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April 22, 2024

VIA E-MAIL

Dr. Christopher Harvey
President
Manor Housing Public Facility Corporation
105 E. Eggleston St.
Manor, TX 78653

Dr. Harvey,

As you know, Hilltop Securities Inc. (“Hilltop”) is currently providing **Manor Housing Public Facility Corporation** (the “Client”) with municipal advisory services pursuant to a certain **Municipal Advisory Agreement, dated 10/2/2023** (the “MA Agreement”). The MA Agreement provides for Hilltop to advise the Client regarding the issuance and sale of certain indebtedness or debt obligations that may be authorized and issued or otherwise created or assumed by the Client from time to time during the term of the MA Agreement.

The Client has requested that Hilltop provide certain additional advisory services in connection with the participation of the Client as the parent entity of, and the 100% sole member of, the proposed “**to-be-formed**” **GP LLC** (the “Company”) in the ownership partnership of “**to-be-formed**” **LP** (the “Borrower”) sponsored **Tower Road Apartments** (the “Transaction”). Hilltop and the Client believe that the requested services related to the Transaction are not within the description of services of the MA Agreement. Therefore, we are pleased to submit this agreement and set-forth terms for the engagement of Hilltop by the Client as its advisor for the term of this letter agreement (the “Agreement”) with respect to the Transaction.

Description of Services

Upon the request of an authorized representative of the Client, Hilltop agrees to perform the consulting services stated in the following provisions of this Agreement and, for having rendered such services, the Company agrees to pay to Hilltop the compensation as provided in Attachment A. Hilltop will provide:

1. Negotiation; Documentation: Assist the Company in negotiating and reviewing all partnership related documentation for the Transaction;
2. Advice: Provide advice to the Company regarding the amount and timing of payments to be received for each of the roles contemplated related to the proposed multifamily development;
3. Meetings: Agree to attend all Board Meetings as requested by the Company;

4. Conference Calls: Agree to be available for all conference calls/meetings as requested by the Company; and
5. Closing of Transaction: Assist the Company in closing of the Transaction, including, if applicable, the generation of the Closing Memorandum.

Compensation and Expense Reimbursement

The fees and reimbursable expenses due to Hilltop for the services set-forth and described herein shall be in accordance with Attachment A, attached hereto. Payment for services shall be due and payable upon receipt of an invoice therefor.

Term and Termination

This Agreement shall become effective as of the date executed by the Client as set-forth on the signature page hereof and shall remain in effect until the closing of the Transaction unless terminated earlier by either party, with or without cause, upon at least thirty (30) days prior written notice, stating in such notice the effective date of the termination. In the event of such termination, it is understood and agreed that only the amounts due Hilltop for fees and expenses incurred to the date of termination will be due and payable.

Miscellaneous

1. Limitations on Liability. The Company and the Client acknowledge and agree that in any event, regardless of the cause of action, Hilltop's total liability (including loss and expense) to the Company and the Client in the aggregate shall not exceed the gross amount of fees received by Hilltop pursuant to this Agreement. The limitations on liability set forth in this Agreement are fundamental elements of the basis of the bargain between Hilltop, the Client, and the Company, and the pricing for the services set forth above reflect such limitations.
2. Required Disclosures. Attached hereto as Attachment B, Hilltop is providing its Municipal Advisor Disclosure Statement, which sets forth disclosures by Hilltop of material conflicts of interest (the "Conflict Disclosures"), if any, and of any legal or disciplinary events required to be disclosed pursuant to MSRB Rule G-42(b) and (c)(ii). The Conflict Disclosures also describe how Hilltop addresses or intends to manage or mitigate the disclosed conflicts of interest, as well as describing the specific type of information regarding, and the date of the last material change, if any, to the legal and disciplinary events required to be disclosed on Forms MA and MA-I filed by Hilltop with the Securities and Exchange Commission.

Included as Attachment C, is a general description of the financial characteristics and material risks associated with the Transaction that are foreseeable to us at this time.
3. Entire Agreement. This instrument contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. Any oral or written representations or modifications concerning this Agreement shall be of no force or effect except for a subsequent modification in writing signed by all parties hereto.
4. Choice of Law. This Agreement shall be construed and given effect in accordance with the laws of the State of Texas.

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If the foregoing correctly sets forth the terms of our Agreement, please sign the enclosed copy of this engagement letter in the space provided and return it to us.

HILLTOP SECURITIES INC.

By: _____
Name: Mr. Timothy Earl Nelson
Title: Senior Managing Director

Agreed to this _____ day of _____, 2024

**MANOR HOUSNG PUBLIC FACILITY
CORPORATION**

By: _____
Name: Dr. Christopher Harvey
Title: President
Authorized Officer

ATTACHMENT A

FORM AND BASIS OF COMPENSATION

The fees due to Hilltop for the services described in this Agreement with respect to each Transaction during the term of this Agreement shall be as set-forth below, or as otherwise negotiated in advance and agreed to by the parties in writing:

For services relating to execution of the Transaction specified in the Agreement and referred to therein, Hilltop shall receive an advisory fee ("Advisory Fee") equal to \$50,000.

The Advisory Fee is contingent upon closing and shall be payable to Hilltop, by the Borrower, at the time of the closing of the Transaction.

Please note that the above fees are paid by the Borrower and not by the Client.

ATTACHMENT B

MUNICIPAL ADVISOR DISCLOSURE STATEMENT

This disclosure statement (“Conflict Disclosures”) is provided by **Hilltop Securities Inc.** (“the Firm”) to you (the “Client”) in connection with our current municipal advisory agreement, (“the Agreement”). These Conflict Disclosures provide information regarding conflicts of interest and legal or disciplinary events of the Firm that are required to be disclosed to the Client pursuant to MSRB Rule G-42(b) and (c)(ii).

PART A – Disclosures of Conflicts of Interest

MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable.

Material Conflicts of Interest – The Firm makes the disclosures set forth below with respect to material conflicts of interest in connection with the Scope of Services under the Agreement with the Firm, together with explanations of how the Firm addresses or intends to manage or mitigate each conflict.

General Mitigations – As general mitigations of the Firm’s conflicts, with respect to all of the conflicts disclosed below, the Firm mitigates such conflicts through its adherence to its fiduciary duty to Client, which includes a duty of loyalty to Client in performing all municipal advisory activities for Client. This duty of loyalty obligates the Firm to deal honestly and with the utmost good faith with Client and to act in Client’s best interests without regard to the Firm’s financial or other interests. In addition, because the Firm is a broker-dealer with significant capital due to the nature of its overall business, the success and profitability of the Firm is not dependent on maximizing short-term revenue generated from individualized recommendations to its clients but instead is dependent on long-term profitability built on a foundation of integrity, quality of service and strict adherence to its fiduciary duty. Furthermore, the Firm’s municipal advisory supervisory structure, leveraging our long-standing and comprehensive broker-dealer supervisory processes and practices, provides strong safeguards against individual representatives of the Firm potentially departing from their regulatory duties due to personal interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

I. Affiliate Conflict. The Firm, directly and through affiliated companies, provides or may provide services/advice/products to or on behalf of clients that are related to the Firm’s advisory activities within the Scope of Services outlined in the Agreement. Hilltop Securities Asset Management (HSAM), a SEC-registered affiliate of the Firm, provides post issuance services including arbitrage rebate and treasury management. The Firm’s arbitrage team verifies rebate and yield restrictions on the investments of bond proceeds on behalf of clients in order to meet IRS restrictions. The treasury management division performs portfolio management/advisor services on behalf of public sector clients. The Firm, through affiliate Hilltop Securities Asset Management (HSAM), provides a multi-employer trust tailor-made for public entities which allows them to prefund Other Post-Employment Benefit liabilities. The Firm has a structured products desk that provides advice to help clients mitigate risk through investment management, debt management and commodity price risk management products. These products consist of but are not limited to swaps (interest rate, currency, commodity), options, repos, escrow structuring and other securities. Continuing Disclosure services provided by the Firm work with issuers to assist them in meeting disclosure requirements set forth in SEC rule 15c2-12. Services include but are not limited to ongoing maintenance of issuer compliance, automatic tracking of issuer’s annual filings and public notification of material events. The Firm administers government investment pools. These programs offer governmental entities investment options for their cash management programs based on the entities specific needs. The Firm and

the aforementioned affiliate's business with a client could create an incentive for the Firm to recommend to a client a course of action designed to increase the level of a client's business activities with the affiliates or to recommend against a course of action that would reduce or eliminate a client's business activities with the affiliates. This potential conflict is mitigated by the fact that the Firm and affiliates are subject to their own comprehensive regulatory regimes.

II. PlainsCapital Bank Affiliate Conflict. The Firm, directly and through affiliated companies, provides or may provide services/advice/products to or on behalf of clients that are related to the Firm's advisory activities within the Scope of Services outlined in the Agreement. Affiliate, PlainsCapital Bank, provides banking services to municipalities including loans and custody. The Firm and the aforementioned affiliate's business with a client could create an incentive for the Firm to recommend to a client a course of action designed to increase the level of a client's business activities with the affiliates or to recommend against a course of action that would reduce or eliminate a client's business activities with the affiliates. This potential conflict is mitigated by the fact that the Firm and affiliates are subject to their own comprehensive regulatory regimes.

III. Other Municipal Advisor or Underwriting Relationships. The Firm serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of Client. For example, the Firm serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to Client. These other clients may, from time to time and depending on the specific circumstances, have competing interests, such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering. In acting in the interests of its various clients, the Firm could potentially face a conflict of interest arising from these competing client interests. In other cases, as a broker-dealer that engages in underwritings of new issuances of municipal securities by other municipal entities, the interests of the Firm to achieve a successful and profitable underwriting for its municipal entity underwriting clients could potentially constitute a conflict of interest if, as in the example above, the municipal entities that the Firm serves as underwriter or municipal advisor have competing interests in seeking to access the new issue market with the most advantageous timing and with limited competition at the time of the offering. None of these other engagements or relationships would impair the Firm's ability to fulfill its regulatory duties to Client.

IV. Secondary Market Transactions in Client's Securities. The Firm, in connection with its sales and trading activities, may take a principal position in securities, including securities of Client, and therefore the Firm could have interests in conflict with those of Client with respect to the value of Client's securities while held in inventory and the levels of mark-up or mark-down that may be available in connection with purchases and sales thereof. In particular, the Firm or its affiliates may submit orders for and acquire Client's securities issued in an Issue under the Agreement from members of the underwriting syndicate, either for its own account or for the accounts of its customers. This activity may result in a conflict of interest with Client in that it could create the incentive for the Firm to make recommendations to Client that could result in more advantageous pricing of Client's bond in the marketplace. Any such conflict is mitigated by means of such activities being engaged in on customary terms through units of the Firm that operate independently from the Firm's municipal advisory business, thereby reducing the likelihood that such investment activities would have an impact on the services provided by the Firm to Client under this Agreement.

V. Broker-Dealer and Investment Advisory Business. The Firm is dually registered as a broker-dealer and an investment advisor that engages in a broad range of securities-related activities to service its clients, in addition to serving as a municipal advisor or underwriter. Such securities-related activities, which may include but are not limited to the buying and selling of new issue and outstanding securities and investment advice in connection with such securities, including securities of Client, may be undertaken on behalf of, or as counterparty to, Client, personnel of Client, and current or potential investors in the

securities of Client. These other clients may, from time to time and depending on the specific circumstances, have interests in conflict with those of Client, such as when their buying or selling of Client's securities may have an adverse effect on the market for Client's securities, and the interests of such other clients could create the incentive for the Firm to make recommendations to Client that could result in more advantageous pricing for the other clients. Furthermore, any potential conflict arising from the firm effecting or otherwise assisting such other clients in connection with such transactions is mitigated by means of such activities being engaged in on customary terms through units of the Firm that operate independently from the Firm's municipal advisory business, thereby reducing the likelihood that the interests of such other clients would have an impact on the services provided by the Firm to Client.

VI. Compensation-Based Conflicts. Fees that are based on the size of the issue are contingent upon the delivery of the Issue. While this form of compensation is customary in the municipal securities market, this may present a conflict because it could create an incentive for the Firm to recommend unnecessary financings or financings that are disadvantageous to Client, or to advise Client to increase the size of the issue. This conflict of interest is mitigated by the general mitigations described above.

Fees based on a fixed amount are usually based upon an analysis by Client and the Firm of, among other things, the expected duration and complexity of the transaction and the Scope of Services to be performed by the Firm. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the Firm may suffer a loss. Thus, the Firm may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest is mitigated by the general mitigations described above.

Hourly fees are calculated with, the aggregate amount equaling the number of hours worked by Firm personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if Client and the Firm do not agree on a reasonable maximum amount at the outset of the engagement, because the Firm does not have a financial incentive to recommend alternatives that would result in fewer hours worked. This conflict of interest is mitigated by the general mitigations described above.

VII. Additional Conflicts Disclosures.

The Firm has identified the following additional potential or actual material conflicts of interest:

- The Firm represents multiple issuers/obligors on same project.
- Employees of Hilltop Securities Inc. may, from time to time, serve on the board of directors of various state housing associations – such as Texas Association of Local Housing Finance Agencies (TALHFA) and Texas Affiliation of Affordable Housing Providers (TAAHP) – such participation may or may not result in conflicts of interest with or between clients of Hilltop Securities Inc.

In addition to serving as Municipal Advisor to the Issuer on the transaction, the Firm or an affiliate may be providing other services to the Issuer unrelated to the transaction or outside the scope of the Municipal Advisory Agreement and either will receive additional fees or may receive additional fees for such other services from the Issuer.

- The Firm serves as bidding agent escrow agent, GIC bidding agent, or swap advisor for the Issuer or provides derivatives or commodities hedging services to the Issuer and receives fees either under a separate contract or from a third-party.

- The Firm's affiliate, Hilltop Securities Asset Management, LLC, provides arbitrage rebate compliance services to the Issuer either under a separate contract or under the municipal advisory fee structure.
- The Firm has served as financial advisor to the general partner on prior or current transactions, for which it will receive a financial advisory fee in addition to the fees to be received for serving as Municipal Advisor to the Issuer under a separate contract.

PART B – Disclosures of Information Regarding Legal Events and Disciplinary History

MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel.

Accordingly, the Firm sets out below required disclosures and related information in connection with such disclosures.

I. Material Legal or Disciplinary Event. The Firm discloses the following legal or disciplinary events that may be material to Client's evaluation of the Firm or the integrity of the Firm's management or advisory personnel:

- For related disciplinary actions please refer to the Firm's BrokerCheck webpage.
- The Firm self-reported violations of SEC Rule 15c2-12: Continuing Disclosure. The Firm settled with the SEC on February 2, 2016. The firm agreed to retain independent consultant and adopt the consultant's finding. Firm paid a fine of \$360,000.
- The Firm settled with the SEC in matters related to violations of MSRB Rules G-23(c), G-17 and SEC rule 15B(c) (1). The Firm disgorged fees of \$120,000 received as financial advisor on the deal, paid prejudgment interest of \$22,400.00 and a penalty of \$50,000.00.
- The Firm entered into a Settlement Agreement with Rhode Island Commerce Corporation. Under the Settlement Agreement, the firm agreed to pay \$16.0 million to settle any and all claims in connection with The Rhode Island Economic Development Corporation Job Creation Guaranty Program Taxable Revenue Bond (38 Studios, LLC Project) Series 2010, including the litigation thereto. The case, filed in 2012, arose out of a failed loan by Rhode Island Economic Development Corporation. The firm's predecessor company, First Southwest Company, LLC, was one of 14 defendants. HilltopSecurities' engagement was limited to advising on the structure, terms, and rating of the underlying bonds. Hilltop settled with no admission of liability or wrongdoing.
- On April 30, 2019, the Firm entered into a Settlement Agreement with Berkeley County School District of Berkeley County, South Carolina. The case, filed in March of 2019, arose in connection with certain bond transactions occurring from 2012 to 2014, for which former employees of Southwest Securities, Inc., a predecessor company, provided financial advisory services. The Firm agreed to disgorge all financial advisory fees related to such bond transactions, which amounted to \$822,966.47, to settle any and all claims, including litigation thereto. Under the Settlement Agreement, the Firm was dismissed from the lawsuit with prejudice, no additional penalty, and with no admission of liability or wrongdoing.

- From July 2011 to October 2015, Hilltop failed to submit required MSRB Rule G-32 information to EMMA in connection with 122 primary offerings of municipal securities for which the Firm served as placement agent. During the period January 2012 to September 2015, the Firm failed to provide MSRB Rule G-17 letters to issuers in connection with 119 of the 122 offerings referenced above. From October 2014 to September 2015, the Firm failed to report on Form MSRB G-37 that it had engaged in municipal securities business as placement agent for 45 of these 122 offerings. This failure was a result of a misunderstanding by one branch office of Southwest Securities. Hilltop discovered these failures during the merger of FirstSouthwest and Southwest Securities and voluntarily reported them to FINRA. The Firm paid a fine of \$100,000 for these self-reported violations.
- In connection with a settlement on July 9, 2021, the U.S. Securities and Exchange Commission found that, between January 2016 and April 2018, the Firm bought municipal bonds for its own account from another broker-dealer and that, on occasion during that time period, the other broker-dealer mischaracterized the Firm's orders when placing them with the lead underwriter. The SEC found that, among other things, the Firm lacked policies and procedures with respect to how stock orders were submitted for new issues bonds to third parties, including the broker-dealer that mischaracterized the Firm's orders. The SEC found violations of MSRB Rules G-27, G-17, and SEC rule 15B(c)(1) and a failure to reasonably supervise within the meaning of Section 15(b)(4)(E) of the Securities Exchange Act of 1934. The Firm was censured and ordered to pay disgorgement of \$206,606, prejudgment interest of \$48,587 and a penalty of \$85,000.

II. How to Access Form MA and Form MA-I Filings. The Firm's most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system at [Forms MA and MA-I](#). The SEC permits certain items of information required on Form MA or MA-I to be provided by reference to such required information already filed by the Firms in its capacity as a broker-dealer on Form BD or Form U4 or as an investment adviser on Form ADV, as applicable. Information provided by the Firm on Form BD or Form U4 is publicly accessible through reports generated by Broker Check at <http://brokercheck.finra.org/>, and the Firm's most recent Form ADV is publicly accessible at the Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov/>. For purposes of accessing such BrokerCheck reports or Form ADV, click previous hyperlinks.

PART C – MSRB Rule G-10 Disclosure

MSRB Rule G-10 covers Investor and Municipal Advisory Client education and protection. This rule requires that municipal advisors make certain disclosures to all municipal advisory clients. This communication is a disclosure only and does not require any action on your part. The disclosures are noted below.

1. Hilltop Securities Inc. is registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board as a Municipal Advisor.
2. You can access the website for the Municipal Securities Rulemaking Board at www.msrb.org
3. The Municipal Securities Rulemaking Board has posted a municipal advisory client brochure. A copy of the brochure is attached to the memo. This link will take you to the electronic version [MA Client Brochure](#)

PART D – Future Supplemental Disclosures

As required by MSRB Rule G-42, this Municipal Advisor Disclosure Statement may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in the conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of the Firm. The Firm will provide Client with any such supplement or amendment as it becomes available throughout the term of the Agreement.

ATTACHMENT C

DISCLOSURE OF MATERIAL RISKS

Municipal entities and other obligated parties should carefully consider the risks of all securities transactions prior to execution. A certain level of risk is inherent in all liabilities. The key is to determine whether the level of risk is acceptable. Risks will vary depending upon the structure and terms of the partnership agreement. There are risks that are common to all deal types and some that are specific to each transaction. Some risks can be mitigated if properly identified ahead of time. Some risks are out of the control of all parties involved in the transaction and therefore cannot be mitigated nor avoided. Some risks are borne by the participant, resulting in the participant demanding a higher compensation to offset the acceptance of risk.

As a municipal advisor, it is our fiduciary duty to analyze every aspect of a client's financial situation. A municipal advisor must take into account all assets and all liabilities of the client, current and anticipated, to create the best financial plan to achieve the client's objectives. No single transaction is viewed as separate and apart from prior transactions. The analysis includes a number of other factors, but it must include a thorough understanding of the client's risk tolerance compared to the material risks associated with a specific contemplated transaction.

The following is a general description of the financial characteristics and material risks associated with the Transaction that are foreseeable to us at this time. As the transaction progresses, material changes to the risk disclosures identified here will be supplemented for your consideration. However, the discussion of risks contained here should not be considered to be a disclosure of all risks or a complete discussion of the risks that are mentioned. Nothing herein constitutes or shall be construed as a legal or tax advice. You should consult your own attorney, accountant, tax advisor or other consultant for legal or tax advice as it relates to this specific transaction.

Legal Risks

While the use of limited liability companies can limit the risk of litigation, there is no guaranty that a court would not "pierce the corporate veil" and look to the parent entity to meet any legal obligations of the LLC for which it is the sole member.

Reputation Risk

While the use of limited liability companies can limit the legal risk of litigation, there is no way to insure against the reputational risk that might be suffered through the Client's involvement with the proposed real estate partnership.

Tax Compliance Risk

The operation of a partnership formed for the purpose of developing a project using the tax credit program is subject to a number of requirements under the United States Internal Revenue Code, as enforced by the Internal Revenue Service (IRS). You must take certain steps and make certain representations prior to the closing of a tax credit transaction. You also must covenant to take certain additional actions after the closing of the tax credit transaction. A breach of your representations or your failure to comply with certain tax-related covenants may cause the interest on the bonds to become taxable retroactively to the date of issuance of the bonds, which may result in an increase in the interest rate that is paid on the bonds or the mandatory redemption of the bonds. The IRS also may audit you or the bond issue, in some cases on a random basis and in other cases targeted to specific types of bond issues or tax concerns. This description of tax compliance risks is not intended as legal advice and you should consult with your counsel regarding tax implications of participating in a partnership.