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THIS FILING IS MADE IN CONNECTION WITH A PUBLIC FINANCE TRANSACTION AS DESCRIBED IN SECTIONS 9.102(68) AND 9.515(b) OF THE UNIFORM COMMERCIAL CODE OF TEXAS.

**SUBORDINATE DEED OF TRUST, SECURITY AGREEMENT,
ASSIGNMENT OF RENTS AND LEASES, AND
FINANCING STATEMENT**

(Subordinate Loan-Tower Road Apartments)

By

Manor Leased Housing Associates I, Limited Partnership

To

Rosalyn Davis, as Mortgage Trustee

For the Benefit of

**BOKF, NA,
as Indenture Trustee**

THIS INSTRUMENT CONTAINS FUTURE ADVANCE CLAUSES

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**DEED OF TRUST, SECURITY AGREEMENT,
ASSIGNMENT OF RENTS AND LEASES, AND
FINANCING STATEMENT**

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

Preamble

This Deed of Trust, Security Agreement, Assignment of Rents and Leases, and Financing Statement dated as of [] (this "Deed of Trust") executed by Manor Lease Housing Associates I, Limited Partnership, a Texas limited liability Partnership created under Chapter 101, Texas Business Organizations Code, as amended (the "Partnership"), the mailing address of the Partnership being set out on the execution page hereof, to Rosalyn Davis of Harris County, Texas, as mortgage trustee, whose mailing address is set out in Section 11.13 hereof, and also to any substitute or successor mortgage trustee as hereinafter provided (all of whom shall be included within the term "Mortgage Trustee" as used hereinafter); for the use and benefit of BOKF, NA, trustee (the "Indenture Trustee") under that certain Trust Indenture (defined below) executed in connection with the Bonds (defined below), whose mailing address set out in Section 4.1 hereof, and any subsequent holder of the Secured Obligations hereinafter defined (all of whom shall be included within the term "Beneficiary" as used hereinafter), as beneficiary, assignee, and Secured Party, as more fully hereinafter set forth.

WITNESSETH:

WHEREAS, the Manor Housing Public Facility Corporation (the "MHPFC") has been duly incorporated and organized pursuant to and in accordance with the provisions of the Texas Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the "Act") by the City of Manor, Texas (the "Sponsor" or the "City") to finance or provide for the acquisition, construction, equipping, furnishing, and placement in service of public facilities, including qualified residential rental projects, in an orderly, planned manner and at the lowest possible borrowing costs.

WHEREAS, pursuant to the Act a "public facility" includes a qualified residential rental project; and

WHEREAS, the Act authorizes the MHPFC to: (a) issue bonds (which are defined in the Act to include notes, interim certificates or other evidences of indebtedness) to finance, refinance or provide public facilities on behalf of the Sponsor; (b) loan the proceeds of the obligations to other entities to accomplish the purposes of the Sponsor; (c) use the proceeds of its bonds to maintain reserve funds determined by the Sponsor (as defined in the Act) and the MHPFC to be necessary and appropriate; (d) pay any costs relating to the issuance or incurrence of bonds by the MHPFC; and (e) accept a mortgage or pledge of a public facility financed by the MHPFC and, as security for the payment of any connected bonds or credit agreements that the MHPFC issues or incurs, assign the mortgage or pledge and the revenue and receipts from the mortgage or pledge or grant other security; and

WHEREAS, the Board of Directors of the MHPFC (the “Board”) has authorized the issuance of its Multifamily Housing Revenue Bonds (Tower Road Apartments), Series 2024, in an aggregate principal amount not to exceed \$60,815,000 (the “Senior Bonds”) pursuant to an Indenture of Trust dated as of [](the “Senior Trust Indenture”) dated as of [], between the MHPFC and the Indenture Trustee as trustee, to provide for the financing by the Partnership of (i) the acquisition, construction and equipping of a multifamily residential rental development known as Tower Road Apartments located in the City, for citizens of low and moderate income and assist such persons in the City of Manor, Texas, in obtaining decent, safe and sanitary housing at affordable prices(the “Development”), (ii) the payment of capitalized interest on the Bonds, if any, and (iii) the payment of certain costs of issuance of the Bonds in accordance with the Constitution and laws of the State of Texas (collectively, (i) through (iii), the “Project”);

WHEREAS, the proceeds from the sale of the Senior Bonds will be loaned by the MHPFC to the Partnership to finance a portion of the development of the Development (the “Senior Bond Financing”) pursuant to a Loan Agreement between the MHPFC and the Partnership (the “Senior Loan Agreement”); and

WHEREAS, in connection with the Senior Loan Agreement and the Senior Bond Financing, the Partnership will execute a Note (the “Senior Bond Note”) payable to the Trustee; and

WHEREAS, in connection with the Senior Bond Financing and the execution of the Senior Loan Agreement, the Partnership and/or MHPFC TRGP1 LLC, a Texas limited liability company wholly owned by the MHPFC, as General Partner of the Partnership shall enter into any and all documents, including but not limited to, a Regulatory Agreement and Declaration of Restrictive Covenants, a Tax Exemption Certificate and Agreement, a Continuing Disclosure Agreement and such other types of agreements, certificates or documents necessary for the Issuer to issue the Senior Bonds and for the Partnership to consummate the Senior Bond Financing (collectively, with the Senior Bonds, the Loan Agreement and the Senior Bond Note, the “Senior Bond Financing Documents”);

WHEREAS, the Senior Bonds will be payable from payments received by the Partnership pursuant to that certain Ground Lease dated as of [](the “Ground Lease”), pursuant to which the MHPFC has agreed to lease the Project to the Partnership, and the Partnership has agreed to lease the Project from the MHPFC, and the Partnership has assigned and pledged to the Indenture Trustee, and granted a first lien priority security interest in, all of its right, title, and interest in and to the Ground Lease and all revenues, payments, receipts, and money to be received by the Partnership thereunder;

WHEREAS, the Board has authorized the issuance of its Subordinate Multifamily Housing Revenue Bonds (Tower Road Apartments), Series 2024, in an aggregate principal amount not to exceed \$4,000,000 (the “Bonds”) pursuant to a Subordinate Indenture of Trust (the “Trust Indenture”), between the Partnership and BOKF, NA as trustee (the “Trustee”), to provide for the financing by the Partnership of the Project.

WHEREAS, the proceeds from the sale of the Bonds will be loaned by the MHPFC to the Partnership to finance a portion of the development of the Project (the “Subordinate Bond Financing”) pursuant to a Loan Agreement between the Issuer and the Partnership (the “Subordinate Loan Agreement”);

WHEREAS, to secure its obligations under the Trust Indenture, the Partnership has agreed to execute a Subordinate Security Agreement dated as of even date herewith (the "Subordinate Security Agreement"), to grant to the Indenture Trustee a first priority security interest in the Partnership's personal property located on the Land, including any equipment, and in the accounts, documents, chattel paper, instruments, and general intangibles arising in any manner from the Partnership's ownership and operation of the Land and Improvements

WHEREAS, to further secure its obligations under the Trust Indenture the Partnership is hereby entering into this Deed of Trust for the benefit of the Indenture Trustee on behalf of the owners of the Bonds;

NOW, THEREFORE, for valuable consideration, including the mutual covenants contained herein and in further consideration of the issuance and sale of the Bonds by the MHPFC and the acquisition of the Project for lease to the Partnership pursuant to the terms of the Ground Lease, the receipt and sufficiency of which are hereby acknowledged, the Partnership hereby agrees as follows:

ARTICLE I SECURED OBLIGATIONS

Section 1.1 Deed of Trust Secures Described Indebtedness. This Deed of Trust is executed and delivered by the Partnership to secure the payment and performance of certain indebtedness, liabilities and obligations owing and to become owing to or in favor of Beneficiary, as follows:

(a) The indebtedness evidenced by the Bonds, being payable in the amounts, at the interest rate, and on the dates stipulated therein, maturing as provided therein, bearing interest on past due amounts as provided therein, and containing provisions for the acceleration of maturity, at the option of the holder thereof, and for the payment of attorneys' fees upon the occurrence of contingencies set forth therein;

(b) any and all amounts, liabilities, and obligations for which or for the performance of which the Partnership may become indebted or obligated under the terms of the Ground Lease, the Trust Indenture (but excluding any obligations not arising from or related to the Bonds) or this Deed of Trust, including, but not limited to, the fees and expenses of the Beneficiary;

(c) any sum or sums constituting other indebtedness (whether now existing or hereafter arising) of the Partnership to Beneficiary related to the Project, which indebtedness may be evidenced in various manners (including, but not limited to, indebtedness evidenced by a promissory note, loan agreement, deed of trust, mortgage, security agreement, open account, overdraft, surety, guaranty, and letter of credit), whether joint or several, direct or indirect, absolute or contingent, due or to become due, primary or secondary, howsoever evidenced or acquired, it being contemplated that the Partnership may hereafter become so indebted to Beneficiary; and

(d) any and all renewals, rearrangements, and extensions of the foregoing items of indebtedness and obligations;

provided, however, that the enumeration of items of indebtedness set forth in paragraphs 1.1(c) and (d) above shall not include and there is expressly excepted therefrom any items of indebtedness owing or to become owing to the Beneficiary for which applicable law prohibits the taking of a lien upon real estate as security, including, but not limited to, items of indebtedness incurred pursuant to Chapters 343 or 346 of the Texas Finance Code.

Section 1.2 Secured Obligations Defined. Each and every item of indebtedness described and included in Section 1.1 above is intended to be fully secured by the liens, assignments, and security interests created under and by virtue of this Deed of Trust; and all such items so secured (now or hereafter existing) are hereinafter collectively called "Secured Obligations."

ARTICLE II GRANT OF MORTGAGED PROPERTIES

Section 2.1 Grant, Sale and Conveyance. For the purposes and trusts hereinafter set forth, and for TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration paid to the Partnership, the receipt and sufficiency of which are hereby acknowledged, the Partnership has GRANTED, SOLD, and CONVEYED, and by these presents does GRANT, SELL, and CONVEY, unto the Mortgage Trustee in trust, with power of sale, all the following described property, to wit:

(a) All those certain tract(s) or parcel(s) of land (the "Land") being situated in Travis County, Texas, being more fully described as set forth on Exhibit A attached hereto and hereby referred to and incorporated herein for all purposes.

(b) To the extent owned by the Partnership and purchased with proceeds of the Bonds, all improvements upon the Land and now or hereafter attached to or placed, erected, constructed, or developed thereon, and all fixtures, materials, equipment, apparatus, furniture, furnishings, building materials, supplies, and other property, real and personal, now or hereafter installed or used thereon or upon the improvements thereon, including, but not limited to, all heating, lighting, refrigerating, plumbing, ventilating, incinerating, water heating, cooling and air-conditioning equipment, fixtures and appurtenances, all engines and machinery, elevators, pumps, motors, window screens, window shades, venetian blinds, awnings, floor coverings, and shrubbery and other chattels and personal property used or furnished in connection with the operation, use, and enjoyment of such real property and the improvements thereon, and all renewals, replacements, and substitutions therefor and additions thereto, all of which said property and fixtures shall be deemed to be a part of and affixed to the above described Land (the "Improvements").

(c) All rents, revenues, profits, income, damages, awards, and proceeds from or attributable to all or any portion of the Land, the Improvements, and any other property, both real and personal, hereinabove described.

(d) To the extent owned by the Partnership and purchased with proceeds of the Bonds, all other articles of personal property, tangible or intangible (the "Personal Property") now or hereafter attached to or used in or about the Land or Improvements or that are necessary or useful for the complete and comfortable use and occupancy of the Land or Improvements for the purposes for which they are to be attached, placed, erected, constructed or developed, or which Personal Property is or may be used in or related to

the planning, development, financing or operation of the Land or Improvements, and all renewals of or replacements or substitutions for any of the foregoing, whether or not the same are or shall be attached to the Land or the Improvements.

(e) All building materials and equipment now or hereafter delivered to and intended to be installed in or on the Land or the Improvements.

(f) All contracts now or hereafter entered into by and between the Partnership and the Original Contractor (as such term is defined in Section 53.001, Texas Property Code, as amended) or between the Partnership and any other party, as well as all right, title and interest of the Partnership under any subcontracts, providing for the construction (original, restorative or otherwise) of any improvements to or on any of the Land or the furnishing of any materials, supplies, equipment or labor in connection with such construction.

(g) The architect contracts and all plans, specifications and drawings of the Land Improvements (including, but not limited to, plat plans, foundation plans, floor plans, elevations, framing plans, cross-section of walls, mechanical plans, electrical plans and architectural and engineering plans, and architectural engineering studies and analysis) heretofore or hereafter prepared by any architect or any engineer, relating to any of the Land.

(h) All agreements now or hereafter entered into and with any party, including any assigned obligations relating to architectural, engineering, management, development or consulting services rendered or to be rendered relating to planning, design, inspection or supervision of the construction, management or development of any of the Land.

(i) Any completion bond, performance bond or labor and material payment bond or other bond relating to the Land or to any contract providing for construction of Improvements to the Land.

(j) The Partnership's rights (but not its obligations) under any contracts relating to the Land, the Improvements or the Personal Property;

(k) All permits, licenses, wastewater discharge capacities, franchises, certificates, and other rights and privileges obtained in connection with the Land, the Improvements and the Personal Property.

(l) All proceeds arising from or by virtue of the sale, lease or other disposition of the Land, the Improvements or the Personal Property.

(m) All proceeds (including premium refunds) of each policy of insurance relating to the Land, the Improvements or the Personal Property.

(n) All proceeds from the taking of any of the Land, the Improvements, the Personal Property or any rights appurtenant thereto by right of eminent domain or by private or other purchase in lieu thereof, including change of grade of streets, curb cuts or other rights of access, for any public or quasi-public use under any law.

(o) All right, title and interest of the Partnership in and to all streets, roads, public places, easements and rights-of-way, existing or proposed, public or private, adjacent to or used in connection with, belonging or pertaining to the Land.

(p) All rights, hereditaments and appurtenances pertaining to the foregoing.

(q) Other interests of every kind and character that the Partnership now has or at any time hereafter acquires in and to the Land, Improvements, and Personal Property described herein and all property that is used or useful in connection therewith, including rights of ingress and egress and all reversionary rights or interests of the Partnership with respect to such property.

(r) All of the accounts, documents, chattel paper, instruments, and general intangibles arising in any manner from the Partnership's ownership and operation of the Project.

(s) The proceeds in cash or otherwise, of the items described in the foregoing clauses, including, without limitation the proceeds of any sale or other disposition of such collateral.

TO HAVE AND TO HOLD the hereinabove described properties, together with the rights, privileges, and appurtenances thereto belonging (all of which properties, rights, privileges, and appurtenances are hereinafter collectively called the "Mortgaged Properties") unto the said Mortgage Trustee and to his substitutes or successors forever, and the Partnership does hereby bind itself, its successors, assigns, and legal representatives to warrant and forever defend all and singular the Mortgaged Properties unto the Mortgage Trustee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, subject only to the specific matters, if any, set forth in Exhibit B attached hereto and made a part hereof (the "Permitted Encumbrances").

Section 2.2 The Partnership's Representations and Covenants Regarding Title.

Without in any way limiting the above conveyance and the warranty herein contained, the Partnership represents itself to be the owner of all the Mortgaged Properties as hereinabove conveyed, and, should any ambiguity exist in regard to the description of said properties, reference may be had to Partnership's ownership of properties held by it in the survey(s), subdivision(s) or section described in Exhibit A hereto for further description of the properties herein conveyed. The Partnership agrees that it will, upon request by the holder of the Secured Obligations, execute any further instruments, amendments, or supplements desired to more adequately describe the Mortgaged Properties which it has agreed to make subject to this Deed of Trust.

Section 2.3 Conveyance is as a Deed of Trust. This conveyance, however, is intended as a deed of trust and security agreement and is made upon the following trusts, terms, and conditions, to wit: In the event the Partnership shall well and truly perform and pay the Secured Obligations (including payment of all principal and all interest and attorneys' fees and other amounts, if any, owing or to become owing thereon) to the legal holder thereof when the same shall become due, then this Deed of Trust and all covenants herein contained shall be null and void and shall be released at the Partnership's cost and expense, otherwise this Deed of Trust shall continue in full force and effect; provided, however, that the Partnership's obligation to indemnify and hold harmless the Beneficiary pursuant to the provisions hereof shall survive any such payment or release.

ARTICLE III ASSIGNMENT OF RENTS

Section 3.1 Assignment. The Partnership does hereby GRANT, TRANSFER, ASSIGN and SET OVER unto Beneficiary, its successors and assigns, the following:

(a) all rights, interests and estates of the Partnership in, to and under, but none of its obligations, responsibilities, or liabilities related to, the existing leases, including the Ground Lease, and those now or hereafter made, executed or delivered, whether written or verbal, covering all or any portion of the Land or the Improvements, together with all renewals, extensions, modifications and replacements thereof (such lease agreements, renewals, extensions, modifications and replacements thereof being hereinafter collectively called the "Leases"); and

(b) all rents, rentals, security deposits, royalties, bonuses, issues, profits, revenue, income, and other sums of money or benefits that may now or hereafter be derived from the Mortgaged Properties, but none of its obligations, responsibilities, or liabilities related to, or arising from the use or enjoyment of any portion thereof or from any lease pertaining thereto, including but not limited to, liquidated damages arising from any default under a lease, amounts that may be collected from any guarantor of a lease, any proceeds payable under any insurance policy covering loss of rents, and any and all rights that the Partnership may have against any lessee, guarantor or sublessee under such Leases (hereinafter collectively called the "Rents").

Subject to the terms of Section 3.2 below, it is the intention of the parties hereto to establish an absolute transfer and assignment of all the right, title, and interest of the Partnership in and to, but none of its obligations, responsibilities or liabilities relating to the Leases and the Rents to Beneficiary and not just to create a security interest.

Section 3.2 Limited License. Although this assignment constitutes an absolute, present and current assignment of all Leases and Rents, so long as there exists no Event of Default (as defined in Article 7 below), the Partnership shall have the right under a limited license granted hereby, and the Beneficiary hereby grants to the Partnership a limited license (the "License") to collect (but not more than one month in advance or two months in advance where one month's rental is attributable to the next ensuing month and one month's rental is attributable to the last month in the lease term, if any, and is collected as security under the provisions of a written lease or rental agreement) all of the Rents arising from or out of the Leases or any renewals or extensions thereof, or from or out of the Mortgaged Properties or any part thereof. The Partnership shall receive such Rents and hold them in trust and as a trust fund to be applied, and the Partnership hereby covenants to apply the Rents so collected, first to the satisfaction and discharge of the Secured Obligations and second, to the satisfaction and discharge of all obligations under the Leases; thereafter, so long as there exists no Event of Default, the Partnership may use the Rents in any manner provided in the Trust Indenture. The License shall be revoked automatically upon the occurrence of an Event of Default and while such remains uncured, but to the extent the Partnership continues to collect the Rents after an Event of Default, the Partnership shall continue to hold the Rents in trust for the benefit of Beneficiary.

Section 3.3 Affirmative Covenants. The Partnership shall, at the sole cost and expense of the Partnership:

(a) duly and punctually observe, perform and discharge, all and singular the obligations, terms, covenants, conditions and warranties of the lessor under the Leases; and

(b) give prompt written notice to Beneficiary of any material failure on the part of the Partnership to observe, perform and discharge the same or of any claim made by any lessee of any such failure by the Partnership; and

(c) notify and direct, in writing, each and every present or future lessee or occupant of the Mortgaged Properties or of any part thereof that any security deposit or other deposits heretofore delivered to the Partnership have been retained by the Partnership or assigned and delivered to Beneficiary as directed by Beneficiary after the occurrence and continuation of an Event of Default, as the case may be; and

(d) enforce, short of termination of the Leases, or secure in the name of Beneficiary, the performance of each and every obligation, term, covenant, condition and agreement in the Leases to be performed by any lessee or any guarantor; and

(e) appear in and defend any action or proceeding arising under, occurring out of or in any manner connected with the Leases or the obligations, duties, or liabilities of the Partnership and any lessee thereunder, do so in the name and on behalf of Beneficiary upon request by Beneficiary, but at the expense of the Partnership, and pay all costs and expenses of Beneficiary, including reasonable attorney's fees and disbursements, in any action or proceeding in which Beneficiary may appear; and

(f) keep the Mortgaged Properties leased at a good and sufficient rental and on other terms and conditions reasonably acceptable to Beneficiary; and

(g) provide a written list to the Mortgage Trustee of any Improvements or Personal Property owned by the Partnership and purchased with funds other than proceeds of the Bonds; and

(h) at the request of Beneficiary after the occurrence and during the continuance of an Event of Default, execute a written instrument evidencing that the rights, title, and interest of the Partnership in and to, but none of its obligations, responsibilities or liabilities relating to such future Leases have been transferred and assigned to Beneficiary in accordance with the terms and conditions as herein contained; and

(i) make, execute and deliver to Beneficiary and at any time or times, any and all assignments and other documents and other instruments which Beneficiary may reasonably deem advisable to carry out the true purposes and intent of this Assignment.

Section 3.4 Negative Covenants. The Partnership shall not, except in compliance with the terms of the Trust Indenture, the Ground Lease or other Leases, and except as also provided below:

(a) cancel, terminate or consent to any surrender of any of the Leases; or

(b) commence any action or ejectment or any summary proceedings for dispossession of any lessee under any of the Leases or exercise any right of recapture provided in any of the Leases; or

(c) modify, extend, or in any way alter the term of any of the Leases; or

(d) waive or release any lessee or any guarantor from any obligations or conditions to be performed by any lessee or any guarantor under any of the Leases; or

(e) enter into any other Leases (other than the Ground Lease) for all or any part of the Mortgaged Properties; or

(f) renew or extend the term of any Leases unless an option therefor was originally so reserved by the lessee for a fixed and definite rental; or

(g) consent to any modification of the express purposes for which the Mortgaged Properties or any portion thereof has been leased (Beneficiary shall have the right to refuse to consent to this request in its sole discretion taking into account the interests of the holders of the Bonds); or

(h) consent to any subletting of Mortgaged Properties or any part thereof, to any assignment of any Leases by any lessee thereunder, or to any assignment or further subletting of any sublease; or

(i) receive or collect any Rents from any lessee for a period of more than one month in advance or two months in advance where one month's rental is attributable to the next ensuing month and one month's rental is attributable to the last month in the lease term, if any, and is collected as security under the provisions of a written lease or rental agreement, if any (whether in cash or by evidence of indebtedness); or

(j) pledge, transfer, mortgage or otherwise encumber or assign or permit an encumbrance upon future payments of Rents or any other interest of the Partnership in the Leases other than as set out in this Deed of Trust; or

(k) waive, excuse, condone, discount, set off, compromise or in any manner release or discharge any lessee under any Leases of and from any obligations, covenants, conditions, and agreements to be kept, observed and performed by such lessee including the obligation to pay Rents thereunder in any manner and at any time and place specified therein.

Section 3.5 Appointment of Attorney-in-Fact. Subject to the License as described and limited in Section 3.2 above, the Partnership hereby constitutes and appoints Beneficiary the true and lawful attorney-in-fact, coupled with an interest, of the Partnership, empowered and authorized (but in no way obligated) in the name, place and stead of the Partnership to demand, sue for, attach, levy, recover and receive the Rents, or any premium or penalty payable upon the exercise by any lessee under any Leases of a privilege of cancellation originally provided in any such Leases, and to give proper receipts, releases, and acquittances therefor and, after deducting expenses of collection, to apply the net proceeds as a credit upon any portion of the Secured Obligations selected by Beneficiary, notwithstanding the fact that such portion of the Secured Obligations may not then be due and payable or that such portion of the Secured Obligations is otherwise adequately secured; and the Partnership does hereby authorize and direct any such

lessee to deliver such payment to Beneficiary, in accordance with this assignment, and the Partnership hereby ratifies and confirms all that its said attorney-in-fact shall do or cause to be done by virtue of the powers granted hereby. The foregoing appointment is irrevocable and continuing and such rights, powers and privileges shall be exclusive in Beneficiary, its successors and assigns, so long as any part of the Secured Obligations secured hereby remain unpaid and undischarged. A lessee need not inquire into the authority of Beneficiary to collect any Rents, and its obligations to pay Rents to the Partnership shall be absolutely discharged to the extent of any payment to Beneficiary. Subject to the License, the Partnership hereby constitutes and appoints Beneficiary the true and lawful attorney-in-fact, coupled with an interest, of the Partnership, empowered and authorized (but in no way obligated) in the name and stead of the Partnership to subject and subordinate at any time any Leases or any part thereof to the lien and security interest of this Deed of Trust, or to request or require such subordination in any case where the Partnership otherwise would have the right, power or privilege so to do, and to cause some or all of the provisions of any Leases that are subordinate to the lien and security interest of this Deed of Trust to become superior to this Deed of Trust. The foregoing appointment is irrevocable and continuing and such rights, powers and privileges shall be exclusive in Beneficiary, its successors and assigns, so long as any Secured Obligations secured hereby remain unpaid and discharged, and the Partnership hereby warrants that the Partnership has not at any time prior to the date hereof exercised any such right, and the Partnership hereby covenants not to exercise any such right, to subordinate any such Leases to the lien of this Deed of Trust, or to any other mortgage, deed of trust or security agreement or to any ground lease.

Section 3.6 Default. If an Event of Default shall have occurred and remains uncured, then Beneficiary may, at its option, without notice and without regard to the adequacy of security for the Secured Obligations hereby secured, terminate the License, and either in person or by agent, with or without bringing any action or proceedings, or by a receiver to be appointed by court, enter upon, take possession of, manage and operate the Mortgaged Properties or any portion thereof; make, cancel, enforce or modify Leases to the same extent that the Partnership could do; obtain and evict lessees, and fix or modify Rents, and do any acts which the Beneficiary deems proper to protect the security hereof; and either with or without taking possession of the Mortgaged Properties, in its own name sue for or otherwise collect and receive such Rents (including lessee's security deposits and Rents that are past due and unpaid), and apply the same, less costs and expenses of operation and collection, including attorneys' fees, upon any Secured Obligations secured hereby, in such order as the Beneficiary may determine subject to the provisions of the Trust Indenture. Upon demand by Beneficiary, the Partnership shall deliver to Beneficiary all lessees' security deposits which the Partnership has in its possession or control. The entering upon and taking possession of the Mortgaged Properties or the collection of the Rents and security deposits and the application thereof as aforesaid, shall not cure or waive any default under the documents evidencing or securing the Secured Obligations, or waive, modify or affect notice of an Event of Default, or invalidate any act done pursuant to such notice. Beneficiary may exercise its rights under this paragraph as often as any such Event of Default may occur, and the exercise of such right shall not constitute a waiver of any of the other remedies of the Beneficiary under this Deed of Trust or other document evidencing or securing the Secured Obligation. The Partnership's right to occupy and use the Land, the Improvements and the Personal Property pursuant to the Ground Lease shall not be affected by any sale, possession or management pursuant hereto unless the Ground Lease has been terminated pursuant to the applicable provisions thereof and of the Trust Indenture.

Section 3.7 No Obligation of Beneficiary. It is understood that Beneficiary's acceptance of this assignment shall not operate to place responsibility for the control, care, management or repair of the Mortgaged Properties upon Beneficiary, nor for the carrying out of

any of the terms and conditions of said Leases; nor shall it operate to make Beneficiary responsible or liable for any waste committed on the Mortgaged Properties by the lessees or any other parties, or for any dangerous or defective condition of the Mortgaged Properties, or for any negligence in the management, upkeep, repair or control of the Mortgaged Properties resulting in loss or injury or death to the Partnership or any lessee, licensee, employee or stranger. Beneficiary shall not be liable for any loss sustained by the Partnership resulting from Beneficiary's failure to let the Mortgaged Properties after default or from any other act or omission of Beneficiary in dealing with the Mortgaged Properties after default. Beneficiary shall not be obligated to perform or discharge, nor does Beneficiary hereby undertake to perform or discharge, any obligation, duty or liability under any of the Leases or under or by reason of this assignment and TO THE EXTENT IT LEGALLY MAY, PARTNERSHIP SHALL, AND DOES HEREBY AGREE, TO INDEMNIFY BENEFICIARY AND MORTGAGE TRUSTEE FOR, AND TO HOLD BENEFICIARY, MORTGAGE TRUSTEE, ITS AGENTS, EMPLOYEES, OFFICERS AND ATTORNEYS HARMLESS FROM, ANY AND ALL LIABILITY, LOSS OR DAMAGE WHICH MAY OR MIGHT BE INCURRED UNDER SAID LEASES OR UNDER OR BY REASON OF THIS ASSIGNMENT AND FROM ANY AND ALL CLAIMS AND DEMANDS WHATSOEVER WHICH MAY BE ASSERTED AGAINST BENEFICIARY OR MORTGAGE TRUSTEE BY REASON OF ANY ALLEGED ACTIONS OR UNDERTAKINGS ON ITS PART TO PERFORM OR DISCHARGE ANY OF THE TERMS, COVENANTS OR AGREEMENTS CONTAINED IN THE LEASES. SHOULD BENEFICIARY OR MORTGAGE TRUSTEE, THEIR AGENTS, EMPLOYEES, OFFICERS AND ATTORNEYS INCUR ANY SUCH LIABILITY UNDER THE LEASES OR UNDER OR BY REASON OF THIS ASSIGNMENT OR IN DEFENSE OF ANY SUCH CLAIMS OR DEMANDS, THE AMOUNT THEREOF, INCLUDING COSTS, EXPENSES AND REASONABLE ATTORNEYS' FEES, SHALL BE SECURED HEREBY AND PARTNERSHIP SHALL REIMBURSE BENEFICIARY OR MORTGAGE TRUSTEE THEREFOR IMMEDIATELY UPON DEMAND, AND UPON THE FAILURE OF PARTNERSHIP SO TO DO, BENEFICIARY OR MORTGAGE TRUSTEE MAY, AT ITS OPTION, UPON THE CONTINUATION OF SUCH CONDITION FOR SIXTY (60) DAYS AFTER WRITTEN NOTICE TO PARTNERSHIP, DECLARE ALL OF THE SECURED OBLIGATIONS SECURED HEREBY IMMEDIATELY DUE AND PAYABLE. SUCH INDEMNITY SHALL NOT APPLY WHERE IT IS PROVEN THAT BENEFICIARY OR MORTGAGE TRUSTEE OR ITS SUCCESSORS OR ASSIGNS WERE NEGLIGENT OR WHERE IT IS PROVEN THAT BENEFICIARY OR MORTGAGE TRUSTEE OR ITS SUCCESSORS OR ASSIGNS ENGAGED IN WILLFUL MISCONDUCT.

Section 3.8 No Waiver of Beneficiary's Rights. Nothing contained in this assignment and no act done or omitted by Beneficiary pursuant to the powers and rights granted to it hereunder shall be deemed to be a waiver by Beneficiary of its other rights and remedies under the Ground Lease, the Trust Indenture, this Deed of Trust or other document evidencing or securing the Secured Obligations, and this assignment is made and accepted without prejudice to any of the other rights and remedies possessed by Beneficiary under the terms of the Ground Lease, the Trust Indenture, this Deed of Trust and other documents evidencing or securing the Secured Obligations. The right of Beneficiary to collect the principal sum, interest and other indebtedness under the Bonds and to enforce any security therefor held by it may be exercised by Beneficiary either prior to, simultaneously with, or subsequent to any action taken by it hereunder.

Section 3.9 Warranties Concerning Leases and Rents. The Partnership represents and warrants to Beneficiary that:

(a) The Partnership has good title to the Leases and Rents hereby assigned and the authority to assign them, and no other person or entity has any right, title or interest therein, and no Rents have been or will be assigned, mortgaged or pledged; and

(b) all existing Leases, including, but not limited to, the Ground Lease, are valid, unmodified and in full force and effect, and no default exists thereunder; and

(c) no Rents have been or will be, without Beneficiary's prior written consent, anticipated, waived, released, discounted, setoff or compromised; and

(d) except as indicated in the Leases, the Partnership has not received any funds or deposits from any lessee for which credit has not already been made on account of accrued Rents; and

(e) no settlement for damages for termination of any of the Leases under the United States Bankruptcy Code or under any other federal, state, or local statute shall be made without the prior written consent of Beneficiary, and any check in payment of such damages shall be made payable to both the Partnership and Beneficiary, and the Partnership agrees to endorse any check for such payment to the order of Beneficiary, to be applied to the Indebtedness as Beneficiary may elect.

Section 3.10 Termination of Assignment of Leases. Upon the payment or performance in full of the Secured Obligations, this assignment shall become void and of no effect, but the affidavit of any officer or loan correspondent of the Beneficiary stating that any part of the Secured Obligations remains unpaid shall be and constitute evidence of the validity, effectiveness and continuing force of this assignment, and any person may and is hereby authorized to rely thereon.

Section 3.11 Right to Enforce the Leases. In exercise of the rights and powers created under this Article 3, the Partnership specifically agrees that Beneficiary, Beneficiary's agent, or the Mortgage Trustee, as such party may see fit, may, subject to the terms of the Trust Indenture and subject to the License as described and limited in Section 3.2 above, use against the Partnership or any other persons lawful or peaceable means to enforce the collection of any such rents, revenues, profits, and income, and to secure possession of the Mortgaged Properties, or any part thereof; settle or compromise on any terms the liability of any person or persons for any such rents, revenues, profits, or income; institute and prosecute to final conclusion actions of forcible entry and detainer, or actions of trespass to try title, or actions for damages, or any other appropriate actions, in the name of such person or in the name of the Partnership; and settle, compromise, or abandon any such actions. In furtherance of the foregoing and not by way of limitation, the Partnership binds itself to take whatever lawful or peaceful steps Beneficiary may ask them to take for such purposes, including the institution and prosecution of actions of the character above stated; provided, however, the Partnership recognizes that neither the Mortgage Trustee, Beneficiary, or any person acting on behalf of Beneficiary shall ever be required to collect any such rents or income or be liable or chargeable for failure so to do.

Section 3.12 Beneficiary Not Mortgagee-in-Possession. Neither the foregoing assignment of Rents and Leases to the Beneficiary, nor the exercise by the Beneficiary of any of its rights or remedies hereunder shall be deemed to make the Beneficiary a "mortgagee-in-

possession” or otherwise liable in any manner with respect to the Mortgaged Properties, unless Beneficiary, in person or by agent, assumes actual possession thereof. Nor shall appointment of a receiver for the Mortgaged Properties by any court at the request of the Beneficiary or by agreement with the Partnership, or the entry into possession of the Mortgaged Properties by such receiver, be deemed to make the Beneficiary a “mortgagee-in-possession” or otherwise liable in any manner with respect to the Mortgaged Properties.

Section 3.13 Notice of Default Under the Leases. The Partnership shall immediately give written notice to the Beneficiary of any material default under any of the Leases, together with a complete copy of any notices delivered to or by the tenant as a result of such default. The Beneficiary shall have the right, but not the obligation, to cure any default of the Partnership under any of the Leases, and all amounts disbursed in connection with said cure shall be deemed to be a part of the indebtedness secured hereby. The Leases shall provide that the Beneficiary shall have the right, but not the obligation, to cure any default of the Partnership under such lease.

Section 3.14 Form of the Lease to be Used. The Partnership must obtain the prior written consent of the Beneficiary to the form of lease (except the Ground Lease) proposed to be used by the Partnership with any future tenant.

ARTICLE IV SECURITY AGREEMENT

Section 4.1 Grant of Security Interest. Without limiting any of the other provisions of this Deed of Trust or the Security Agreement and cumulative of the rights granted in the Security Agreement, the Partnership, as Debtor (referred to in this Article 4 as “Debtors,” whether one or more), expressly GRANT unto Beneficiary, as Secured Party (referred to in this Article 4 as “Secured Party,” whether one or more), a security interest in all the Mortgaged Properties (including both those now and those hereafter existing) to the full extent that the Mortgaged Properties may be subject to the Uniform Commercial Code—Secured Transactions (Chapter 9, Texas Business and Commerce Code, as amended) (hereinafter called the “Uniform Commercial Code”). The mailing address for the Secured Party is 13737 Noel Road, Suite 800, Dallas Texas 75240. The mailing address for Debtors is set forth below Debtor’s signature to this Deed of Trust.

Section 4.2 Debtors Covenants. Debtors covenant and agree with Secured Party as follows:

(a) In addition to any other remedies granted in this Deed of Trust to Secured Party or the Mortgage Trustee (including specifically, but not limited to, the right to proceed against all of the Mortgaged Properties in accordance with the rights and remedies in respect of those Mortgaged Properties which are real property pursuant to Section 9.604 of the Uniform Commercial Code), Secured Party may, should an Event of Default occur, proceed under the Uniform Commercial Code as to all or any part of the personal property (tangible or intangible) and fixtures included in the Mortgaged Properties (such portion of the Mortgaged Properties being referred to in this Article 4 as the “Collateral”), and shall have and may exercise with respect to the Collateral all the rights, remedies, and powers of a secured party under the Uniform Commercial Code, including, without limitation, the right and power to sell, at one or more public or private sales, or otherwise dispose of, lease, or utilize the Collateral and any part or parts thereof in any manner authorized or permitted under the Uniform Commercial Code after default by a debtor, and to apply the proceeds thereof toward payment of any costs and expenses and attorneys’ fees and legal

expenses thereby incurred by Secured Party, and toward payment of the Secured Obligations in such order or manner as Secured Party may elect.

(b) Among the rights of Secured Party upon occurrence of an Event of Default and without limitation, Secured Party shall have the right, by any lawful means, to take possession of the Collateral or any part thereof and to enter, in any lawful manner, upon any premises where same may be situated for such purpose without being deemed guilty of trespass and without liability for damages thereby occasioned, and to take any lawful action deemed necessary, appropriate or desirable by Secured Party, to repair, refurbish, or otherwise prepare the Collateral for sale, lease, other use or disposition as herein authorized.

(c) To the extent permitted by law, Debtor expressly waives any notice of sale or other disposition of the Collateral and any other rights or remedies of a debtor or formalities prescribed by law relative to sale or disposition of the Collateral or exercise of any other right or remedy of Secured Party existing after default hereunder; and, to the extent any such notice is required and cannot be waived, Debtor agrees that, if such notice is mailed, postage prepaid, to Debtor at the address shown opposite Debtor's signature hereinbelow at least five (5) days before the time of the sale or disposition, such notice shall be deemed reasonable and shall fully satisfy any requirement for giving of said notice.

(d) Upon occurrence of an Event of Default and while such remains uncured, after the expiration of any required cure period Secured Party is hereby granted the express right, at its option, to transfer to itself or to its nominee, the Collateral, or any part thereof, to notify any obligor or account debtor in the case of any Collateral to make payment directly to Secured Party, and to receive the money, income, proceeds or benefits attributable or accruing thereto and to hold the same as security for the Secured Obligations or to apply the same on the principal and interest or other amounts owing on any of the Secured Obligations, whether or not then due, in such order or manner as Secured Party may elect, subject to the Trust Indenture. With respect to the Collateral, Debtor, for itself, its heirs and assigns, hereby expressly and specifically waive all rights to a marshaling of the assets of Debtor, including the Collateral, or to a sale in inverse order of alienation.

(e) All recitals in any instrument of assignment or any other instrument executed by Secured Party or by the Mortgage Trustee incident to sale, transfer, assignment, lease, or other disposition or utilization of the Collateral or any part thereof hereunder shall be full proof of the matters stated therein, no other proof shall be requisite to establish full legal propriety of the sale or other action or of any fact, condition or thing incident thereto, and all prerequisites of such sale or other action and of any fact, condition or thing incident thereto shall be presumed conclusively to have been performed or to have occurred.

(f) Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party that is reasonably convenient to both parties. Debtor shall be fully liable for all expenses of retaking, holding, preparing for sale, lease or other use or disposition, selling, leasing or otherwise using or disposing of the Collateral which are incurred or paid by Secured Party as authorized or permitted hereunder, including also all attorneys' fees, legal expenses, and costs, all of which expenses and costs shall constitute a part of the Secured Obligations.

(g) Certain of the Collateral is or will become “fixtures” (as that term is defined in the Uniform Commercial Code) on the Land, and this Deed of Trust upon being filed for record in the real property records shall operate also as a financing statement upon such of the Collateral which is or may become fixtures. Debtor has an interest of record in the Land.

(h) Any copy of this Deed of Trust which is signed by Debtors or any carbon, photographic, or other reproduction of this Deed of Trust may also serve as a financing statement under the Uniform Commercial Code by Debtor, whose address is set opposite its signature hereinbelow, in favor of Secured Party, whose address is set out hereinabove.

(i) So long as any Secured Obligations remain outstanding, unless the prior written specific consent and approval of Secured Party shall have first been obtained, Debtor will not execute and there will not be filed in any public office any financing statement or statements affecting the Collateral other than financing statements in favor of Secured Party hereunder.

Section 4.3 Debtor’s Warranties and Representations. Debtor warrants and represents to Secured Party that, except for the security interest granted hereby in the Collateral, Debtor is the owner and holder of the Collateral, free of any adverse claim, security interest or encumbrance (other than as disclosed in Exhibit B hereto and the Lease), and Debtor agrees to defend the Collateral against all claims and demands of any person at any time claiming the same or any interest therein (subject to the matters described in Exhibit B hereto). Debtor further warrants and represents with respect to the Collateral that it has not heretofore signed or authorized the filing of any financing statement and that no financing statements signed or authorized by Debtor are now on file in any public office except those statements true and correct copies of which have been delivered to Secured Party.

ARTICLE V CERTAIN COVENANTS AND WARRANTIES OF PARTNERSHIP

Section 5.1 Covenants and Warranties of the Partnership. As further assurances with regard to the Secured Obligations, the Partnership, or the District on behalf of the Partnership as covenanted in the Ground Lease, hereby covenants, warrants, and agrees in favor of Beneficiary, as follows:

(a) The Partnership hereby agrees and binds itself to perform and pay the Secured Obligations and every installment of principal and interest thereof promptly as the same becomes due or payable.

(b) The [Class B Partner?], on behalf of the Partnership, has covenanted and agreed in the Ground Lease to pay all taxes and assessments of every kind or character charged, levied, or assessed against the Mortgaged Properties or any part thereof, before any such taxes or assessments become delinquent; to pay all water, gas, sewer, electricity, and other utility rates and charges with regard to the Mortgaged Properties; to pay all maintenance fees or charges of any owners’ association or like group assessed with respect to the Mortgaged Properties; to pay any ground rents or charges for any easement, license, or agreement existing for the benefit of the Mortgaged Properties; to

pay any interest, costs or penalties with respect to the foregoing items; and, upon request of Beneficiary, to furnish to Beneficiary evidence of the timely payment of such items.

(c) The [Class B Partner?], , on behalf of the Partnership, at its sole cost and expense, has agreed to obtain and maintain insurance of the types and in the amounts specified in the Ground Lease. All such insurance policies shall be with companies meeting the requirements of the Ground Lease and shall otherwise satisfy the requirements of the Ground Lease.

(d) The [Class B Partner?], on behalf of the Partnership, has covenanted and agreed in the Ground Lease to keep and maintain the improvements now or at any time hereafter constituting a portion of the Mortgaged Properties in a state of good repair and condition; to make all repairs, replacements, reconstructions and restorations necessary to keep such improvements in such condition; and not to tear down or remove or permit to be torn down or removed any such improvements now existing or hereafter erected.

(e) The Partnership covenants and agrees that, should it be discovered after the execution and delivery hereof, that there is a lien or encumbrance of any nature whatsoever upon the Mortgaged Properties or any part thereof, equal or superior in rank to the lien of this Deed of Trust, or in case of an error or defect herein, or the execution or acknowledgment hereof, the Partnership shall, upon demand from Beneficiary, correct such defects in such title, or remove said liens or encumbrances or homestead claim, or correct such error or defect in this Deed of Trust or its execution or any acknowledgment hereof.

(f) The Partnership covenants and agrees that, after any sale under this Deed of Trust, it, or its successors or assigns, shall be mere tenants at sufferance of the purchaser of the property at said sale, and that such purchaser shall be entitled to immediate possession thereof, and that, if the Partnership fails to vacate such property immediately, such purchaser may and shall have the right to go into any justice court having venue, or in any other court hereafter having jurisdiction of forcible detainer actions, and file an action in forcible detainer, which action shall lie against the Partnership or its successors or assigns as tenants at sufferance.

(g) The Partnership expressly agrees that Beneficiary shall be fully subrogated to the rights of all holders of any vendor's liens or other liens whose indebtedness is paid in whole or in part with the proceeds of the Secured Obligations. To the extent that the Secured Obligations represent funds advanced for the acquisition of any of the Mortgaged Properties, the Partnership acknowledges and agrees that Beneficiary is entitled to a vendor's lien securing the payment of said indebtedness, and the Partnership further specifically covenants, stipulates and agrees that foreclosure under the power of sale contained in this Deed of Trust shall operate to fully foreclose such vendor's lien.

(h) The Partnership covenants and agrees that Beneficiary shall treat (i) any sale, transfer, or conveyance of the Mortgaged Properties or any interest therein, or (ii) any "change in control" (hereinafter defined) of the Partnership, or any of them without the prior consent of Beneficiary (each a "Transfer"), as an Event of Default, and thereupon may invoke any remedies permitted by this Deed of Trust. The term "change in control" within the meaning of this paragraph 5.1(h) shall mean with respect to the Partnership any consolidation of the District with another school district, or a proposed dissolution of the

District, which would allow the consolidated or successor school district to direct the management or policies of the Partnership.

(i) The Partnership covenants and agrees that Beneficiary shall treat any mortgage, pledge, hypothecation, or encumbrance of the Mortgaged Properties or any interest therein without the prior consent of Beneficiary (herein collectively referred to as "Pledge"), whether or not such Pledge is expressly subordinate to the lien of this Deed of Trust, as an Event of Default and thereupon may invoke any remedies permitted by this Deed of Trust.

(j) The Partnership will not permit removal of any item of personal property or fixtures constituting a portion of the Mortgaged Properties unless, simultaneously therewith, such item is replaced by a like item of equal or greater value and in good working condition with the lien and security interest of this Deed of Trust to attach to such replacement item free from any other lien, security interest, conditional sale, title retention, lease, or other encumbrance.

(k) The Partnership will give Beneficiary prompt written notice of any casualty loss, threat of condemnation, condemnation, or taking affecting all or any portion of the Mortgaged Properties.

(l) In the event the Secured Obligations shall become due and payable by virtue of an Event of Default, the Partnership agrees that any tender of payment of the Secured Obligations prior to a foreclosure sale shall, at the option of Beneficiary, be deemed a voluntary prepayment by the Partnership requiring the payment of any prepayment penalty, or redemption premium required under the terms of the Secured Obligations to the full extent that such payment, when added to all other amounts then and theretofore paid and which constitute interest, would not exceed the maximum lawful interest permitted to be charged the Partnership.

(m) The Partnership represents to the Beneficiary that, to the best of its knowledge, there exists no violation of any federal, state or local environmental laws on the Mortgaged Property.

ARTICLE VI ESCROW FUND

Section 6.1 Escrow Requirement Following a Default in Timely Payment of Taxes and Insurance. Subject to Section [REDACTED] of the Ground Lease, if the Partnership, or the [Class B Partner] on behalf of the Partnership, fails to timely pay any taxes or impositions levied or assessed against the Mortgaged Properties or any insurance premiums related to the Mortgaged Properties, then on the written request of the Beneficiary and in order to create a fund to provide for the payment of taxes, assessments and insurance on the Mortgaged Properties, the Partnership agrees that it will pay to the Beneficiary or to such other party as the Beneficiary may designate, as a depository, or any successor depository hereafter named, on the first day of each month hereafter until the Secured Obligations are discharged in full, the following sums: An installment of the taxes and assessments to be due upon the Mortgaged Properties and an installment of the premiums that will become due and payable to renew the insurance on the Mortgaged Properties against loss by fire or other hazards as herein elsewhere set forth. These installments shall be equal, respectively, to the estimated premiums for such insurance and taxes and assessments due (as estimated by the depository), less all installments already paid therefor,

divided by the number of months that are to elapse before one month prior to the date when such premiums and taxes and assessments become delinquent. The depository shall hold the aforesaid installments as a general deposit and not as trustee or agent for the Partnership. The Partnership agrees that such installments so paid may be held by the depository without interest, and that such installments held by the depository shall be in the nature of a debt of the depository to the Partnership, which debt and all other obligations of the depository with respect to such installments shall be fully satisfied upon payment (to the extent of such installments received by the depository) of such insurance premiums, taxes, and assessments before the same become delinquent. The Partnership agrees to look only to such depository for the application of said installments and not to the Beneficiary. If the total of the installments made by the Partnership pursuant to provisions of this paragraph shall exceed the amount required for a particular maturity of taxes, assessments, or insurance premiums, as the case may be, the excess shall be credited by the depository on subsequent payments of the same nature to be made by the Partnership. If, however, the installments made by the Partnership pursuant to provisions of this paragraph shall not be sufficient to pay taxes, assessments, and insurance premiums, as the case may be, when the same shall become due and payable, then the Partnership shall, upon demand therefor, pay to the depository any amount necessary to make up the deficiencies on or before the date when the payment of such taxes, assessments, or insurance premiums shall become due. If the Partnership fails to do so, the depository shall notify the Beneficiary, and the Beneficiary shall then have the right to treat the same as an Event of Default under this Deed of Trust. In the event that installment payments upon the Secured Obligations are required less often than monthly, the installment payments required under this paragraph shall become due and payable at the same times as the installment payments upon the Secured Obligations; provided, however, in no event shall the payments required under this paragraph become due and payable less frequently than semiannually. In the event said depository should dissolve its corporate existence or should fail or refuse to further act in connection with the payment of such indebtedness for premiums, taxes, or assessments, Beneficiary shall have the right to appoint a successor depository to whom such payment may be made. Should an Event of Default result in foreclosure by the Trustee's sale or otherwise, said depository shall pay to the Beneficiary the aforesaid fund to be credited on the Secured Obligations. Any amount remaining in the deposit fund following satisfaction and final payment of the Secured Obligations shall be returned to the Partnership.

Section 6.2 Premium Installment Payments. If the premiums for the insurance upon the Mortgaged Properties are financed under a separate installment note plan, the installments to be paid under Section 6.1 shall further include appropriate amounts to defray interest to accrue upon such note plan, and the depository shall be entitled to pay out of such funds such amounts of interest as same accrues and becomes payable. The Partnership agrees to furnish promptly to the depository true copies of all installment notes for such financing of insurance premiums when executed.

Section 6.3 Beneficiary and Depository Not Liable. No depository acting hereunder shall be liable in any way or under any theory in the event payments under this Article 6 are waived or abated by consent of Beneficiary. The unexpended portion of payments made hereunder shall be established only by written certification from the depository.

ARTICLE VII DEFAULTS

Section 7.1 Event of Default. Should any of the following events or conditions occur, the same shall constitute an event of default under this Deed of Trust (herein called an “Event of Default”):

(a) The Partnership shall fail or refuse to pay all or any portion of the Secured Obligations within ten (10) days after the same are due and subject to any other grace periods applicable to such payments in the documents evidencing such Secured Obligations.

(b) The Partnership, or the [Class B Partner?] District on its behalf, shall fail to perform or to fulfill in a timely manner any of its covenants and obligations contained in this Deed of Trust and which failure is not otherwise described in this Section 7.1, within thirty (30) days after written notice of such failure is given by Beneficiary to the Partnership and subject to any other applicable grace periods contained in this Deed of Trust or the documents evidencing and securing the Secured Obligations. If such failure is of a nature that can be cured, but not within the thirty (30) day period despite diligent efforts, an Event of Default shall not occur if the Partnership, or the District on its behalf, commences to cure the failure within said thirty (30) day period and thereafter diligently pursues the cure of such failure to completion and provides the Beneficiary with a certification to that effect.

(c) Any warranty or representation of the Partnership set forth in this Deed of Trust shall prove untrue, false or misleading in any material respect.

(d) Any insurance policy required to be maintained by the District under the Ground Lease is not kept in full force and effect.

(e) The Partnership shall become insolvent, be the subject of an order for relief, or a custodian, receiver, or other such officer of its property be appointed, or should any liquidation, reorganization, arrangement, or other proceeding under any bankruptcy law or other law for the relief of debtors be requested by or instituted against the Partnership and not be dismissed or discharged within sixty days thereafter.

(f) There shall occur any levy or execution of any attachment, execution, or other process against any of the Mortgaged Properties, unless timely and completely stayed by appropriate proceedings.

(g) An event of default (however so denominated) shall have occurred under the Trust Indenture.

(h) An Event of Nonappropriation shall have occurred under the Ground Lease.

Section 7.2 Remedies. Upon the occurrence of an Event of Default, so long as such default remains uncured after the expiration of any required cure period, Beneficiary shall have the option and right, but not the duty, to take any one or more of the following actions to the extent permitted by applicable law: (i) without demand, presentment, notice of intent to accelerate, notice of acceleration, or other notice or demand, all of which are expressly waived by the Corporation, declare the Secured Obligations immediately due and payable; (ii) proceed to

enforce the lien of this Deed of Trust; and (iii) pursue any and all other remedies available to Beneficiary whether set forth herein or otherwise available at law or in equity.

Section 7.3 Remedies Cumulative. Each of the rights and remedies set forth in this Deed of Trust or available at law or in equity shall be cumulative and concurrent, may be pursued jointly or severally against the Partnership or any of the Mortgaged Properties, and shall be nonexclusive. The election to pursue any such right or remedy shall not be deemed a waiver, then or thereafter, to pursue any other such right or remedy.

Section 7.4 No Waiver. The acceptance of payment of any portion of the Secured Obligations after its due date or after the giving of notice of an Event of Default and of election to accelerate the maturity of the Secured Obligations shall not waive any right of the Beneficiary to require prompt payment when due of all other sums constituting Secured Obligations or to declare an Event of Default for failure to pay the entire unpaid balance of the Secured Obligations, or any right of Beneficiary to proceed with foreclosure sale pursuant to any such notice and acceleration for any unpaid balance of the Secured Obligations. Waiver of a right granted to the Beneficiary as to one transaction or occurrence shall not be deemed a waiver of such right as to any subsequent transaction or occurrence.

For the avoidance of doubt, the Beneficiary shall not be required to take notice or be deemed to have notice of any Event of Default under this Deed of Trust unless the Beneficiary shall be specifically notified of such Event of Default in writing by the Partnership or the District, and in the absence of such notice the Beneficiary may conclusively assume that no Event of Default exists.

ARTICLE VIII CERTAIN REMEDIES; POWER OF SALE

Section 8.1 Beneficiary's Right to Advance. In the event that the District or the Partnership fails or refuses to pay any taxes or assessments upon the Mortgaged Properties before the same become delinquent, fails to take out or procure or maintain such insurance as is required by the Ground Lease or this Deed of Trust, or fails to perform any other covenant or to pay any other obligation of the District or the Partnership set forth in the Ground Lease or this Deed of Trust or set forth in any other agreement or instrument evidencing or securing the Secured Obligations, then in any such case the Beneficiary, at its option and without any obligation to do so, may pay any such taxes or assessments (without being required to examine the legality of same), take out or procure such insurance, or tender such performance or payment. All amounts advanced by the Beneficiary as aforesaid shall be due and payable upon demand, shall become a part of the Secured Obligations, shall bear interest from the date such payments are advanced until the repayment thereof at the highest nonusurious rate of interest set forth in the instruments evidencing the Secured Obligations, and shall be fully secured by the liens, assignments, and security interest of this Deed of Trust. Any amounts so paid, as well as the time of payment thereof, shall be deemed fully established by the affidavit or certificate of the Trustee or the Beneficiary. The Partnership agrees that the payment of such taxes or assessments, the procuring and maintaining of such insurance, or the tendering of any such performance or payment by the Beneficiary shall not prevent the Beneficiary from declaring the Secured Obligations to be due and payable under the provisions hereof by reason of such Event of Default and pursuing any other remedies available to the Beneficiary should the Beneficiary so elect.

Section 8.2 Trustee to Sell Upon Request of Beneficiary. Upon an Event of Default and so long as such remains uncured, it shall thereupon be the duty of the Mortgage Trustee, or its successors, as hereinafter provided, at the request of the Beneficiary (which request shall be presumed), to enforce this trust and to sell the Mortgaged Properties, as an entirety or in parcels, by one sale or by several sales, held at one time or at different times, all as the Mortgage Trustee acting may elect, each sale to be held at the location within the county courthouse designated for the holding of nonjudicial foreclosure sales by the Commissioners Court of any county in which a part of the real property to be sold is situated (or if no area has been so designated, then in an area within said courthouse described in the notice referred to in Section 8.3) and to be made on the first Tuesday of some month between the hours of 10 o'clock a.m. and 4 o'clock p.m. to the highest bidder for cash at public venue, after the Mortgage Trustee (or a person or persons selected by the Mortgage Trustee) and the Beneficiary shall have given notices of the proposed sale in the manner hereinafter set forth, and to make due conveyance to the purchaser or purchasers, with general warranty of title (subject to Permitted Encumbrances) to such purchaser or purchasers binding upon the Partnership, its successors and assigns. Such sale must begin at the time stated in the notice referred to in Section 8.3 or not later than three hours after that time. The Partnership, for itself, its successors and assigns, hereby expressly and specifically waives all rights to a marshaling of the assets of the Partnership, including the Mortgaged Properties, or to a sale in inverse order of alienation. The District's right to occupy and use the Land, the Improvements and the Personal Property pursuant to the Ground Lease shall not be affected by any sale pursuant hereto unless the Ground Lease has been terminated or its right to possession terminated pursuant to the applicable provisions thereof and of the Trust Indenture.

Section 8.3 Required Notices. The Mortgage Trustee (or a person or persons selected by the Mortgage Trustee) shall give notice of each such proposed sale by posting written notice of the time, place, and terms of sale at the courthouse door, and by filing a copy of such written notice in the office of the county clerk, of the county in which the sale is to be made for at least twenty-one (21) consecutive days preceding the date of the sale. Where real properties to be sold are situated in more than one county, one notice shall be posted at the courthouse door, and a copy of such notice shall be filed with the county clerk, of each county in which a part of the real properties to be sold is situated, and such notices shall designate the county where such real properties will be sold, which may be any county in which a part of said real properties is situated. In addition to the foregoing notice or notices to be posted and filed by the Mortgage Trustee (or a person or persons selected by the Mortgage Trustee), the Beneficiary shall, at least twenty-one (21) days preceding the date of sale, serve or cause to be served, written notice of the proposed sale by certified mail on each debtor obligated to pay such indebtedness according to the records of the Beneficiary. The service of such notice shall be completed upon deposit of the notice, enclosed in a postpaid wrapper, properly addressed to each such debtor at the most recent address (which shall be within the United States of America) as shown by the records of the Beneficiary, in a post office or official depository under the care and custody of the United States Postal Service. If the Land is used as the residence of a debtor obligated to pay the Secured Obligations, then, notwithstanding any agreement to the contrary, the Beneficiary shall serve such debtor with written notice by certified mail stating that such debtor is in default under this Deed of Trust, and such debtor must be given at least twenty days to cure the default before the entire Secured Obligations are due and notice of sale pursuant to this Section 8.3 is given. The affidavit of any person having knowledge of the facts to the effect that such service was completed shall be prima facie evidence of the fact of service. In this respect and to the full extent it may legally do so, the Partnership also expressly covenants, stipulates, and agrees that: (i) the address of the Partnership set out herein shall be deemed and considered conclusively to be and remain at all times the most recent address of all debtors obligated to pay such indebtedness as shown by the records of the Beneficiary, provided such address may be changed to some other address

within the United States of America from time to time only by express written notice of change thereof signed by all debtors obligated to pay such indebtedness and actually delivered to and received by Beneficiary and setting forth a new address which shall be within the United States of America and which shall be deemed and considered conclusively to be and remain at all times thereafter the most recent address of all debtors obligated to pay such indebtedness as shown by the records of the Beneficiary until changed in the manner herein provided; (ii) the records of the Beneficiary shall not be deemed to reflect any change in the name or identity of the debtors obligated to pay the indebtedness (to whom notice of a proposed sale shall be required to be mailed as provided for above) unless and until express written notice of such change signed by all debtors obligated to pay such indebtedness shall have been actually delivered to and received by the Beneficiary; and (iii) no notice of such sale or sales other than the notices hereinabove provided shall be required to be given to the Partnership or any other persons, and any other notice is expressly waived.

Section 8.4 Compliance with Texas Property Code Requirements. The provisions of Section 8.3 with respect to posting, serving, filing, and giving notices of sale are intended to comply with the provisions of Section 51.002 of the Texas Property Code, as amended (in this Section 8.4 such Section 51.002 being called the "Subject Statute"). In the event the requirement for any notice, or the posting, serving, filing, or giving thereof, under the Subject Statute shall be eliminated or the prescribed manner of posting, serving, filing, or giving same is modified by future amendment to the Subject Statute, the requirement for such particular notice shall be stricken from, or the manner of posting, serving, filing, or giving any notice hereunder modified in, this Deed of Trust in conformity with such amendment. The manner herein prescribed for posting, serving, filing, or giving any notice, other than that to be posted and filed or caused to be posted and filed by the Mortgage Trustee, shall not be deemed exclusive, but such notice or notices may be posted, served, filed, or given in any other manner which may be permitted by applicable law. Further, in relation to this Deed of Trust and the exercise of any power of sale by the Mortgage Trustee hereunder, if the Subject Statute shall be amended or modified to require any other notice or the posting, filing, serving, or giving thereof or any statute hereafter enacted shall require any other notice or the posting, filing, serving, or giving thereof, the Mortgage Trustee or the person selected by him is hereby authorized and empowered by the Partnership to give such notice or make such posting, filing, serving, or giving thereof.

Section 8.5 Credit Bid, Right to Purchase by Beneficiary and Application of Proceeds. At any sale conducted under this Deed of Trust, credit upon all or any part of the Secured Obligations shall be deemed cash paid for the purpose of Section 8.2, and the holder of all or any part of the Secured Obligations may purchase at any such sale. With the proceeds arising from such sale or sales, the Mortgage Trustee shall apply the proceeds in the following order:

- (a) first, to payment of all expenses of advertising, sale and conveyance, including the reasonable fees and expenses (including reasonable attorney fees) of the Mortgage Trustee acting; and
- (b) next, to the payment of all principal, interest and costs legally due and secured hereby, in such order and priority as set forth in Article V of the Trust Indenture.

Section 8.6 Installment Foreclosure. Without limiting any of the powers or remedies provided elsewhere, the Partnership agrees that, in the event the Secured Obligations are payable in installments or include, at any time, items of matured as well as unmatured indebtedness, the holder of the matured installments or items of indebtedness, as the case may

be, shall have the right to have the Mortgaged Properties sold, subject to the part of the Secured Obligations which is unmaturing at the time the Mortgage Trustee is requested to make such sale, at Mortgage Trustee's sale to satisfy the lien and security interest hereof securing then matured portion of said indebtedness, and the Mortgage Trustee is expressly authorized and empowered to conduct such sale which is called in this Section 8.6 "Installment Foreclosure." Any Installment Foreclosure made under this Section 8.6 shall not affect the liens, assignments, and security interest of this Deed of Trust existing to secure that portion of the Secured Obligations to which the sale is to be made subject. No Installment Foreclosure shall exhaust the power of the Mortgage Trustee to conduct future Installment Foreclosures nor in anywise limit the powers of sale provided elsewhere in this Deed of Trust. The provisions elsewhere in this Deed of Trust relating to manner of conducting Mortgage Trustee's sales, including the posting, filing, and giving of notices thereof, shall also apply to any Installment Foreclosure, and the same presumptions shall be applicable to any Mortgage Trustee's deed or recital therein contained in connection with an Installment Foreclosure and to any other affidavit as hereinabove provided.

Section 8.7 Appointment of a Substitute Mortgage Trustee. In the case of the absence of the Mortgage Trustee from the state, or of his death, refusal, or failure to act, or in the event the Beneficiary should elect at any time (with or without cause) to remove the Mortgage Trustee then acting, a successor or substitute may be named, constituted, and appointed (herein called a "Successor or Substitute Mortgage Trustee") without further formality than an appointment and designation in writing, which appointment and designation shall be full evidence of the right and authority to make the same and of all facts therein recited; and this conveyance shall vest in the Successor or Substitute Mortgage Trustee the title, powers, and duties conferred on the Mortgage Trustee named herein, and the conveyance by the Successor or Substitute Mortgage Trustee to the purchaser at any sale made pursuant hereto shall be valid and effective as fully as hereinabove provided in the case of a conveyance by the Mortgage Trustee. Such right to appoint a Successor or Substitute Mortgage Trustee shall exist as often as and whenever the Mortgage Trustee, original, successor, or substitute, cannot or will not act or has been removed.

Section 8.8 Recitals Conclusive. The Partnership specifically covenants and stipulates that: the recitals in the conveyance made to the purchaser, either by the Mortgage Trustee or any Successor or Substitute Mortgage Trustee, shall be full proof and evidence of the matters therein stated; no other proof shall be requisite of the request by the holder of the Secured Obligations or the Mortgage Trustee or on any Successor or Substitute Mortgage Trustee to enforce this trust, or of the due, timely, and proper posting, filing, and giving of all notices and making of the sale, or any particulars thereof or of the inability, refusal, or failure of the Mortgage Trustee or any Successor or Substitute Mortgage Trustee to act, or of the removal of the Mortgage Trustee or any Successor or Substitute Mortgage Trustee, or of the appointment of a Successor or Substitute Mortgage Trustee, as herein provided, either as to the legality of his appointment or otherwise, or of the contingencies which brought about the failure or inability of the Mortgage Trustee or any Successor or Substitute Mortgage Trustee to act, or of his removal, as the case may be; all prerequisites of said sale shall be presumed to have been performed; and any sale made under the powers herein granted shall be a perpetual bar against the Partnership, its successors and assigns.

Section 8.9 Right of Sale not Exhausted. The right of sale hereunder shall not be exhausted by one or any sale, but, so long as any of the Secured Obligations remain undischarged, the Trustee or Successor or Substitute Mortgage Trustee may make other and successive sales until all the Mortgaged Properties shall be legally sold.

Section 8.10 Purchaser's Right to Disaffirm Junior Encumbrances. The purchaser at any foreclosure sale may disaffirm any easement granted or rental, lease or other contract made in violation of any provision of this Deed of Trust, and may take immediate possession of the Mortgaged Properties free from, and despite the terms of, such grant of easement or rental or lease contract.

Section 8.11 Appointment of Receivers.

(a) If an Event of Default occurs and remains uncured, a receivership may be necessary to protect the Mortgaged Properties, whether before or after maturity of the Secured Obligations, or at the time of or after the institution of suit to collect the principal of, premium (if any), or interest on the Secured Obligations, or to enforce this Deed of Trust; accordingly, the Mortgage Trustee, at the direction of the Beneficiary, shall, as a matter of strict right and regardless of the value of the Mortgaged Properties or of the solvency of any party bound for the payment of the Secured Obligations, have the right to the appointment on application and notice to the Partnership, by any court having jurisdiction, of a receiver to take charge of, manage, preserve, protect, and operate the Mortgaged Properties and any business or businesses located thereon, to collect the revenues, rents, issues, profits, products, and income thereof, to make all necessary and needed repairs, to complete the construction of any improvements which have been undertaken but not completed, to pay all taxes and assessments against the Mortgaged Properties and insurance premiums for insurance thereon, and after the payment of the expenses of the receivership, including reasonable attorneys' fees to the Mortgage Trustee's attorney, and after compensation for management of the Mortgaged Properties, to apply the net proceeds to pay the Secured Obligations or in such manner as the court shall direct. All such expenses shall be secured by the lien of this Deed of Trust until paid.

(b) The receiver or its agents shall be entitled to enter upon and take possession of any part and all of the Mortgaged Properties, together with any and all businesses conducted and all business assets used therewith or thereon, or any part or parts thereof, and to operate and conduct the business or businesses, or complete construction of improvements, to the same extent and in the same manner as the Partnership might lawfully do. The receiver, personally or through its agents or attorneys, may exclude the Partnership and its subsidiaries, agents, servants, and employees wholly from the Mortgaged Properties and may have, hold, use, operate, manage, and control the same and each and every part thereof, and in the name of the Partnership, its subsidiaries or agents, may exercise all of their rights and powers and use all of then existing items of security and collateral, materials, current supplies, stores, and assets and, at the expense of Mortgaged Properties, may maintain, restore, complete construction, insure, and keep insured the properties, equipment, and apparatus provided or required for use in connection with such business or businesses, and may make all necessary and proper repairs, renewals, and replacements and all such useful alterations, additions, betterments, and improvements as the receiver may deem judicious.

(c) Such receivership shall, at the option of the Beneficiary, continue until full payment of the Secured Obligations, title to and interest in the Mortgaged Properties having passed by foreclosure sale under this Deed of Trust, or the Event of Default having been cured.

Section 8.12 Application of Proceeds. The Mortgage Trustee shall pay, distribute, and apply the proceeds of any disposition of the Mortgaged Properties to the Beneficiary for deposit and use as provided in Section 8.5 above. Said disposition shall forever be a bar against the Partnership, its legal representatives, successors and assigns, and all other persons claiming under any of them. It is expressly agreed that the recitals in each conveyance to the purchaser

shall be full evidence of the truth of matters therein stated, and all lawful prerequisites to said disposition shall be conclusively presumed to have been performed.

Section 8.13 Remedies Not Exclusive. No lien, right, or remedy herein conferred upon or otherwise available to the Mortgage Trustee is intended to be or shall be construed to be exclusive of any other available lien, right, or remedy, but each and every such lien, right, or remedy shall be cumulative and shall be in addition to every other lien, right, or remedy given hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power, or remedy accruing upon any default or Event of Default shall impair any such right, power, or remedy or shall be construed to be a waiver of any such default or Event of Default, or an acquiescence therein, but every such right, power, or remedy may be exercised from time to time and as often as may be deemed expedient. No waiver of any default or Event of Default hereunder shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon. The giving, taking, or enforcement of any other or additional security, collateral, or guaranty for the payment of the Secured Obligations shall not operate to prejudice, waive, or affect the security of this Deed of Trust or any rights, powers, or remedies hereunder, nor shall the Mortgage Trustee be required to first look to, enforce, or exhaust such other additional security, collateral, or guarantees.

Section 8.14 Abandonment of Sale; Termination of Proceedings.

(a) If foreclosure should be commenced by the Mortgage Trustee, the Beneficiary may at any time before the sale direct the Mortgage Trustee to abandon the sale, and may at any time or times thereafter direct the Mortgage Trustee to again commence foreclosure; or, irrespective of whether foreclosure is commenced by the Mortgage Trustee, the Beneficiary may at any time after an Event of Default has occurred and remains uncured institute suit for collection of all or any part of the Secured Obligations or foreclosure of the lien of this Deed of Trust or both. If the Beneficiary should institute suit for collection of the Secured Obligations and foreclosure of this Deed of Trust, the Beneficiary may at any time before the entry of final judgment dismiss the same and require the Mortgage Trustee to sell the Mortgaged Properties in accordance with the provisions of this Deed of Trust.

(b) In case the Mortgage Trustee shall have proceeded to enforce any right under this Deed of Trust by the appointment of a receiver, by entry, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Mortgage Trustee, then and in every such case the Partnership, the Mortgage Trustee, and the Beneficiary shall be restored to their former positions and rights hereunder, and all rights, remedies, and powers of the Mortgage Trustee shall continue unimpaired as if no such proceedings had taken place.

Section 8.15 Waivers.

(a) All rights of marshaling of assets or sale in inverse order of alienation in the event of foreclosure of any lien at any time securing the Secured Obligations or any part thereof (including, but not limited to, the lien hereby created) are hereby waived.

(b) The Partnership agrees, to the full extent permitted by law, that in case of an Event of Default hereunder, neither the Partnership nor anyone claiming through or under it shall set up, claim, or seek to take advantage of any appraisement, valuation, stay, extension, homestead, dower, elective share, exemption, or redemption (or, "equity of redemption") laws, statutory or otherwise, now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure

of this Deed of Trust, or the absolute sale of the Mortgaged Properties, or the delivery of possession thereof immediately after such sale to the purchaser at such sale, and the Partnership, for itself and all who may at any time claim through or under it, hereby waives to the full extent that it may lawfully do so, the benefit of all such laws.

(c) To the extent allowed by applicable law, the Partnership shall not at any time insist upon or plead or in any manner whatever claim or take the benefit or advantage of any stay or extension law or any law exempting the Mortgaged Properties from attachment, levy, or sale on execution now or at any time hereafter in force in any locality where the Mortgaged Properties or any part thereof may or shall be situated, and the Partnership hereby expressly waives all benefit and advantage of any such law or laws and covenants that the Partnership will not hinder, obstruct, delay, or impede the execution of any power herein granted and delegated to the Mortgage Trustee, but that the Partnership will suffer and permit the execution of every such power as though no such law or laws had been made or enacted.

Section 8.16 Exculpation of Mortgage Trustee. The Mortgage Trustee shall have no duties and shall not be obligated to perform any acts other than those herein expressly set forth or intended. Without limitation, the Mortgage Trustee shall not be responsible for the execution, acknowledgment, or validity of this Deed of Trust, or of any instrument amendatory hereof or supplemental hereto or of the Trust Indenture or of the Secured Obligations or of any other indebtedness, or for the sufficiency of the security purported to be created hereby. The Mortgage Trustee shall not incur any personal liability hereunder except for its own willful neglect, willful misconduct or default, and the Mortgage Trustee shall have the right to rely on any instrument, document, or signature authorizing or supporting any action taken or proposed to be taken by it hereunder, believed by it in good faith to be genuine. The Mortgage Trustee shall be entitled to reimbursement for all expenses incurred by it in the performance of its duties, and shall be entitled to reasonable compensation for such of its services as shall be rendered.

ARTICLE IX CONDEMNATION AND CASUALTY LOSS

Section 9.1 Condemnation. If the Mortgaged Properties, or any part thereof, shall be condemned or taken for public use under the power of eminent domain, all awards and damages for such taking of or injury to the Mortgaged Properties shall be applied as set forth in Section [REDACTED] of the Ground Lease. To the extent of a deficiency in the proceeds, all proceeds shall be applied as provided in Section 9.2 of the Ground Lease.

Section 9.2 Casualty. Should the Mortgaged Properties be wholly or partially destroyed or damaged by fire, explosion, windstorm, or other insured casualty, Beneficiary shall have the right to collect, receive, and receipt for, in the name of the Partnership or otherwise, any and all money that may become payable or collectible upon any policy of insurance by reason of such damage to or destruction of the Mortgaged Properties. To the extent such money is received by Beneficiary, such amounts shall be applied as provided in Section [REDACTED] 9.1 of the Ground Lease. To the extent of a deficiency in the proceeds, all proceeds shall be applied as provided in Section [REDACTED] of the Ground Lease.

**ARTICLE X
AMENDMENTS OF AND SUPPLEMENTS TO THIS
DEED OF TRUST AND OTHER DOCUMENTS**

Section 10.1 Amendments and Supplements with Consent; Limitations. With the prior written consent of the owners of not less than 51% in the aggregate principal amount of the Bonds outstanding as set forth in the Trust Indenture (the "Requisite Percentage of Holders"), (a) Beneficiary and the Partnership may at any time and from time to time enter into a supplemental deed of trust for the purpose of adding provisions to, or changing or eliminating provisions of, this Deed of Trust; and (b) the Partnership and Beneficiary may execute and deliver any written waiver or modification of the terms of this Deed of Trust; provided, however, that no such consent shall be necessary to empower or permit the parties to this Deed of Trust and the other agreements and instruments referred to in Section 10.2 hereof to execute the agreements and instruments and take the actions referred to therein for any of the purposes specified therein; and provided, further, that without the consent of each holder of any Bonds to be affected by such supplemental deed of trust, amendment, supplement, waiver or modification, no such instrument or act shall:

- (a) modify any of the provisions of this Section 10.1 hereof, the definitions of the term "Event of Default" as such term is defined, directly or by cross-reference, herein (except to add additional events of default);
- (b) reduce, amend or modify any indemnities (except to add additional indemnities) in favor of the holders of any Bonds;
- (c) adversely affect the Project or the lien of this Deed of Trust thereon; or
- (d) reduce the percentage in aggregate principal amount of the Bonds outstanding specified herein the holders of which are empowered under the provisions hereof to take any action hereunder or to permit or compel either the Partnership or the Beneficiary to take, suffer or omit any action;

provided, however, that without the consent of each holder of any Bonds, no such supplemental deed of trust or waiver or modification of the terms hereof shall permit the creation of any Lien on the Project or any portion thereof, or deprive the holder of any Bonds then outstanding of the lien of this Deed of Trust on the Project. Any supplemental deed of trust or other agreement, instrument or action made, entered into or taken in a manner inconsistent with or contrary to the provisions of this Article 10 shall be void and of no effect.

Section 10.2 Amendments, Supplements and Consents Not Requiring Consent of Holders. Except as provided below, no written consent under Section 10.1 hereof shall be required to empower Beneficiary at any time or from time to time to enter into any supplemental deed of trust with the Partnership:

- (a) to add to the covenants and agreements of the Partnership contained in this Deed of Trust additional covenants or agreements of the Partnership or conditions or restrictions upon the Partnership, or to surrender or eliminate any right, power or privilege granted to or conferred upon the Partnership in this Deed of Trust;
- (b) to cure any minor ambiguity, or formal defect or omission, contained herein or in any of the other said agreements or instruments (provided, however that the interests of the holders of the Bonds shall not be adversely affected thereby);

(c) to correct or amplify the description of the Project (provided, however, that the interests of the holders of the Bonds shall not be adversely affected thereby) or to reflect any release of any property from the Project pursuant to the express terms hereof;

(d) to qualify this Deed of Trust under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, except that nothing in this clause (d) shall permit or authorize any provision permitted in Section 316(a)(2) of said act or any corresponding provisions of any similar federal statute;

(e) to grant to Beneficiary additional property, rights, remedies, powers or privileges, in trust, for the purposes of this Deed of Trust;

(f) to execute concurrently with the execution of this Deed of Trust, or at any time thereafter, the Subordinations are attached hereto as Exhibit "C" and incorporated herein.

Section 10.3 Consent to Substance, Not Form. It shall not be necessary for any written consent of the holders of outstanding Bonds, as the case may be, or of the Partnership given pursuant to Section 10.1 hereof, to specify the particular form of the proposed documents to be executed and delivered pursuant to said Section 10.1, but it shall be sufficient if such consent shall be given in writing to the substance thereof.

Section 10.4 Documents Mailed to Holders. Beneficiary shall mail, by certified mail, postage prepaid, a photocopy or conformed copy of any agreement or instrument entered into pursuant to Section 10.1 or 10.2 hereof to each holder of any Bonds at its address shown in the Bond register.

Section 10.5 Arbitration. The Partnership will not, without the prior written consent of Beneficiary and the Requisite Percentage of Holders, submit to arbitration any question, dispute or other matter arising under the Trust Indenture, the Ground Lease, this Deed of Trust, or any document relating to the Bonds.

Section 10.6 Beneficiary Protected. If, in the opinion of the institution acting as Beneficiary hereunder any document required to be executed pursuant to the terms of Sections 10.1 and 10.2 hereof affects any right, duty, immunity or indemnity with respect to it under this Deed of Trust, Beneficiary may, in its discretion, decline to execute such document.

Section 10.7 Reliance on Opinion of Counsel. In executing any supplemental deed of trust permitted by this Article X or any amendments of this Deed of Trust, the Beneficiary shall be entitled to receive and shall be fully protected in relying upon an opinion of counsel stating that the execution of such supplemental deed of trust or amendment is authorized or permitted by this Deed of Trust and that all conditions precedent thereto have been satisfied.

ARTICLE XI MISCELLANEOUS

Section 11.1 Severability. In the event any item, term, or provision contained in this Deed of Trust is in conflict or may be held hereafter to be in conflict with any applicable laws, this Deed of Trust shall be affected only as to its application to such item, term, or provision and shall in all other respects remain in full force and effect.

Section 11.2 Captions and Titles. All article and section titles or captions contained in this Deed of Trust or in any schedule or exhibit hereto are for convenience only and shall not be deemed a part of this Deed of Trust and shall not affect the meaning or interpretation of this Deed of Trust.

Section 11.3 Usury Savings Clause. The Partnership and Beneficiary specifically intend and agree to limit contractually the amount of interest payable under this Deed of Trust, the Secured Obligations, and all other instruments and agreements related hereto and thereto to the maximum amount of interest lawfully permitted to be charged under applicable law. Therefore, none of the terms of this Deed of Trust, the Secured Obligations, or any instrument pertaining to or relating to this Deed of Trust or the Secured Obligations shall ever be construed to create a contract to pay interest at a rate in excess of the maximum rate permitted to be charged under applicable law, and neither the Partnership nor any other party liable or to become liable hereunder, under the Secured Obligations, or under any other instruments and agreements related hereto and thereto shall ever be liable for interest in excess of the amount determined at such maximum rate, and the provisions of this paragraph shall control over all other provisions of this Deed of Trust, the Secured Obligations, or of any other instrument pertaining to or relating to the transactions herein contemplated. If any amount of interest taken or received by Beneficiary shall be in excess of said maximum amount of interest which, under applicable law, could lawfully have been collected by Beneficiary incident to such transactions, then such excess shall be deemed to have been the result of a mathematical error by all parties hereto and shall, at the election of Beneficiary, either be applied as credit against then unpaid principal amount of the Secured Obligations or refunded promptly to the party paying such amount. All amounts paid or agreed to be paid in connection with such transactions which would under applicable law be deemed "interest" shall, to the extent permitted by such applicable law, be amortized, prorated, allocated, and spread throughout the stated term of the Secured Obligations. "Applicable law" as used in this paragraph means that law in effect from time to time which lawfully permits the charging and collection of the highest permissible lawful, nonusurious rate of interest on the transactions herein contemplated, including laws of the State of Texas and of the United States of America; "maximum rate" as used in this paragraph means, with respect to each portion of the Secured Obligations, the maximum lawful, nonusurious rate of interest (if any) which under applicable law Beneficiary is permitted to charge from time to time with respect to such portion of the Secured Obligations; and "maximum amount" as used in this paragraph means the maximum nonusurious amount of interest which may be lawfully contracted for, reserved, charged, collected or received by Beneficiary under this Deed of Trust and the other documents evidencing or securing the Secured Obligations. If at any time any interest rate, together with any other fees and additional amounts payable by the Partnership that are deemed to constitute interest under applicable laws, exceeds the maximum rate, then the amount of interest to accrue pursuant to this Deed of Trust shall be limited, notwithstanding anything to the contrary herein or in any other document or any other agreement or instrument, to the maximum amount. Pursuant to the provisions of the Texas Finance Code § 346.004, as amended, it is agreed that the provisions of Chapter 346 of the Texas Finance Code, as amended (which regulates certain revolving credit

loans and revolving tri-party accounts), shall not govern or in any other manner apply hereto or to any of the Secured Obligations, other than such § 346.004.

Section 11.4 Additional Security. The Partnership agrees that no other security, now existing or hereafter taken, for the Secured Obligations shall be impaired or affected in any manner by the execution hereof; no security subsequently taken by any holder of the Secured Obligations shall impair or affect in any manner the security given by this Deed of Trust; all security for the payment of the Secured Obligations shall be taken, considered, and held as cumulative; and the taking of additional security shall at no time release or impair any security by endorsement or otherwise previously given. The Partnership further agrees that any part of the security herein described may be released without in anywise altering, varying, or diminishing the force, effect, or lien of this Deed of Trust, or of any renewal or extension of said lien, and that this Deed of Trust shall continue as a first lien, assignment, and security interest on all the Mortgaged Properties not expressly released until all Secured Obligations are fully discharged and paid.

Section 11.5 Suit Not an Election of Remedies. The filing of a suit to foreclose any lien, assignment, or security interest under this Deed of Trust either on any matured portions of the Secured Obligations or for all Secured Obligations shall never be considered an election so as to preclude foreclosure under any power of sale herein contained after dismissal of the suit.

Section 11.6 Rules of Construction. The term “Partnership” as used herein shall include not only the party designated as the Partnership that executes this Deed of Trust but also the respective legal representatives, successors and assigns of such party. Whenever the context requires, the gender of words used herein shall include the masculine, feminine, and neuter, and number of words used herein shall include the singular and the plural.

Section 11.7 Environmental Matters. The Partnership covenants that: (a) no substances, including without limitation, asbestos or any substance containing asbestos, deemed hazardous under any Hazardous Materials Laws (defined below), including the group of organic compounds known as polychlorinated biphenyls, flammable explosives, radioactive materials, petroleum, petroleum fractions, petroleum distillates, chemicals known to cause cancer or reproductive toxicity, pollutants, effluents, contaminants, emissions or related materials and any items included in the definitions of “hazardous waste,” “hazardous materials,” “hazardous substances,” “toxic waste,” or “toxic substances” (collectively “[Hazardous](#) Materials” under any law relating to environmental conditions or industrial hygiene, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (“CERCLA”), 42 U.S.C. § 9601, *et seq.*; Resource, Conservation and Recovery Act (“RCRA”), 42 U.S.C. § 6901, *et seq.*, as amended by the Superfund Amendments and Reauthorization Act of 1986 (“SARA”), Pub. L. 99-499, 100 Stat. 1613; the Toxic Substances Control Act, 15 U.S.C. § 2601, *et seq.*; Emergency Planning and Community Right to Know Act of 1986, 42 U.S.C. § 1101, *et seq.*; Clean Water Act (“CWA”), 33 U.S.C. § 1251, *et seq.*; Clean Air Act (“CAA”), 42 U.S.C. § 7401, *et seq.*; Federal Water Pollution Control Act (“FWPCA”), 33 U.S.C. § 1251, *et seq.*; and any corresponding state laws or ordinances including but not limited to the Texas Water Code (“TWC”) § 26.001, *et seq.*; Texas Solid Waste Disposal Act, Texas Health & Safety Code (“THSC”) § 361.001, *et seq.*; and regulations, rules, guidelines, or standards promulgated pursuant to such laws, statutes and regulations, as such statutes, regulations, rules, guidelines, and standards are amended from time to time. (individually and collectively, “Hazardous Materials Laws”) except for any Hazardous Materials that may be included in any landscaping or cleaning products used in the maintenance of the Project or allowed under [Article \[\] XV](#) of the Ground Lease, shall hereafter be installed, used, generated, manufactured, treated, handled, refined, produced, processed, stored or disposed of, released or otherwise placed in, on or under all or any part of the Project;

(b) no activity shall hereafter be undertaken on all or any part of the Project which would cause (i) all or any part of the Project to become a treatment, storage or disposal facility for hazardous waste or hazardous material within the meaning of, or otherwise bring all or any part of or any interest in the Project within the ambit of, RCRA or any other Hazardous Materials Law; (ii) a release or threatened release of any Hazardous Materials from the Project within the meaning of, or otherwise bring all or any part of the Project within the ambit of, CERCLA or SARA or any other Hazardous Materials Law; or (iii) the discharge of Hazardous Material into any watercourse, body of surface or subsurface water or wetland, or the discharge into the atmosphere of any Hazardous Material which would require a permit under any Hazardous Materials Law; (c) no activity shall be undertaken on or with respect to all or any part of the Project which would cause a violation or support a claim under RCRA, CERCLA, SARA or any other Hazardous Materials Law; and (d) no underground storage tanks or underground deposits shall be located on all or any part of the Project.

Section 11.8 Notice of Hazardous Material Claims. The Partnership shall immediately advise Beneficiary in writing of (a) any governmental or regulatory actions instituted or threatened under any Hazardous Materials Law affecting all or any part of or any interest in the Project; (b) all claims made or threatened by any third party against the Partnership or the Project relating to damage, contribution, cost recovery, compensation, or loss or injury resulting from any Hazardous Material; (c) the discovery of or reasonable cause to believe that any occurrence or condition on any real property adjoining or in the vicinity of the Project that could cause the Project to be classified in a manner which may support a claim under any Hazardous Materials Law; and (d) the discovery of any occurrence or condition on any part of the Project or any real property adjoining or in the vicinity of the Project which could subject the Partnership or any part of the Project to any limitations or restrictions on the ownership, occupancy, transferability or use thereof. Beneficiary may elect (but shall not be obligated) to join and participate in any settlements, remedial actions, legal proceedings or other actions initiated in connection with any claims or responses under any Hazardous Materials Law and to have its reasonable attorneys' fees relating to such participation paid by the Partnership. At its sole cost and expense, the Partnership agrees to promptly and completely cure and remedy every existing and future violation of a Hazardous Materials Law occurring on or with respect to any part of the Project and to promptly remove all Hazardous Materials now or hereafter in, on or under all or any part of the Project, except as allowed in Section 11.7(a) hereof, and to dispose of the same as required by Hazardous Materials Law(s).

Section 11.9 Right to Retain Site Reviewers. Beneficiary (by its officers, employees and agents) at any time and from time to time may contract for the services of persons or entities (the "Site Reviewers") to perform environmental site assessments ("Site Assessments") on all or any part of the Project to determine the existence of any environmental condition which under any Hazardous Materials Law might result in any liability, cost or expense to the owner, occupier or operator of any of the Project, but shall not contract to have such Site Assessments performed unless a notice is given pursuant to Section 11.8 or Beneficiary otherwise becomes aware of an environmental condition which under any Hazardous Materials Law might result in any liability to the owner, occupier or operator of any of the Project. The Site Reviewers are authorized to enter upon all or any part of the Project to conduct Site Assessments. The Site Reviewers are further authorized to perform both above and below the ground testing for environmental damage or the presence of Hazardous Materials on any of the Project and such other tests on or of any of the Project as the Site Reviewers or Beneficiary may deem necessary. The Partnership agrees to supply to the Site Reviewers and Beneficiary such historical and operational information regarding the Project as may be reasonably requested to facilitate the Site Assessments and will make available for meetings with the Site Reviewers appropriate personnel having knowledge of such

matters. The results of Site Assessments shall be furnished to the Partnership upon request. The cost of performing Site Assessments shall be paid by the Partnership.

Section 11.10 The Partnership's Indemnity. TO THE EXTENT PERMITTED BY APPLICABLE LAW, PARTNERSHIP SHALL INDEMNIFY, DEFEND (AT TRIAL AND APPELLATE LEVELS AND WITH ATTORNEYS, CONSULTANTS AND EXPERTS REASONABLY), AND HOLD HARMLESS BENEFICIARY, ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS, SUCCESSORS AND ASSIGNS FROM AND AGAINST ANY AND ALL CLAIMS, DAMAGES, LOSSES, LIABILITIES (INCLUDING STRICT LIABILITIES), ACTIONS, PROCEEDINGS, INVESTIGATIONS, INJURIES, LIENS, CITATIONS, DIRECTIVES, LITIGATION, OBLIGATIONS, PENALTIES, ACTIONS, JUDGMENTS, ASSESSMENTS, FINES, FEES, CHARGES, SUITS, AMOUNTS PAID IN SETTLEMENT, COSTS, EXPENSES AND DISBURSEMENTS (INCLUDING, WITHOUT LIMITATION, REASONABLE FEES, EXPENSES AND DISBURSEMENTS OF COUNSEL, COSTS OF REMEDIATION, ENGINEERS' FEES, ENVIRONMENTAL CONSULTANTS' FEES, EXPERTS' FEES, AND COSTS INCURRED IN INVESTIGATING, DEFENDING AGAINST, SETTLING OR PROSECUTING ANY CLAIM, LITIGATION OR PROCEEDING THAT MAY AT ANY TIME BE IMPOSED UPON, SUFFERED, INCURRED BY OR ASSERTED OR AWARDED AGAINST BENEFICIARY OR THE PROPERTY ARISING OUT OF, IN CONNECTION WITH OR AS A DIRECT OR INDIRECT RESULT OF ANY ONE OR MORE OF THE FOLLOWING:

(A) ANY LOSS, LIABILITY, DAMAGE, COST, EXPENSE OR CLAIM ARISING FROM THE IMPOSITION OR RECORDING OF A LIEN, THE INCURRING OF COSTS OF REQUIRED REPAIRS, REMEDIATION, CLEAN UP OR DETOXIFICATION AND REMOVAL UNDER ANY HAZARDOUS MATERIALS LAW WITH RESPECT TO ALL OR ANY PART OF THE PROJECT OR LIABILITY TO ANY THIRD PARTY IN CONNECTION WITH ANY VIOLATION OF A HAZARDOUS MATERIALS LAW;

(B) ANY OTHER LOSS, LIABILITY, DAMAGE, EXPENSE OR CLAIM WHICH MAY BE INCURRED BY OR ASSERTED AGAINST BENEFICIARY, ITS DIRECTORS, OFFICERS, EMPLOYEES, SUCCESSORS OR ASSIGNS, DIRECTLY OR INDIRECTLY, ARISING FROM THE PAST, PRESENT OR FUTURE PRESENCE ON OR UNDER, OR THE PAST, PRESENT OR FUTURE DISCHARGE, EMISSION OR RELEASE FROM THE PAST, PRESENT OR FUTURE PROJECT INTO OR UPON THE REAL PROPERTY, ATMOSPHERE, OR ANY WATERCOURSE, BODY OF SURFACE OR SUBSURFACE WATER OR WETLAND, ARISING FROM THE INSTALLATION, USE, GENERATION, MANUFACTURE, TREATMENT, HANDLING, REFINING, PRODUCTION, PROCESSING, STORAGE, REMOVAL, TRANSPORTATION, REMEDIATION CLEAN UP OR DISPOSAL OF ANY HAZARDOUS MATERIAL OR UNDERGROUND STORAGE TANKS WHETHER OR NOT CAUSED BY OR WITHIN THE CONTROL OF THE PARTNERSHIP, ANY AFFILIATE OF THE PARTNERSHIP, OR ANY TENANT OR OTHER USER OF THE REAL PROPERTY, OR WHETHER OR NOT THE PARTNERSHIP, ANY AFFILIATE OF THE PARTNERSHIP, OR ANY TENANT OR OTHER USER OF THE REAL PROPERTY, KNEW OR SHOULD HAVE KNOWN OF THE PRESENCE OF THE HAZARDOUS MATERIALS OR UNDERGROUND STORAGE TANKS;

(C) LOSS OF VALUE OF ANY OF THE PROJECT AS A RESULT OF ANY SUCH LIEN, REMEDIATION CLEAN UP, DETOXIFICATION, LOSS, LIABILITY, DAMAGE, EXPENSE OR CLAIM OR A FAILURE OR DEFECT IN TITLE OCCASIONED BY ANY HAZARDOUS MATERIAL OR HAZARDOUS MATERIALS LAW;

(D) THIS DEED OF TRUST OR ANY OF THE REAL PROPERTY;

(E) ANY ACTION TAKEN BY BENEFICIARY HEREUNDER OR BY REASON OR IN DEFENSE OF ANY AND ALL CLAIMS AND DEMANDS WHATSOEVER THAT MAY BE ASSERTED AGAINST BENEFICIARY BY REASON OF ANY ALLEGED OBLIGATIONS OR UNDERTAKINGS ON THE PART OF BENEFICIARY TO PERFORM OR DISCHARGE ANY OF THE TERMS, COVENANTS OR AGREEMENTS CONTAINED IN THE LEASES, INCLUDING ANY CLAIMS BY THE PARTNERSHIP WITH RESPECT TO PAYMENTS OF RENTS MADE DIRECTLY TO THE BENEFICIARY AFTER THE OCCURRENCE OF AN EVENT OF DEFAULT AND CLAIMS BY ANY TENANT FOR SECURITY DEPOSITS OR FOR RENTAL PAYMENTS MORE THAN ONE (1) MONTH IN ADVANCE AND NOT DELIVERED TO THE BENEFICIARY;

(F) ANY ACCIDENT, INJURY OR DEATH OF PERSONS OR LOSS OF OR DAMAGE TO REAL PROPERTY OCCURRING IN, ON OR ABOUT THE REAL PROPERTY OR ON THE ADJOINING SIDEWALKS, CURBS, ADJACENT PROPERTY, OR ADJACENT PARKING AREAS, STREETS OR WAYS;

(G) ANY USE, NONUSE OR CONDITION IN, ON OR ABOUT THE REAL PROPERTY OR ON SIDEWALKS, CURBS, ADJACENT PROPERTY OR ADJACENT PARKING AREAS, STREETS OR WAYS;

(H) THE PERFORMANCE OF ANY LABOR OR SERVICES OR FURNISHING OF ANY MATERIAL OR OTHER PROPERTY IN RESPECT OF THE REAL PROPERTY;

(J) ANY FAILURE OF THE PARTNERSHIP TO COMPLY WITH ANY REQUIREMENT OF LAW (INCLUDING ANY ENVIRONMENTAL LAW);

(K) ANY ADMINISTRATIVE PROCESSES OR PROCEEDINGS OR JUDICIAL PROCEEDINGS IN ANY WAY CONNECTED WITH ANY MATTER ADDRESSED IN THIS AGREEMENT;

(L) ANY PERSONAL INJURY (INCLUDING WRONGFUL DEATH) OR PROPERTY DAMAGE (REAL OR PERSONAL) ARISING OUT OF OR RELATED TO ANY OF THE FOREGOING;

(M) ANY LAWSUIT BROUGHT OR THREATENED, SETTLEMENT REACHED, OR GOVERNMENTAL ORDER OR DIRECTIVE RELATING TO ANY OF THE FOREGOING;

(N) THE EXISTENCE OF MOLD, DANGEROUS FUNGI, BACTERIAL OR MICROBIAL MATTER CONTAMINATION OR PATHOGENIC ORGANISMS THAT REPRODUCE THROUGH THE RELEASE OF SPORES OR THE SPLITTING OF CELLS; AND

(P) ALL FORESEEABLE AND UNFORESEEABLE INCIDENTAL AND CONSEQUENTIAL DAMAGES ARISING FROM OR RELATING TO ANY OF THE FOREGOING.

SUCH INDEMNITY SHALL APPLY REGARDLESS OF ANY CLAIM THAT BENEFICIARY WAS NEGLIGENT IN GRANTING ITS CONSENT TO THE EXISTENCE OF HAZARDOUS MATERIALS IN, ON, OR ABOUT THE PROJECT PURSUANT TO THE LEASE. THE INDEMNITY SHALL INCLUDE THE COSTS OF INVESTIGATION, SETTLEMENT AND DEFENSE OF SUCH CLAIMS AND THE REASONABLE ATTORNEYS' FEES OF COUNSEL OF THE INDEMNIFIED PARTY'S CHOOSING. THIS INDEMNITY SHALL SURVIVE THE RELEASE OF THIS DEED OF TRUST AND SHALL NOT MERGE INTO THE FEE TITLE TO THE PROJECT IN THE EVENT OF THE EXERCISE OF THE PURCHASE OPTION PROVIDED IN THE LEASE. EXCEPT AS OTHERWISE SET FORTH HEREIN, THIS INDEMNITY SHALL NOT APPLY WHERE IT IS PROVEN THAT BENEFICIARY OR ITS SUCCESSORS OR ASSIGNS WERE NEGLIGENT OR WHERE IT IS PROVEN THAT BENEFICIARY OR ITS SUCCESSORS OR ASSIGNS ENGAGED IN WILLFUL MISCONDUCT.

Section 11.11 Beneficiary's Right to Take Remedial Action. Beneficiary shall have the right, but not the obligation, upon thirty (30) days advance written notice to take any remedial action to remove any Hazardous Substance from the Project or clean up any contamination resulting from the Partnership's violation of any of the requirements of this Article. The Partnership shall reimburse Beneficiary for the costs of such remedial action to the extent permitted by applicable law. Notwithstanding any other provision of this Deed of Trust, the Beneficiary shall have the power and the right upon written direction of the Requisite Percentage of Holders, but not the duty, to: (a) settle or compromise at any time any and all claims against the Project or the Beneficiary which may be asserted by any governmental body or private party for the alleged violation of any Hazardous Materials Law affecting the Project; (b) disclaim any power (including, without limitation, the power to sell the Mortgaged Properties) granted by this Deed of Trust or any statute or rule of law, the exercise of which power may, in the sole discretion of the Beneficiary, as advised by counsel, cause the Beneficiary to incur corporate or personal liability under any Hazardous Materials Law; and (c) enter onto the Project to take such action as it deems necessary or advisable to clean up, remediate, encapsulate, remove, resolve or minimize the impact of, or otherwise deal with, any Hazardous Materials or breaches of Hazardous Materials Law which could result in an order, suit or other action, or which, in the sole judgment of the Beneficiary, could jeopardize its security interest under this Deed of Trust. For purposes of this Section, the term "environmental law" means any federal, state or local law, rule, regulation or ordinance relating to the protection of the environment or human health. The Beneficiary shall not be liable or responsible to the Partnership or any other party for any decrease in value of the Project by reason of availing itself of the rights granted by this Section or by reason of the Beneficiary's compliance with any Hazardous Materials Law, specifically including any reporting requirement under any such law. Neither the acceptance by the Beneficiary of property or a failure by the Beneficiary to inspect the property shall be deemed to create any inference that there is or may be liability under any Hazardous Materials Laws with respect to such property.

Section 11.12 Concerning Beneficiary. In furtherance and not in derogation of the rights, privileges and immunities of the Beneficiary set forth in the Trust Indenture:

(a) The Beneficiary is authorized to take all such action as is provided to be taken by it as Beneficiary hereunder and all other action reasonably incidental thereto, but any permissive rights shall not be construed as duties. As to any matters not expressly provided for herein (including the timing and methods of realization upon the Mortgaged Properties and enforcement of this Deed of Trust), the Beneficiary shall act or refrain from acting in accordance with the Trust Indenture or, in the absence of such instructions, in accordance with its discretion;

(b) The Beneficiary shall not be responsible for the existence, condition, sufficiency, genuineness, or value of, or title to, any of the Mortgaged Properties or for the validity, perfection, priority or enforceability of the lien of this Deed of Trust on any of the Mortgaged Properties, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder. The Beneficiary shall have no duty to ascertain or inquire as to the performance or observance of any of the terms of this Deed of Trust by the Partnership. For the avoidance of doubt, the Beneficiary shall not be liable or responsible for any decrease in value of the Property by reason of availing itself of the rights granted by this section or by reason of the Beneficiary's compliance with any environmental law, specifically including any reporting requirement under any such law;

(c) The Beneficiary shall not be responsible for insuring the Mortgaged Properties or for the payment of any impositions, taxes or liens on the Mortgaged Properties or for the maintenance of the Mortgaged Properties; and

(d) Notwithstanding any other provision of this Deed of Trust, the Beneficiary shall have the power and the right, but not the duty, to:

- (i) settle or compromise at any time any and all claims against the Beneficiary which may be asserted by any governmental body or authority or private party for the alleged violation of any environmental law affecting the Mortgaged Property;
- (ii) enter onto the Mortgaged Property to take such action as it deems necessary or advisable to clean up, remediate, encapsulate, remove, resolve or minimize the impact of, or otherwise deal with, any Hazardous Material or breaches of environmental laws that could result in an order, suit or other action, or which, in the sole judgment of the Beneficiary, could jeopardize its liens under this Deed of Trust; and
- (iii) while an Event of Default remains uncured, require the Partnership to periodically (but not more frequently than annually unless an enforcement action is then outstanding, in which case such limitation shall not apply) perform, at the Partnership's expense, a Phase I Environmental Assessment and, if deemed necessary by the Partnership, a Phase II Environmental Assessment with respect to the property. Such assessments shall be conducted by a consultant reasonably satisfactory to the Beneficiary. In the event the Partnership fails to have any such assessment performed within thirty (30) days of the Beneficiary's request, the Beneficiary shall be entitled to retain a consultant to perform such assessment, at the expense of the Partnership.

(e) Any provisions governing the rights, immunities and protections of the Trustee under the Trust Indenture are incorporated by reference into this Deed of Trust as being applied to the Beneficiary as though fully set forth herein.

Section 11.13 Notices. Any notice required or permitted to be given hereunder by one party to another shall be given as provided in the Trust Indenture except that the address for notices for the Mortgage Trustee shall be:

If to Mortgage Trustee: Rosalyn Davis
BOKF, NA , Vice President
1401 McKinney, Suite 1000
Houston, TX 77010

Section 11.14 Extension, Rearrangement, Renewal or Release of Secured Obligations. It is expressly agreed that any of the Secured Obligations at any time secured hereby may be from time to time extended for any period, rearranged, or renewed, and that any part of the security herein described, or any other security for the Secured Obligations may be waived or released without in anywise altering, varying or diminishing the force, effect, or lien of this Deed of Trust as to unaffected property.

Section 11.15 Governing Law. THIS DEED OF TRUST SHALL BE GOVERNED IN ALL RESPECTS INCLUDING VALIDITY, INTERPRETATION AND EFFECT BY, AND SHALL BE ENFORCEABLE IN ACCORDANCE WITH, THE LAWS OF STATE OF TEXAS AND OF THE UNITED STATES OF AMERICA.

Section 11.16 Amendments. No amendment or waiver of any provision of this Deed of Trust, nor consent to any departure by the Partnership therefrom, shall in any event be effective unless the same is in writing and signed by the Partnership and the Indenture Trustee, and is accomplished in accordance with the Trust Indenture, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 11.17 Assignment. This Deed of Trust shall be binding upon the Partnership and its successors and assigns and shall inure to the benefit of the Beneficiary and its respective successors, transferees, and assigns, and no person other than the Beneficiary and its successors, transferees, and assigns shall under any circumstances be deemed to be a beneficiary of any provision of this Deed of Trust. Without limiting the generality of the foregoing, the Beneficiary may assign, grant a security interest in, or otherwise transfer this Deed of Trust to any other person or entity, and such other person or entity shall thereupon become vested with all the benefits in respect thereof granted to the Beneficiary herein or otherwise. Upon execution and delivery of the Trust Indenture to the Beneficiary, all appointments, designations, representations, warranties, covenants, assurances, remedies, title, interest, privileges, directions, permits, licenses, and rights of every kind whatsoever herein conferred upon the Beneficiary shall be deemed to be conferred also upon the Beneficiary, in its capacity as Trustee under the Trust Indenture. The Partnership agrees that the assignments made of this Deed of Trust shall not subject the Beneficiary to or transfer or pass or in any way affect or modify any obligation of the Partnership under the Ground Lease, the Bonds, this Deed of Trust, or the Security Agreement, it being understood and agreed that all such obligations of the Partnership shall be and remain enforceable only against the Partnership.

Section 11.18 Capitalized Terms. Capitalized terms herein shall have the meanings assigned herein, or if no definition is contained herein, then the meanings assigned in the Trust Indenture and Ground Lease, unless context requires otherwise.

Section 11.19 No Drilling or Exploration. Without the prior written consent of (i) Beneficiary (in connection with which the Beneficiary shall be entitled to receive, and shall be entitled to rely upon, a certification by an architect licensed by the State of Texas to the effect that any such drilling or exploration will not adversely affect the use of the Land for the Project) and (ii) the Requisite Percentage of Holders, which consent may be withheld for any reason

whatsoever at the sole and absolute discretion of the Requisite Percentage of Holders, there shall be no drilling or exploring for or extraction, removal, or production of minerals from the surface or subsurface of the Land. The term “minerals” as used herein shall include, without limiting the generality of such term, oil, gas, casinghead gas, coal, lignite, hydrocarbons, methane, carbon dioxide, helium, uranium and all other natural elements, compounds and substances, including sand and gravel.

Section 11.20 Construction Mortgage. To the extent any portion of the Secured Obligations are advanced for the construction of improvements to the Project, this Deed of Trust is a “Construction Mortgage” as defined in Section 9.334(h), Texas Business and Commerce Code, as amended.

Section 11.21 Non-Recourse. If an Event of Default occurs, any judicial proceedings brought by the Beneficiary against the Partnership shall be limited to the preservation, enforcement and foreclosure of the liens, security interests and mortgages then or any time hereafter securing payment of the Secured Obligations and no attachment, execution or other writ or process shall be sought, issued or levied upon any assets, property or funds of the Partnership other than the properties, rights and estates and interests described herein and in the other documents securing payment and performance of the Secured Obligations. In the event of foreclosure of such liens, security interests and mortgages securing the payment the Secured Obligations by private power of sale or otherwise, no judgment for any deficiency upon such indebtedness, sums or amounts shall be obtained by Beneficiary against the Partnership. The Partnership’s liability with respect to the Secured Obligations shall be limited in accordance with the terms of the Bonds.

ARTICLE XII SUBORDINATE DEED OF TRUST

This Deed of Trust is and shall at all times continue to be subordinate, subject, and inferior (in payment and priority) to the Senior Loan, the Senior Note, and the Senior Indenture, and the liens, rights, payment interests, priority interests, and security interests granted to Beneficiary hereunder and the Loan and the Loan Documents are, and are hereby expressly acknowledged to be in all respects and at all times, subject to the terms of the **[Subordination Agreement]** [by and among Beneficiary, Partnership, and Senior Lender of even date herewith.

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THIS DEED OF TRUST AND THE TRUST INDENTURE, TOGETHER WITH THE BONDS, REPRESENT THE FINAL AGREEMENT BETWEEN THE UNDERSIGNED PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OR ORAL AGREEMENTS OF THE UNDERSIGNED PARTIES, WHETHER MADE BEFORE, ON OR AFTER THE DATE OF THIS DEED OF TRUST. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE UNDERSIGNED PARTIES.

IN WITNESS WHEREOF, the Partnership has executed this Deed of Trust as of _____, 2024.

PARTNERSHIP:

MANOR LEASED HOUSING ASSOCIATES I,
LIMITED PARTNERSHIP, a Texas limited
partnership

By: MANOR LEASED HOUSING ASSOCIATES
LP I, a Minnesota limited liability company
Its: Class B Partner

By: _____


Address:
Manor Leased Housing Associates LP I,
2905 Northwest Blvd
Suite 150
Plymouth, MN 55441-2644

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the _____ day of _____, 2024, by [], the [] of Manor Leased Housing Associates LP I, Minnesota limited liability company on behalf of such limited liability company.

Notary Public in and for the State of Texas

EXHIBIT A
LEGAL DESCRIPTION OF LAND

EXHIBIT B
PERMITTED ENCUMBRANCES