to such sale.

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 at the times stated on the Checklist, to the extent reasonably possible. The Developer and the McKinney HFC shall mutually agree on the site to be developed prior to the Developer’s delivery of the initial Checklist items.

C. FINANCING

1. On behalf of the Partnership, the Developer has applied or will apply for a reservation of private activity bond volume cap in connection with multifamily housing bonds to be issued by the McKinney HFC (the “*Bonds*”). 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, with such Bond purchaser potentially being an affiliate of the Developer; *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, such approval not to be unreasonably withheld, conditioned or delayed.

2. On behalf of the Partnership, the Developer will apply for a commitment of low-income housing Tax Credits (the “*Tax Credits*”) from the Texas Department of Housing and Community Affairs (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, which may be from an affiliate of the Developer, 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, such approval not to be unreasonably withheld, conditioned or delayed. The Equity financing documents are expected to include the Partnership Agreement.

3. If the Project receives a commitment of Tax Credits, the Developer will apply for construction and permanent financing (the “*Loan*”) on behalf of the Partnership. The Developer shall be responsible for selecting the lender, which may be an affiliate of the Developer, and negotiating the Loan terms 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 Loan documents, not to be unreasonably withheld, conditioned or delayed.

4. The Developer shall pay all costs and fees associated with applying for the Bonds, the Loan and the Tax Credits, which costs, along with all other pre-development costs incurred by the Developer, shall be reimbursed at the initial closing and funding of financing to the Partnership (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, including the costs of the McKinney HFC’s general counsel in an amount not to exceed \$5,000, 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 completion, operating expenses, Tax Credit delivery, and the like that may be required in conjunction with the Bond financing or the Equity financing, so long as the Developer is provided

adequate control and consent rights over items which it is required to guaranty. 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, *provided, however*, to the extent Developer, or its affiliates, are required to make a payment under a guaranty due to the actions of the General Partner, or its affiliates, funds which would have otherwise been distributed by the Partnership to the General Partner, or its affiliates, shall instead be paid to Developer, or its affiliates, to reimburse such payments.

D. DESIGN AND CONSTRUCTION

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 approval not to be unreasonably withheld, conditioned or delayed and provided that the Developer shall have a final consent right to any such documents. The Developer shall be responsible for obtaining any rezoning prior to submitting a parcel to the McKinney HFC for its final financing approval. The Developer shall further be solely responsible for obtaining any variances to ordinances or codes governing development of a Project. In conjunction therewith, the Developer shall use its best efforts to design the Project such that it does not require variances to ordinances or codes governing development.

4. In order to secure an exemption from state sales tax for the acquisition of building materials, the McKinney HFC or a subsidiary of the McKinney HFC shall serve as the general contractor (or co-venturer) (the "*Contractor*") and enter into a master subcontractor agreement (or joint venture agreement) with the Partnership. The master subcontractor (or developer-affiliated co-venturer) will be an affiliate of the Developer. For its services in connection with the construction contract, the McKinney HFC shall be entitled to a fee equal to 0.77% of construction hard costs, which fee is currently estimated to be \$354,443, with 50% of said fee due and paid at Closing and 50% at construction completion. The Master Subcontractor (or developer-affiliated co-venturer) will be an affiliate of the Developer. The Master Subcontractor shall provide the Partnership a standard AIA form Lump Sum contract in an amount and otherwise on terms and conditions acceptable to all parties, each acting reasonably. In no event shall the amount of the general contract be less than shown in the Project proforma. The lump sum payable to Master Subcontractor shall be an obligation of the Partnership and shall be inclusive of a typical 6-2-6 construction profit (i.e., 6% builder profit, 2% overhead and 6% general conditions), all of which

will be drawn on a percent of work complete basis. The fixed price amount of the contract will also include a contractor's contingency of 5% solely for the use of Master Subcontractor and to be drawn as needed by an approved change order to complete the work. Any unused contingency at the completion of the project will be paid to the Master Subcontractor as part of the lump sum contract.

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

6. The Developer shall guarantee to the Investor LP and any lender, delivery of the Project on time and within the approved budget (as it may be amended or revised from time to time with appropriate approvals), to the extent required by the same. 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 \$250,000 for a single change or \$500,000 in the aggregate) during construction.

7. The Project shall be constructed so as to comply with ADA and Section 504 requirements, to the extent applicable under federal and state law.

E. MANAGEMENT AND OPERATION

1. NRP Management LLC (the "*Manager*") or such other Developer designated affiliate shall serve as the property manager for the Project which will be memorialized in a Property Management Agreement (the "*Management Agreement*"). The amount of the management fee shall be the greater of \$50 per unit per month or six percent (6%) of effective gross income and paid as outlined in the Management Agreement, but in no event less than \$5,995 per month (the "*Management Fee*"). At the Manager's option, the Manager shall have the right to defer up to one percent (1%) of the Management Fee, such deferred portion of the Management Fee to be paid prior to paying the deferred portion of the Development Fee. Because the Project consists of new construction, prior to the receipt of a Certificate of Occupancy for the first residential building, the Manager will be compensated by monthly fees equal to \$40 per unit commencing with the first complete month after the first community employee commences to work at the Project, provided such date is typical for when an employee would commence working at similar projects. The Manager shall further be entitled to receive a \$100,000 property set-up fee payable no later than the first (1st) anniversary of the start of construction. Funds capitalized in the rent up reserve line item of the development budget that go unused for interest after completion and property expenses will be considered earned by the Manager as an incentive lease-up fee. The Manager shall provide all normal and customary reports to the McKinney HFC on a timely basis each month. The Manager shall make available on a timely basis all copies of all incoming important correspondence from all third parties to the McKinney HFC. The McKinney HFC will be registered with lenders and equity providers to receive copies of all correspondence regarding the Project.

2. Notwithstanding anything to the contrary and so long as an affiliate of the Developer is providing a guaranty with respect to the Project, the Management Agreement will automatically renew upon its scheduled termination.

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 Tax Credit compliance.

G. COMMUNITY SUPPORT

The Developer shall be solely responsible for interfacing with the local governmental officials in connection with the Project. The parties will consult with each other and coordinate the response to any media inquiries about the Project that may arise.

H. TAX EXEMPTION

The ownership structure contemplated herein is expected to generate an ad valorem tax exemption for the Project, except pursuant to Section 394.905(d) with respect to taxes assessed by certain conservation or reclamation districts providing water, sewer or drainage services, and/or emergency service districts (the "*Exemption*"). The McKinney HFC, on behalf of the Partnership, shall work with the applicable appraisal district to obtain confirmation of the availability of such Exemption. The Partnership shall be responsible for retaining local counsel for purposes of rendering any required opinions regarding the Exemption, including an opinion addressed to and acceptable in form and substance to the McKinney HFC and the Ground Lessor.

The Developer will use commercially reasonable efforts to cause the Partnership to apply for, obtain, and maintain the Exemption and at the direction of the Special LP to pursue an appeal of any denial thereof if at the cost of the Partnership, and the McKinney HFC and its affiliates will cooperate with all such efforts as reasonably requested by the Special LP. The McKinney HFC will not take any action on behalf of itself or the General Partner to cause the Exemption to be terminated or voided. The General Partner will not take any action on behalf of itself or the Partnership to cause the Exemption to be terminated or voided. If the Exemption is not obtained or maintained after commercially reasonable efforts by the McKinney HFC (as specifically required under the Partnership Agreement or directed by the Special LP), and the Special LP has not given written direction to pursue an appeal or has given written direction to discontinue the appeal, the McKinney HFC shall promptly cause its General Partner interest in the Partnership, and any and all rights to future fees and distributions to be transferred to the Special LP, or its designee for \$100. In addition, the fee estate in the Land shall be conveyed to the Partnership at (i) a cost of \$100 to the Partnership if the loss of such exemption occurs during the Compliance Period (as hereinafter defined) and (ii) the fair market value of the Land as determined by the

average of the value determined by two (2) independent appraisers if the loss of such exemption occurs after the Compliance Period (as hereinafter defined).

I. FEES AND EXPENSES

1. The Developer shall be entitled to receive a development fee (the “*Development Fee*”) for its services in developing 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 70% going to Developer and 30% going to the McKinney HFC or its subsidiary. The Partnership shall first pay a fee in the amount of \$55,000 to Structure Development for consulting services prior to any payments of the Development Fee to affiliates of the McKinney HFC or the Developer.

2. During the 15-year Tax Credit compliance period (the “*Compliance Period*”), after payment of the Development Fee and any amounts owed to the Investor LP, the General Partner and Special LP shall split any remaining net cash flow distribution, 50% to the Special LP and 50% to the General Partner. Following a refinance of the Project, after payment of the Development Fee and any payments to the Investor LP, if any, the General Partner and Special LP shall split any remaining net refinance distributions, 50% to the Special LP and 50% to the General Partner.

3. Upon sale of the Project to an unrelated third party, the General Partner shall be entitled to receive a fee equal to 1.5% of the gross sales price.

4. For the first year following the end of the Compliance Period, the Ground Lessor (or its designated affiliate) shall be entitled to an annual rent equal to the greater of (a) \$300,000 or (b) the City of McKinney’s estimated forgone ad valorem taxes (the “*Annual Rent*”). The estimated forgone taxes shall be determined by dividing the Project’s audited net operating income from the previous year by the sum of (i) the applicable tax rate that would apply if the Project were taxable, and (ii) the capitalization rate published by the Collin Central Appraisal District pursuant to Section 11.1825 of the Texas Property Tax Code; the resulting quotient shall be multiplied by the City of McKinney’s millage rate. Thereafter, the Annual Rent will increase 3% annually. Annual Rent will be payable by the Partnership only to the extent of available cash flow, and shall accrue without interest in the event net cash flow is insufficient to pay it in any year; *provided, however*, that any such accrued amount shall not be due upon a foreclosure. For the avoidance of doubt, the General Partner is not entitled to the distributions set forth in I.2 above following the Compliance Period once Annual Rent is in effect.

5. Each of the General Partner and Special LP shall be entitled to receive a Partnership Management Fee in the amount of \$20,000, increasing by 3% per year, for each partner’s 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 unpaid amount shall accrue without

interest and be payable in subsequent years. Subject to Investor LP approval, the Partnership Management Fee will be paid prior to paying the deferred portion of the Development Fee.

6. 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.

7. All reasonable expenses incurred by the McKinney HFC in connection with this MOU, including but not limited to costs for third-party reports, the McKinney HFC's legal counsel, counsel to the General Partner and the Partnership, special real estate counsel, financial advisor and other expenses incurred by the McKinney HFC in connection with the proposed Project (the "*Costs*"), shall be included in the Project's development budget and reimbursed by the Partnership to the McKinney HFC concurrently with the Closing. Estimated costs of McKinney HFC's legal counsel, counsel to the General Partner and the Partnership, special real estate counsel and financial advisor are provided on *Schedule 1*. Notwithstanding any language in this paragraph, the McKinney HFC shall not be entitled to retain any of its Costs, if the McKinney HFC terminates this MOU pursuant to paragraph K.10(e), (f), (g) or (h) or otherwise breaches the terms of this MOU.

8. The McKinney HFC shall be entitled to receive fees as issuer of the Bonds as described on *Schedule 2*.

9. Keystone, an affiliate of the Developer, shall provide accounting services (including but not limited to: (i) bookkeeping, monitoring and reporting requirements and processing the construction loan and development draws and change orders, and (ii) preparation of and/or coordinating preparation of the cost certification, carryover, 10% test, tax returns and the Partnership's audit and audited financial statements for filing or certification by the Partnership's outside accountants, to the Project until the later of: (i) conversion to permanent financing; (ii) receipt of the final installment of the Equity financing; and (iii) receipt of Form 8609. Keystone shall receive a fee from the Partnership of \$35,000 in the aggregate per year. Keystone will provide customary correspondence and reports to the McKinney HFC monthly. Keystone shall provide drafts of all material out going third party correspondence to the McKinney HFC for review prior to submittal. The Developer and Keystone shall make available timely copies of all incoming important correspondence from all third parties to the McKinney HFC. The McKinney HFC will be registered with the lenders, accountants and equity providers to receive copies of all correspondence regarding the Project.

J. LONG TERM OWNERSHIP

At the end of the Compliance Period, the Ground Lessor, 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 for a price equal to the third-party offer to purchase the Project received by Partnership that the Special LP and Investor LP desire to accept. In addition, upon

execution of the Partnership Agreement, the General Partner, or other McKinney HFC affiliate shall have an option to acquire the interests of the Investor LP and the Special LP and an option to acquire the Project at fair market value (the “*Option*”). 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. The parties hereto further agree that the McKinney HFC’s rights and interests with respect to the long-term ownership of the Project shall be documented in the Partnership Agreement, the Ground Lease and any related document in a manner mutually agreeable to the McKinney HFC and the Developer. In the event that the McKinney HFC, or its designee, purchases the Project or the Investor LP interest pursuant to the Option, it shall pay the Special LP what the Special LP would have received under the Partnership Agreement had the Project been sold for its fair market value, and shall cause to have the Developer and its affiliates released from any guarantees; *provided, further*, that the Developer shall be given a right to participate in any resyndication, rehabilitation, or recapitalization of the Project through the fifth anniversary of the end of the Compliance Period.

K. MISCELLANEOUS

1. This MOU reflects the entire understanding between the parties and may only be amended in writing, signed by both parties. This MOU is a contract and not merely an “agreement to agree.”

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.

3. The parties agree to execute such documents and do other such reasonable things as may be necessary or appropriate to facilitate the development 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. [Reserved].

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 by December 31, 2027;

(c) The Project has not received a commitment for Bond financing by December 31, 2027;

(d) Loan and Equity financing for the Project are not closed by December 31, 2027;

(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; or

(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.

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. In addition, the

provisions of this MOU with respect to the Project will be terminated when the General Partner is admitted to the Partnership 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 development, construction, financing, and operation of the Project as contemplated herein.

11. The parties acknowledge that the Partnership, the General Partner, the McKinney HFC and its affiliates will be represented in this transaction by Chapman and Cutler LLP (*“Partnership Counsel”*) and the Developer, the Special LP and their affiliates will be represented by BakerHostetler LLP. All costs of Partnership Counsel and BakerHostetler LLP will be considered Costs hereunder and paid as provided herein.

EXECUTED to be effective as of the date above shown.

McKINNEY HOUSING FINANCE CORPORATION

By _____
Name: _____
Title: _____

NRP HOLDINGS LLC

By _____
Name: _____
Title: _____

EXHIBIT A

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

PROPERTY ITEMS			
RECEIVED	ITEM	DEADLINE	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	DEADLINE	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	DEADLINE	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	DEADLINE	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	DEADLINE	NOTES
	Organizational documents for limited partnership		

SCHEDULE 1

**McKINNEY HOUSING FINANCE CORPORATION
CONSULTANT FEES**

FINANCIAL ADVISOR – HILLTOP SECURITIES INC.

Application Fee	\$5,000
Financial Advisor Fee	\$2 per \$1,000 par amount of bonds issued plus \$20,000 base fee
General Partner Advisor Fee	\$75,000

BOND COUNSEL – NORTON ROSE FULBRIGHT US LLP

Legal Fees	\$ _____
------------	----------

PARTNERSHIP COUNSEL – CHAPMAN AND CUTLER LLP

Legal Fees	\$135,000
------------	-----------

SCHEDULE 2

MCKINNEY HOUSING FINANCE CORPORATION BOND ISSUANCE FEES

Closing Fee	\$5.00 per \$1,000 par amount of bonds issued with a minimum fee of \$20,000.
Annual Fee	0.125% of the original par amount of the Bonds due and payable on January 1 of each year. On any transaction where the Bonds are expected to be outstanding for less than 10-years, 10-years of capitalized administrative fees will be due at the Bond Closing – on all other transactions, two-years will be due at the Bond Closing;