

AGENDA

SAN ANTONIO HOUSING TRUST FINANCE CORPORATION

**A MEETING OF THE OF THE SAN ANTONIO HOUSING TRUST
FINANCE CORPORATION BOARD OF DIRECTORS WILL BE HELD AT**

CITY HALL - 100 MILITARY PLAZA, SAN ANTONIO, TEXAS 78205

AND VIA ZOOM:

[HTTPS://US02WEB.ZOOM.US/J/89739402372?PWD=QTZ5VKZBNZD2SEJ5THZRUE01PBUIJLQT09](https://us02web.zoom.us/j/89739402372?pwd=QTZ5VKZBNZD2SEJ5THZRUE01PBUIJLQT09)

DIAL-IN NUMBER: 1-346-248-7799 MEETING ID: 897 3940 2372 PASSWORD: 279626

ON FRIDAY, OCTOBER 1, 2021

AT 10:30 A.M. TO CONSIDER THE FOLLOWING MATTERS:

Briefing and Possible Action on: *

1. Approval of minutes
2. Citizens to be heard
3. Consideration and possible action to approve the Finance Corporation's annual budget and to authorize the expenditures contained therein
4. Consideration and possible action approving the sale of the Cevallos Lofts project, payment of the outstanding bonds issued by the Finance Corporation and an Amended and Restated Regulatory Agreement, and other matters in connection therewith.

***Executive Session**

The Board reserves the right to enter into an Executive Session at any time to discuss any of the agenda items pursuant to Section 551.071 (Consultation with Attorney) or 551.072 (Deliberation Regarding Real Property).

SAN ANTONIO HOUSING TRUST FINANCE CORPORATION BOARD MEMBERS:

Council Member Jalen McKee-Rodriguez (District 2), Council Member Phyllis Viagran (District 3), Council Member Dr. Adriana Rocha Garcia (District 4), Council Member Teri Castillo (District 5), Council Member John Courage (District 9)

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San Antonio Housing Trust Finance Corporation
Agenda Item #1

This item includes the approval of minutes from the August 20, 2021 and September 20, 2021 meetings.

SAN ANTONIO HOUSING TRUST FINANCE CORPORATION
OFFICIAL MEETING MINUTES
Friday, August 20, 2021

- The Finance Corporation met in session at 11:03a.m., via zoom
- The meeting was called to order by Councilman Courage and the roll was called by Maria Bradley.

PRESENT: Councilman Jalen McKee-Rodriguez, Councilwoman Phyllis Viagran, Councilwoman Adriana Rocha Garcia, Councilwoman Teri Castillo, and Councilman John Courage

ABSENT:

Staff/Visitors Present:

Pedro Alanis-Executive Director San Antonio Housing Trust Public Facility Corporation; Nicole Collazo-Director of Operation San Antonio Housing Trust Public Facility Corporation; JD Hernandez –Asset Manager San Antonio Housing Trust Public Facility Corporation;; Maria Bradley - Administrative Assistant, San Antonio Housing Trust Public Facility Corporation; Summer Greathouse-Bracewell LLC; Justin Rentria- Mayors Office and Richard Acosta- My City Is My Home

1. **Public Comment- None.**
2. **Consideration and possible action to appoint three current members of the Public Facility Corporation Board to the three spaces on Joint Transition Committee reserved for the San Antonio Housing Trust Finance Corporation and Public Facility Corporation.**

MINUTES COMMISSION ACTION:

Councilman McKee-Rodriguez motions and Councilwoman Teri Castillo seconds to include District 2- Jalen McKee-Rodriguez, District 5-Teri Castillo, and District 9-John Courage to the Joint Transition Committee.

AYES: 4

NAYS: 1

ABSTAINED:

THE MOTION PASSED.

Adjournment

The meeting was adjourned by Councilman Courage at 11:32 a.m.

SAN ANTONIO HOUSING TRUST FINANCE CORPORATION
OFFICIAL MEETING MINUTES
Monday, September 20, 2021

- The Finance Corporation met in session at 10:06 a.m. at 114 W. Commerce St. San Antonio, Texas 78205 (B Room) and via Zoom.
- The meeting was called to order by Councilman Courage and the roll was called by Maria Bradley.

PRESENT: Councilman Jalen McKee-Rodriguez, Councilwoman Phyllis Viagran, Dr. Rocha Garcia, Councilwoman Teri Castillo, and Councilman John Courage

ABSENT:

Staff/Visitors Present:

Pedro Alanis-Executive Director San Antonio Housing Trust Public Facility Corporation; Nicole Collazo-Director of Operations San Antonio Housing Trust Public Facility Corporation; JD Hernandez –Asset Manager San Antonio Housing Trust Public Facility Corporation; Maria Bradley - Administrative Assistant, San Antonio Housing Trust Public Facility Corporation; Summer Greathouse and Jim Plummer-Bracewell LLC; Gabriel Velasquez- Applicant; Juan Valdez- Mayors office; Teresa Melendez- Mayors office

1. DISCUSSION AND POSSIBLE ACTION REGARDING THE JOINT TRANSITION COMMITTEE'S NOMINATION OF COMMUNITY ADVISORS FOR APPOINTMENT TO THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION BY THE SAN ANTONIO CITY COUNCIL.

Pete briefed that the Joint Transition Committee has been meeting since approximately September of last year, working on the transition of the San Antonio Housing Trust. The approval of the realignment of the Housing Trust entities and their bodies was approved back in June 2021. The Joint Transition Committee's final task is to recommend 6 Community board members to who will be sitting on the board for the next 4 years. Once a recommendation is provided it is forwarded to San Antonio City Council.

Pete mentioned the types of experiences that the Board should look for when selecting the community representative. The 3 Community Representative positions prior experience in housing advocacy, non-profit fundraising, policy making and/or community engagement or someone that resides in a low-income unit. The other 3 Housing Industry Experts are community members that have experience in real estate, finance, underwriting, construction, property management or other relevant housing industries.

There was a vote taken to select the candidates for the interview process. In the Community Representative side, the board chose to proceed with Jordan Ghawi, Rachell Hathaway, Cynthia Spielman, and Eric Cooper.

The candidates that were chosen in the Housing Industry Expert side were Richard Acosta, Paul DeManche, Shareen Radusca, and Marinella Murillo. In addition, the Joint Transition Committee elected to add Monica Cruz and Molly Cox to the recommendation list for interviews.

MINUTES COMMISSION ACTION:

Councilman Courage made a motion and seconded by Councilman McKee-Rodriguez to invite the recommended candidates for interviews.

AYES: 5

NAYS: 0

THE MOTION PASSED.

Pete Alanis adjourned the meeting. There being no further business, the meeting adjourned at 11:08 a.m.

San Antonio Housing Trust Finance Corporation
Agenda Item #2

Citizens to be heard: This item will allow 3 minutes each for interested speakers to address the Board.

San Antonio Housing Trust Finance Corporation
Agenda Item #3

Consideration and possible action to approve the Finance Corporation's annual budget and to authorize the expenditures contained therein

Background:

The San Antonio Housing Trust over all four entities shall consider a \$28.34 million budget which includes \$1,451,599 for administrative costs (5.1% of Budget) to support the Executive Director plus five full time positions, including the Director of Operations, Director of Finance, Sr. Asset Manager, Contract Officer, and an Administrative Assistant, as well as, other professional services including legal services, 3rd party compliance auditing, 3rd party asset monitoring, bookkeeping, and maintenance needs.

SAN ANTONIO HOUSING TRUST			
Budget Summary			
FY 2022			
Budget Description		Proposed Budget	
Sources			
Trust		\$	10,645,975
Foundation			3,800,172
Public Facility Corporation			12,596,737
Finance Corporation			1,304,113
Total Sources		\$	28,346,997
Uses			
Trust			
	Trust Reserve Funds (Corpus)	\$	10,000,000
	End of FY 2022 Available Cash		645,975
	Sub-total	\$	10,645,975
Foundation Uses			
	Total Operations	\$	1,038,743
	Operating Reserve		519,371
	Loans Due to Trust		239,371
	End of FY 2022 Available Cash		2,002,687
	Sub-total	\$	3,800,172
PFC Uses			
	25% Contribution to Foundation	\$	2,186,522
	Asset Monitoring (3rd Party)		249,798
	Compliance Audits (3rd Party)		150,000
	Funds due to City's Affordable Housing Fund		714,762
	End of FY 2022 Available Cash		9,295,656
	Sub-total	\$	12,596,737
FC Uses			
	25% Contribution to Foundation	\$	30,385
	Asset Monitoring (3rd Party)		8,058
	Compliance Audits (3rd Party)		5,000
	End of FY 2022 Available Cash		1,260,670
	Sub-total	\$	1,304,113
Total Uses		\$	28,346,997

Each year the San Antonio Housing Trust entities adopts a budget for the fiscal year beginning October 1 and ending September 30th. The annual budget focuses on key goals and accomplishments over the next 12-month period including improvements in operations and programmatic assistance in line with our mission. However, for FY 2022, the programmatic priorities, goals, and accomplishments will be deferred to the newly realigned board and their 5-year strategic planning process.

Housing Trust Fund

For FY 2022, the Trust Fund is estimated to have \$262,430 in unreserved cash to start the Fiscal Year above the \$10 million corpus. Commercial Loan revenues by the end of FY 2021 sourced from prior Trust Loans are anticipated to be approximately \$345,545. These loan revenues shall be transferred to the Trust from the Foundation after the annual audit. Regarding the corpus investments, the City of San Antonio Finance Department invests Housing Trust funds, which are governed by the Texas Public Funds Investment Act. Thus, the Trust is limited to investments that preserve and maintain safety of the principal in accordance with City's Investment Policy. The estimated interest/investment revenues are projected to be \$34,000, bringing the total sources by the end of FY 2022 are anticipated to be \$10,645,975.

For FY 2022, although an estimated \$262,430 will be immediately available above the \$10M corpus and there is an end of FY 2022 balance of \$10,645,975, staff is recommending no expenditures from Trust Fund and to await the new board direction along with the 5-year Strategic Planning process.

Foundation

On September 23, 2021, the Foundation Board approved a \$3.8 million annual operating budget which includes a year over year 25% increase from the FY 2021 budget of \$826,855 to \$1.04 million for FY 2022. The operational budget increase is primarily due to cost increases for personnel services, insurance, and capital outlays associated with the addition to two staff positions including a Director of Finance. Below is a summary

- \$1,038,743 for staff operations which includes a 2% COLA
- \$519,371 for operating reserves
- \$239,371 in Loan Revenue due to the Trust Fund
- \$2,002,687 in estimated future revenue from PFC and FC 25% contributions

It is the policy of the PFC and FC to provide 25% of all revenues to the Foundation. The amount of revenue expected to the Foundation is \$2.21 million. However, the Executive Director shall explore the revising this policy to transfer 100% of available funds to the Foundation for deployment back into the community, as part of the 5-year Strategic Planning process for future awards and investments.

See Foundation Budget Table on the next page:

SAN ANTONIO HOUSING TRUST FOUNDATION
FY 2022 Foundation Budget

Description	FY 2021 Mid Year Budget	FY 2021 EOY Estimate	PROPOSED Budget FY2022
Sources			
PFC Contribution	\$ 1,965,682	\$ 647,170	\$ 2,186,522
FC Contribution	216,221	222,735	30,385
Loan Revenues			259,085
End of FY 2021 Estimated Cash Balance			1,324,181
Total Revenues	\$ 2,181,903	\$ 869,906	\$ 3,800,172
Uses			
Personnel Services			
Salaries	\$ 384,167	\$ 377,972	\$ 477,895
Taxes-Payroll	35,065	32,123	38,040
Insurance - Health (Bonus)	56,700	54,000	64,800
Insurance - Life	5,231	281	7,168
Retirement Plan Exp.	46,100	38,576	45,539
Leave Buyback	1,629	1,629	12,250
Taxes-Unemployment	2,000	-	2,000
Insurance - Workmen's Comp	1,090	1,584	1,200
Auto Allowance	6,000	6,505	6,000
Phone Allowance	600	600	1,200
Travel & Training	7,065	1,723	9,000
Subtotal Personnel Services	\$ 545,647	\$ 514,993	\$ 665,093
Contractual Services			
Audit	\$ 16,000	\$ 16,040	\$ 33,000
Contract-Bookkeeping	12,000	11,400	13,500
Legal Fees	25,000	21,000	30,000
Fees to Professional	111,008	44,259	192,000
Maint. & Repairs	45,000	38,039	35,000
Rental of Equipment	3,500	4,601	3,700
Telephone and Internet	3,500	3,790	3,500
Subtotal Contractual Services	\$ 216,008	\$ 139,129	\$ 310,700
Commodities			
Bind, print & reproduction	\$ 200	\$ -	\$ 950
Mail & parcel post	750	715	750
Office Supplies	5,500	5,730	6,000
Utilities	7,500	7,480	8,000
Subtotal Commodities	\$ 13,950	\$ 13,925	\$ 15,700
Insurance/Other Expenditures			
Insurance - Business package	\$ 22,000	\$ 12,680	\$ 25,000
Advertising	12,000	15,775	10,000
Membership, Fees & Licenses	3,000	2,212	3,500
Subscriptions & Dues	3,000	3,405	3,000
Entertainment & food	250	250	750
Subtotal Insurance/Other Expenditures	\$ 40,250	\$ 34,322	\$ 42,250
Capital Outlay			
Equipment purchases	\$ 10,000	\$ 5,037	\$ 3,000
Furniture purchases	1,000	532	2,000
Subtotal Capital Outlay	\$ 11,000	\$ 5,569	\$ 5,000
Total Operations	\$ 826,855	\$ 707,938	\$ 1,038,743
Operating Reserve			\$ 519,371
Loans Due to Trust			\$ 239,371
End of FY 2022 Available Cash			\$ 2,002,687
Total Uses			\$ 3,800,172

Public Facility Corporation

The PFC is anticipated to have \$3.42 million in cash by the end of FY 2021. During FY 2022, the PFC is estimated to earn approximately \$8.74 million due to the sale of Cevallos Lofts (\$3.35M) in addition to developer fees, deferred fees, cash flow, asset management fees, origination fees, and annual bond fees. Revenues are expected to be earned during the below quarters.

FY 2022 PFC and Finance Corp Revenues							
SAHT Corporation	Forecast	Q1	Q2	Q3	Q4	EOY Forecast	
PFC	\$ 8,746,086	\$ 4,860,501	\$ 847,922	\$ 1,645,685	\$ 1,391,979	\$ 8,746,086	
FC	121,540	19,080	47,820	28,080	26,560	121,540	
Totals	\$ 8,867,626	\$ 4,879,581	\$ 895,742	\$ 1,673,765	\$ 1,418,539	\$ 8,867,626	

The PFC revenue projections do not include four potential closings with Arbors, Crosswinds, Loma Vista, and Cattlemen's Square. However, three of these projects have just received a reservation of bonds from the State of Texas and anticipate to close financing within 6 months. Closing revenues from these projects could yield additional substantial revenue if they close financing.

SAN ANTONIO HOUSING TRUST FY 2022 Public Facility Corporation Budget	
Budget Description	FY 2022 Proposed Budget
Sources	
Partnership Revenues in FY 2022	\$ 8,746,086
End of FY 2021 Estimated Cash Balance	3,245,650
RB Float	600,000
Interest Income	5,000
Total Sources	\$ 12,596,737
Uses	
25% Contribution to Foundation	\$ 2,186,522
Asset Monitoring (3rd Party)	249,798
Compliance Audits (3rd Party)	150,000
Funds due to City's Affordable Housing Fund	714,762
End of FY 2022 Available Cash	\$ 9,295,656
Total Expenditures	\$ 12,596,737

Staff is recommending continuing to fund Asset Monitoring (TCAM) of our portfolio, as well as, outsourcing annual compliance monitoring to a 3rd party auditing firm. Staff is also recommending no expenditures from the PFC until the newly appointed board provides direction based on the 5-year Strategic Planning process for future award/investments.

Finance Corporation

The Finance Corporation is anticipated to have \$1.18 million in cash by the end of FY 2021. During FY 2022, the Finance Corporation is estimated to earn approximately \$121 thousand due to annual bond fees. Revenues are expected to be earned during the below quarters.

FY 2022 PFC and Finance Corp Revenues							
SAHT Corporation	Forecast	Q1	Q2	Q3	Q4	EOY Forecast	
PFC	\$ 8,746,086	\$ 4,860,501	\$ 847,922	\$ 1,645,685	\$ 1,391,979	\$ 8,746,086	
FC	121,540	19,080	47,820	28,080	26,560	121,540	
Totals	\$ 8,867,626	\$ 4,879,581	\$ 895,742	\$ 1,673,765	\$ 1,418,539	\$ 8,867,626	

The Finance Corporation revenue projections do not include five potential closings with Arbors, Crosswinds, Loma Vista, Country Club Village, and Cattlemen's Square. However, three of these projects have just received a reservation of bonds from the State of Texas and anticipate to close financing within 6 months. Closing revenues from these projects could yield additional substantial revenue if they close financing.

SAN ANTONIO HOUSING TRUST FY 2022 Finance Corporation Budget	
Budget Description	FY 2022 Proposed Budget
Sources	
FC Revenues in FY 2022	\$ 121,540
End of FY 2021 Estimated Cash Balance	1,181,573
Interest Income	1,000
Total Sources	\$ 1,304,113
Uses	
Asset Monitoring (3rd Party)	\$ 8,058
Compliance Audits (3rd Party)	5,000
25% Contribution to Foundation	30,385
End of FY 2022 Available Cash	1,260,670
Total Expenditures	\$ 1,304,113

Staff is recommending continuing to fund Asset Monitoring (TCAM) of our portfolio, as well as, outsourcing annual compliance monitoring to a 3rd party auditing firm. Staff is also recommending no expenditures from the Finance Corp until the newly appointed board provides direction based on the 5-year Strategic Planning process for future award/investments.

RECOMMENDATION:

Staff recommends the Finance Corporation approve its annual budget and authorize the expenditures contained therein

San Antonio Housing Trust Finance Corporation
Agenda Item #4

Consideration and possible action approving the sale of the Cevallos Lofts project, payment of the outstanding bonds issued by the Finance Corporation and an Amended and Restated Regulatory Agreement, and other matters in connection therewith.

SUMMARY:

The San Antonio Housing Trust Public Facility Corporation and its other partners have approved the sale of the Cevallos Lofts. The project was a 4% tax credit transaction with 50% of the units available to tenants whose incomes are less than 80% of the median income and with 63 of those units restricted to 50% of the area median income. The sale is expected to yield approximately \$3.35 million in proceeds to SAHT PFC.

The Finance Corporation's consent is required in order to consummate the sale. This is because it issued tax-exempt bonds in 2010 to fund the project and at the time of issuance, entered into a Regulatory Agreement assuring that the project would have low income set-a-sides for 15 years after the bonds were issued. Even though the bonds have been paid off, the Regulatory Agreement requires the consent of the Finance Corporation to sell the project and the assignment of the Regulatory Agreement to the new owner of the project.

RECOMMENDATION:

Staff recommends the Finance Corporation approve the sale of the project, the payment of the bonds in full and an Amended and Restated Regulatory Agreement to be entered into with the new owner of the project

ATTACHMENT:

Resolution

CERTIFICATE FOR RESOLUTION

The undersigned officer of the San Antonio Housing Trust Finance Corporation (the “Issuer”) hereby certifies as follows:

In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the “Board”) held a meeting on October 1, 2021 (the “Meeting”) of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon among other business transacted at the Meeting, a written

**RESOLUTION AUTHORIZING APPROVING THE SALE OF THE
CEVALLOS LOFTS PROJECT, PAYMENT OF THE OUTSTANDING
BONDS ISSUED BY THE FINANCE CORPORATION AND AN AMENDED
AND RESTATED REGULATORY AGREEMENT, AND OTHER
MATTERS IN CONNECTION THEREWITH.**

(the “Resolution”) was duly introduced for the consideration of the Board and discussed. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of the Resolution, prevailed and carried by a majority vote of the Board.

A true, full, and correct copy of the Resolution adopted at the Meeting is attached to and follows this Certificate; the Resolution has been duly recorded in the Board’s minutes of the Meeting; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting; and the Meeting was held and conducted in accordance with the Articles of Incorporation and the Bylaws of the Issuer.

SIGNED AND SEALED October 1, 2021.

Pedro A. Alanis
Assistant Secretary

**RESOLUTION AUTHORIZING APPROVING THE SALE OF THE
CEVALLOS LOFTS PROJECT, PAYMENT OF THE OUTSTANDING
BONDS ISSUED BY THE FINANCE CORPORATION AND AN
AMENDED AND RESTATED REGULATORY AGREEMENT, AND
OTHER MATTERS IN CONNECTION THEREWITH.**

WHEREAS, the City Council of the City of San Antonio, Texas (the “City”), has, pursuant to the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended (the “Act”), approved and created the San Antonio Housing Trust Finance Corporation, a nonstock, nonprofit housing finance corporation (the “Issuer”);

WHEREAS, the Issuer, on behalf of the County, is empowered to finance the costs of residential ownership and development that will provide decent, safe, and sanitary housing at affordable prices for residents of the County by the issuance of housing revenue bonds;

WHEREAS, the Issuer has previously issued its Variable Rate Demand Multifamily Housing Revenue Bonds (Cevallos Lofts Apartments) Series 2010 (the “Bonds”) pursuant to a Trust Indenture (the “Indenture”) dated as of April 1, 2010 between the Issuer and Wells Fargo Bank, National Association, a national banking association (the “Trustee”) to finance the development of the Cevallos Lofts Apartments (the “Project”);

WHEREAS, Cevallos Lofts, Ltd. (the “Current Owner”) will transfer the Project to a third party purchaser (the “New Owner”);

WHEREAS, the Issuer entered into a Regulatory Agreement and Declaration of Restrictive Covenants dated as of April 1, 2010, regarding the Project which requires the consent of the Issuer to convey the Project;

WHEREAS, there has been presented to the Board of Directors of the Corporation (the “Board”) a Consent to Sale and Assumption Agreement regarding the transfer from the Current Owner to the New Owner (the form of which is attached hereto as Exhibit A) (the “Consent Agreement”) to be entered into by the Corporation, the Current Owner and the New Owner;

WHEREAS, there has been presented to the Board an Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants (the form of which is attached hereto as Exhibit B) (the “A&R Regulatory Agreement”) to be entered into by the Corporation, the Current Owner and the Trustee;

WHEREAS, there has been presented to the Board a Defeasance Agreement regarding the payment in full and defeasance of the Bonds (the form of which is attached hereto as Exhibit C) (the “Defeasance Agreement”) to be entered into by the Corporation, the Current Owner and the Trustee;

WHEREAS, as the Issuer consents to the sale of the Project and payment of the Bonds; and

WHEREAS, the Board has determined that it is in the public interest and to the benefit of the citizens and residents of the County for the various entities to enter into the transactions described above; now, therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN ANTONIO HOUSING TRUST FINANCE CORPORATION THAT:

The Corporation hereby grants its consent to and authorizes the sale and transfer of the Project by the Current Owner to the New Owner, and in connection therewith, the payment and defeasance of the Bonds, and approves the Consent Agreement, the A&R Regulatory Agreement and the Defeasance Agreement in substantially the forms attached hereto, conditioned upon the receipt of all other required consents and other matters required by the Regulatory Agreement, with such consent and approval effective as of the date hereof, but with such documents to be dated the date of the sale.

The Board authorizes the President, Vice President, Secretary, Treasurer or any Assistant Secretary of the Board to execute the attached Consent Agreement, and to take any and all actions and execute any and all documents necessary to cause the transactions described herein to occur.

The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

This Resolution shall be in force and effect from and after its passage.

* * *

EXHIBIT A

CONSENT TO SALE AND ASSUMPTION AGREEMENT

THIS CONSENT TO SALE AND ASSUMPTION AGREEMENT dated _____, 2021 (this "Agreement") is among the SAN ANTONIO HOUSING TRUST FINANCE CORPORATION, a Texas non-profit housing finance corporation (the "Issuer"), CEVALLOS LOFTS, LTD., a Texas limited partnership (the "Current Owner"), and _____ (the "New Owner").

WHEREAS, an Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants, dated as of [____], 2021 (the "Regulatory Agreement") was entered into among the Issuer, Wells Fargo Bank, National Association (the "Trustee"), and the Current Owner, with respect to the Cevallos Lofts Apartments (the "Project") on the real estate more particularly described in Exhibit A; and

WHEREAS, the Regulatory Agreement was recorded in the Real Property Records of Bexar County, Texas on [____], 2021 as Document Number [____]; and

WHEREAS, the Issuer issued an aggregate principal amount of \$21,250,000 of San Antonio Housing Trust Finance Corporation Variable Rate Demand Multifamily Housing Revenue Bonds (Cevallos Lofts Apartments), Series 2010 (the "Bonds") pursuant to a Trust Indenture dated as April 1, 2010 between the Issuer and the Trustee (the "Indenture"), which have been paid in full; and

WHEREAS, a Loan Agreement dated as of April 1, 2010 (the "Loan Agreement"), was entered into by the Issuer, the Current Owner, and the Trustee; and

WHEREAS, the Current Owner will convey the Project to San Antonio Housing Trust Public Facility Corporation ("SAHTPFC") and SAHTPFC will enter into an Amended and Restated Lease Agreement with Current Owner dated the date hereof (the "New Lease").

WHEREAS, on the date hereof, the Current Owner will assign its leasehold interest in the Project to the New Owner; and

WHEREAS, Section 10 of the Regulatory Agreement provides that the Current Owner will not voluntarily sell, transfer or otherwise dispose of the Project, or any portion thereof, without obtaining prior written consent of the Issuer, which consent shall not be unreasonably withheld or delayed by the Issuer and shall be given by the Issuer upon the satisfaction of certain requirements set forth in Section 10; and

WHEREAS, the Current Owner and the New Owner have requested that the Issuer enter into this Consent to Sale and Assumption Agreement upon the terms and conditions and upon the consideration herein set forth to effectuate the consent of the Issuer to the proposed sale and transfer of the Project by the Current Owner to the New Owner;

WHEREAS, the New Owner has provided to the Issuer and the Trustee an opinion of counsel that, pursuant to this Agreement, the New Owner has duly assumed the obligations of the Borrower (as defined in the Regulatory Agreement) under the Regulatory Agreement and that such obligations and such Regulatory Agreement are binding on the New Owner;

WHEREAS, by its execution hereof, the Current Owner certifies that the terms of the Loan Agreement and the Regulatory Agreement have been complied with in respect of the transfer of the Project to the New Owner;

WHEREAS, by its execution hereof, the Current Owner certifies that no event of default has occurred and is continuing under the Indenture or the other Borrower Documents (as defined in the Indenture);

WHEREAS, the Current Owner and the New Owner have delivered to the Issuer and the Trustee all other instruments, certificates, fees, and other matters required (and not waived) in Section 10 of the Regulatory Agreement; and

WHEREAS, the Current Owner represents, and the Issuer acknowledges that, upon the effective date of this Agreement, neither the Indenture nor the Loan Agreement will have any application to the Project or the New Owner and such documents will be terminated in accordance with the Indenture.

NOW THEREFORE, KNOW ALL PERSONS BY THESE PRESENTS:

The Issuer, the Current Owner and the New Owner, acting herein through their respective duly authorized representatives, mutually agree as follows:

1. There are no known defaults under the Regulatory Agreement and Declaration of Restrictive Covenants dated April 1, 2010 which have not been waived by the Issuer or Current Owner.

2. The Issuer hereby consents to the sale and transfer of the Project by the Current Owner to SAHTPFC and the Assignment of Current Owner's rights and obligations under the New Lease to the New Owner as described herein.

3. The New Owner hereby covenants to operate the Project in such manner as to comply with the provisions of the Regulatory Agreement and assumes in full all of the Current Owner's duties and obligations under the Regulatory Agreement that are not terminated arising on or after the date hereof as required by Section 10 of each of the Regulatory Agreement.

4. Current Owner agrees that it shall remain liable for any defaults of the Regulatory Agreement occurring prior to the date hereof and that it will continue to be subject to the Indemnification provisions of Section 24 of the Regulatory Agreement for any incidents, actions or inactions occurring prior to the date hereof and Issuer agrees that it shall look exclusively to Current Owner for any such default and indemnification and not to New Owner.

5. ON OR AFTER THE DATE HEREOF, THE NEW OWNER JOINTLY AND SEVERALLY AGREES TO INDEMNIFY, HOLD HARMLESS, AND DEFEND THE ISSUER, THE TRUSTEE, AND THEIR RESPECTIVE OFFICERS, MEMBERS, DIRECTORS, OFFICIALS, AGENTS, ADVISORS, COUNSEL, AND EMPLOYEES AND EACH OF THEM (EACH AN "INDEMNIFIED PARTY") FROM AND AGAINST, ANY AND ALL ACTUAL OUT-OF-POCKET LOSS OR EXPENSE SUFFERED OR INCURRED BY ANY INDEMNIFIED PARTY TO THE EXTENT CAUSED BY CLAIMS, JOINT OR SEVERAL, BY

OR ON BEHALF OF ANY PERSON ARISING FROM ANY CAUSE WHATSOEVER, BUT SOLELY TO THE EXTENT OCCURRING ON OR AFTER THE DATE HEREOF IN CONNECTION WITH THE SALE TRANSACTIONS DESCRIBED HEREIN AND THE ONGOING OPERATIONS OF THE PROJECT, PLUS ALL REASONABLE ACTUAL OUT-OF-POCKET COSTS, COUNSEL FEES, EXPENSES, OR LIABILITIES INCURRED IN CONNECTION WITH ANY SUCH CLAIM OR PROCEEDING BROUGHT THEREON, EXCEPT TO THE EXTENT SUCH DAMAGES ARE CAUSED BY THE BAD FAITH, GROSS NEGLIGENCE, OR WILLFUL MISCONDUCT OF THE INDEMNIFIED PARTY. IN THE EVENT THAT ANY ACTION OR PROCEEDING IS BROUGHT AGAINST ANY INDEMNIFIED PARTY WITH RESPECT TO WHICH INDEMNITY MAY BE SOUGHT HEREUNDER, THE NEW OWNER, UPON WRITTEN NOTICE FROM THE INDEMNIFIED PARTY, SHALL ASSUME THE INVESTIGATION AND DEFENSE THEREOF, INCLUDING THE EMPLOYMENT OF COUNSEL SELECTED BY THE NEW OWNER, SUBJECT TO THE REASONABLE APPROVAL OF THE INDEMNIFIED PARTY, AND SHALL ASSUME THE PAYMENT OF ALL EXPENSES RELATED THERETO, WITH FULL POWER TO LITIGATE, COMPROMISE, OR SETTLE THE SAME IN ITS SOLE DISCRETION; PROVIDED THAT THE ISSUER SHALL HAVE THE RIGHT TO REVIEW AND APPROVE OR DISAPPROVE, IN THEIR REASONABLE DISCRETION, ANY SUCH COMPROMISE OR SETTLEMENT IF IT CONTAINS OR IMPLIES AN ADMISSION REGARDING SUCH INDEMNIFIED PARTY. EACH INDEMNIFIED PARTY SHALL HAVE THE RIGHT TO EMPLOY SEPARATE COUNSEL IN ANY SUCH ACTION OR PROCEEDING AND PARTICIPATE IN THE INVESTIGATION AND DEFENSE THEREOF, AND THE NEW OWNER SHALL BE OBLIGATED TO PAY THE REASONABLE FEES AND EXPENSES OF SUCH SEPARATE COUNSEL IF A CONFLICT OF INTEREST EXISTS BETWEEN THE NEW OWNER AND SUCH INDEMNIFIED PARTY SUCH THAT THE SAME COUNSEL IS PROHIBITED FROM REPRESENTING BOTH PARTIES; OTHERWISE THE NEW OWNER SHALL NOT BE REQUIRED TO PAY THE FEES AND EXPENSES OF SUCH SEPARATE COUNSEL.

6. This Agreement shall be effective on the date hereof.

7. This Agreement may be executed in multiple counterparts by the parties hereto, and all of such counterparts together shall be one instrument.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, we hereunto set our hands as of the date first above written.

SAN ANTONIO HOUSING TRUST
FINANCE CORPORATION, a Texas nonprofit
housing finance corporation

By: _____
Name: Pedro A. Alanis
Title: Assistant Secretary

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

This instrument was acknowledged before me on the _____ day of _____, 2021 by Pedro A. Alanis, the Assistant Secretary of the San Antonio Housing Trust Finance Corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

(Printed Name of Notary)

My commission expires: _____

CURRENT OWNER:

CEVALLOS LOFTS, LTD.
a Texas limited partnership

By: Cevallos Lofts GP, LLC, a Texas limited
liability company, its general partner

By: San Antonio Housing Trust Public Facility
Corporation, a Texas nonprofit public facility
corporation, its sole member

By: _____
Name: Pedro A. Alanis
Title: Assistant Secretary

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2021 by Pedro A Alanis, the Assistant Secretary of San Antonio Housing Trust Public Facility Corporation, the sole member of Cevallos Lofts GP, LLC, the general partner of Cevallos Lofts, Ltd., on behalf of said entity.

Notary Public in and for the State of Texas

(Printed Name of Notary)

My commission expires: _____

NEW OWNERS:

a _____

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

 This instrument was acknowledged before me on the _____ day of
_____, 2021 by _____, the _____ of
_____, on behalf of said company.

Notary Public in and for the State of Texas

(Printed Name of Notary)

My commission expires: _____

EXHIBIT A
LEGAL DESCRIPTION OF PROJECT

[Attached]

EXHIBIT B

**AMENDED AND RESTATED REGULATORY AGREEMENT
AND DECLARATION OF RESTRICTIVE COVENANTS**

among

SAN ANTONIO HOUSING TRUST FINANCE CORPORATION,

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee,

and

CEVALLOS LOFTS, LTD.

Dated as of [_____], 2021

relating to

San Antonio Housing Trust Finance Corporation
Variable Rate Demand Multifamily Housing Revenue Bonds
(Cevallos Lofts Apartments)
Series 2010

After recording, return to:

James P. Plummer
Bracewell LLP
300 Convent Street, Suite 2700
San Antonio, TX 78205

DM-#8102001.7

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**AMENDED AND RESTATED REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS**

THIS AMENDED AND RESTATED REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS (as amended from time to time, this “Regulatory Agreement”) dated as of [____], 2021 is among **SAN ANTONIO HOUSING TRUST FINANCE CORPORATION** (the “Issuer”), a nonprofit housing finance corporation of the State of Texas (the “State”) incorporated with the approval of the City of San Antonio, Texas (the “City”), pursuant to the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended (the “Act”), **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, as trustee (together with its successors and assigns, the “Trustee”), with its designated corporate trust offices in Houston, Texas, and **CEVALLOS LOFTS, LTD.**, a Texas limited partnership (together with its successors and assigns, the “Borrower”).

W I T N E S S E T H :

RECITALS

WHEREAS, pursuant to the Act, the Issuer is authorized to issue bonds and to use the proceeds thereof to provide money to aid in financing the acquisition, construction, and equipping of residential rental property for dwelling units; and

WHEREAS, the Borrower requested the assistance of the Issuer in financing the multifamily residential rental housing project to be located on the real property described in Exhibit A hereto and described in Exhibit B hereto and leased by the Borrower (the “Project”), and, as a condition to such financial assistance, the Borrower entered into the Regulatory Agreement and Declaration of Restrictive Covenants, dated April 1, 2010, setting forth certain restrictions with respect to the Project (the “Original Regulatory Agreement”); and

WHEREAS, the Issuer issued its “San Antonio Housing Trust Finance Corporation Variable Rate Demand Multifamily Housing Revenue Bonds (Cevallos Lofts Apartments) Series 2010” in the original aggregate principal amount of \$21,250,000 (the “Bonds”) which Bonds have been defeased and are no longer Outstanding and the corresponding Indenture and Loan Agreement for such Bonds have been terminated; and

WHEREAS, in order for interest on the Bonds to be excluded from the gross income of the owners thereof for federal income tax purposes under the Code (as hereinafter defined), and in order to comply with the Act, the use and operation of the Project must be restricted in certain respects; and

WHEREAS, the Issuer, the Trustee, and the Borrower entered into the Original Regulatory Agreement in order to set forth certain terms and conditions relating to the acquisition, construction, equipping, and operation of the Project and in order to ensure that the Project will be acquired, constructed, equipped, and operated in accordance with the Code and the Act; and

WHEREAS, since the Bonds have been defeased and are no longer Outstanding, the Original Regulatory Agreement is being Amended to eliminate the concept of Eligible Tenants and remove the references to the Indenture and Loan Agreement, and to set forth the limited obligations that remain following such defeasance; and

WHEREAS, the Issuer, the Trustee, and the Borrower have determined to enter into this Regulatory Agreement in order to amend and restate the Original Regulatory Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Issuer, the Trustee (in its capacity as trustee), and the Borrower hereby agree as follows:

Section 1. Definitions and Interpretation. In addition to terms defined above, the following terms shall have the respective meanings assigned to them in this Section unless otherwise defined herein or unless the context in which they are used clearly requires otherwise:

“Adjusted Gross Income” means, with respect to a person, the adjusted gross income of such person as set forth on Line 31 of Internal Revenue Service Form 1040, Line 16 of Internal Revenue Service Form 1040A or Line 4 of Internal Revenue Service Form 1040EZ (or the corresponding lines of such forms if hereafter amended), as evidenced by a copy of such form or by a sworn statement of such person.

“Adjusted Income” means the adjusted income of a person (together with the adjusted income of all persons who intend to reside with such person in one residential unit) calculated pursuant to section 142(d) of the Code.

“Affiliated Party” means a partner of the Borrower, a Person whose relationship with the Borrower would result in a disallowance of losses under section 267 or section 707(b) of the Code or a Person who, together with the Borrower, is a member of the same controlled group of corporations (as defined in section 1563(a) of the Code, except that “more than 50 percent” shall be substituted for “at least 80 percent” each place it appears therein).

“Bonds” means the Issuer’s Variable Rate Demand Multifamily Housing Revenue Bonds (Cevallos Lofts Apartments) Series 2010 in the original aggregate principal amount of \$21,250,000.

“Bond Counsel” means Bracewell, LLP.

“Borrower” means Cevallos Lofts, Ltd., a Texas limited partnership, and its successors and assigns.

“Certificate of Continuing Program Compliance” means the Certificate of Continuing Program Compliance and accompanying Occupancy Summary (and/or such other certification required by the Code and/or applicable Regulations to be submitted to the Secretary of the Treasury as to whether the Project continues to meet the requirements of section 142(d) of the Code) to be filed by the Borrower with the Trustee at the times specified in Section 3(c) and (e) of this Regulatory Agreement, such report to be in substantially the form attached hereto as Exhibit C or such other form as may be prescribed in accordance with this Regulatory Agreement.

“Code” means the Internal Revenue Code of 1986, as Amended, and all applicable Treasury Regulations.

“Housing Act” means the United States Housing Act of 1937, as amended, or its successor.

“Income Certification” means a Verification of Income in the form attached hereto as Exhibit D or in such other form as may from time to time be prescribed in accordance with the terms of this Regulatory Agreement.

“Low Income Tenant” means a tenant whose Adjusted Income is 50% or less of median gross income, as determined under section 142(d)(2)(B) of the Code, for the area in which the Project is located, adjusted for family size. If all the occupants of a unit are students (as defined under section 151(c) of the Code), no one of whom is entitled to file a joint return under section 6013 of the Code, such occupants shall not qualify as Low Income Tenants. The determination of a tenant’s status as a Low Income Tenant shall be made by the Borrower upon initial occupancy of a unit in the Project by such Tenant and annually thereafter, on the basis of an Income Certification executed by the Tenant; however, once a tenant qualifies as a Low Income Tenant, such tenant shall continue to qualify, except as provided in Section 3(b).

“Low Income Units” means the units in the Project required to be rented to, or held available for occupancy by, Low Income Tenants pursuant to Section 3(a).

“Project” means the Project Facilities and the Project Site.

“Project Costs” means, to the extent authorized by the Act, any and all costs incurred by the Borrower with respect to the acquisition, construction, and equipping, as the case may be, of the Project, whether paid or incurred prior to or after the date of this Regulatory Agreement, including, without limitation, costs for site preparation, the planning of housing and improvements, the removal or demolition of existing structures, and all other work in connection therewith, and all costs of financing, including, without limitation, the cost of consultant, accounting and legal services, other expenses necessary or incident to determining the feasibility of the Project, contractor’s and Borrower’s overhead and supervisor’s fees and costs directly allocable to the Project, administrative and other expenses necessary or incident to the Project and the financing thereof.

“Project Facilities” means the multifamily housing structures and related buildings and other improvements constructed on the Project Site by the Borrower, and all fixtures and other property owned by the Borrower and located on, or used in connection with, such buildings, structures and other improvements constituting the Project as more fully set forth in Exhibit B.

“Project Site” means the parcels of real property leased by the Borrower and described in Exhibit A attached hereto, and all rights and appurtenances appertaining thereunto.

“Qualified Project Period” means the period beginning on the first date ten percent (10%) of the units in the Project are occupied and ending on the latest of (a) February 25, 2027; or (b) the date on which any assistance provided with respect to the Project under Section 8 of the Housing Act terminates.

“Regulations” means any proposed, temporary or final Income Tax Regulations issued pursuant to sections 103 and 141 through 150 of the Code, and section 103 of the Internal Revenue Code of 1954, that are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any temporary or final Income Tax Regulation designed to supplement, amend, or replace the specific Regulation referenced.

“Tax-Exempt” means, with respect to interest on any obligations of a state or local government, including the Bonds, that such interest is excluded from gross income of the owners thereof for federal income tax purposes under section 103 of the Code; however, such interest may constitute an item of tax preference or otherwise be includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax, under the Code.

Unless the context clearly requires otherwise, as used in this Regulatory Agreement, words of the masculine, feminine or neuter gender shall be construed to include each other gender, and words of the

singular number shall be construed to include the plural number, and vice versa. This Regulatory Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Regulatory Agreement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Regulatory Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

Section 2. Residential Rental Property. The Borrower hereby acknowledges and agrees that the Project is to be owned, managed and operated as a “qualified residential rental project” (within the meaning of sections 142(d) of the Code) for a term equal to the Qualified Project Period. To that end, and for the term of this Regulatory Agreement, the Borrower hereby represents as of the date hereof and covenants, warrants and agrees as follows:

(a) The Project will be constructed and improved for the purpose of providing multifamily residential rental property, and the Borrower will own, manage and operate the Project Facilities and lease the Project Site as a project to provide multifamily residential rental property comprising a building or structure or several interrelated buildings or structures (consisting of one or more discrete edifices and other man-made construction with an independent foundation, outer walls, and roof, containing five or more units), together with any functionally related and subordinate facilities, and no other facilities, in accordance with section 142(d) of the Code and Section 1.103-8(b) of the Regulations and the Act, and in accordance with such requirements as may be imposed thereby on the Project from time to time.

(b) All of the dwelling units in the Project will be similarly constructed units, and each dwelling unit in the Project will contain complete, separate and distinct facilities for living, sleeping, eating, cooking and sanitation for a single person or a family, including a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink.

(c) None of the dwelling units in the Project will at any time be utilized on a transient basis or will ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home or trailer court or park. No unit within the Project will be rented for a period of less than thirty (30) days.

(d) No part of the Project will at any time be owned by a cooperative housing corporation, nor shall the Borrower take any steps in connection with a conversion to such ownership or uses. The Borrower shall not take any steps in connection with a conversion of the Project to condominium ownership during the Qualified Project Period.

(e) All of the dwelling units will be available for rental on a continuous basis to members of the general public, and the Borrower will not give preference to any particular class or group in renting the dwelling units in the Project, except to the extent that dwelling units are required to be leased or rented to Low Income Tenants.

(f) The Project Site consists of a parcel or parcels that are contiguous except for the interposition of a road, street or stream, and the Project Facilities on the Project Site comprise a single geographically and functionally integrated project for residential rental property, as evidenced by the ownership, management, accounting and operation of the Project.

(g) No dwelling unit in the Project shall be occupied by the Borrower; however, if the Project contains five or more dwelling units, this subsection shall not be construed to prohibit occupancy of not more than two (2) dwelling units each by one or more resident managers or maintenance personnel, any of whom may be affiliated with the Borrower.

Section 3. Low Income Tenants; Records and Reports. Pursuant to the requirements of the Code and the Issuer, the Borrower hereby represents as of the date hereof and covenants and agrees as follows:

(a) During the Qualified Project Period, no less than twenty percent (20%) of the total number of units of the Project shall at all times be rented to and occupied by Low Income Tenants. For the purposes of this paragraph (a), a vacant unit which was most recently occupied by a Low Income Tenant is treated as rented and occupied by a Low Income Tenant until reoccupied, at which time the character of such unit shall be redetermined.

(b) No tenant qualifying as a Low Income Tenant shall be denied continued occupancy of a unit in the Project because, after admission, such tenant's Adjusted Income increases to exceed the qualifying limit for Low Income Tenants; however, should a Low Income Tenant's Adjusted Income, as of the most recent determination thereof, exceed 140% of the then applicable income limit for a Low Income Tenant of the same family size and such Low Income Tenant constitutes a portion of the twenty percent (20%) requirement of paragraph (a) of this Section, the next available unit of comparable or smaller size must be rented to (or held vacant and available for immediate occupancy by) a Low Income Tenant and such new Low Income Tenant will then constitute a portion of the twenty percent (20%) requirement of paragraph (a) of this Section; and provided, further, that, until such next available unit is rented to a tenant who is a Low Income Tenant, the former Low Income Tenant who has ceased to qualify as such shall be deemed to continue to be a Low Income Tenant for purposes of the twenty percent (20%) requirement of paragraph (a) of this Section.

(c) After the date of this Regulatory Agreement, the Borrower will obtain, complete, and maintain on file Income Certifications from each Low Income Tenant, including (i) an Income Certification dated immediately prior to the initial occupancy of each new Low Income Tenant in the Project, and (ii) thereafter, annual Income Certifications which must be obtained on or before the anniversary of such Low Income Tenant's occupancy of the unit, and in no event less than once in every 12-month period following each Low Income Tenant's occupancy of a unit in the Project. For administrative convenience, the Borrower may establish the first date that an Income Certification for the Project is received as the annual recertification date for all tenants. The Borrower will obtain such additional information as may be required in the future by section 142(d) of the Code, as the same may be amended from time to time, or in such other form and manner as may be required by applicable rules, rulings, policies, procedures, Regulations or other official statements now or hereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service with respect to obligations which are Tax-Exempt under section 142(d) of the Code. A copy of the most recent Income Certification for Low Income Tenants commencing or continuing occupation of a Low Income Unit (and not previously filed) shall be attached to the Certificate of Continuing Program Compliance to be filed with the Trustee no later than each April 15 (for the quarter ending March 31), July 15 (for the quarter ending June 30), October 15 (for the quarter ending September 30), and January 15 (for the quarter ending December 31) (commencing July 15, 2010) until the end of the Qualified Project Period. The Borrower shall make a diligent and good-faith effort to determine that the income information provided by an applicant in an Income Certification is accurate by taking one or more of the following steps, as a part of the verification process: (1) obtain pay stubs for the most

recent one-month period; (2) obtain income tax returns for the most recent two (2) tax years; (3) conduct a consumer credit search; (4) obtain an income verification from the applicant's current employer; (5) obtain an income verification from the Social Security Administration, or (6) if the applicant is self-employed, unemployed, does not have income tax returns or is otherwise not reasonably able to provide other forms of verification as required above, obtain another form of independent verification as would, in the Borrower's reasonable commercial judgment, be satisfactory and will comply with the terms of this Regulatory Agreement.

(d) The Borrower will maintain complete and accurate records pertaining to the Low Income Units and will permit, at all reasonable times and upon reasonable notice during normal business hours, any duly authorized representative of the Issuer, the Trustee, the Department of the Treasury, or the Internal Revenue Service (the Department of the Treasury and the Internal Revenue Service shall nevertheless be required to comply with all applicable laws and rules) to enter upon the Project Site to examine and inspect the Project and to inspect the books and records of the Borrower pertaining to the Project, including those records pertaining to the occupancy of the Low Income Units.

(e) The Borrower will prepare and submit to the Trustee quarterly on each April 15 (for the quarter ending March 31), July 15 (for the quarter ending June 30), October 15 (for the quarter ending September 30), and January 15 (for the quarter ending December 31) (commencing July 15, 2010) until the end of the Qualified Project Period, a Certificate of Continuing Program Compliance for the Project covering the last three calendar months in substantially the form attached hereto as Exhibit C executed by the Borrower.

(f) On or before each March 31 (commencing March 31, 2011) (or such other date as shall be specified by the Secretary of the Treasury) during the Qualified Project Period, the Borrower will submit a completed Internal Revenue Service Form 8703 (or such other annual certification required by the Code and/or applicable Regulations to be submitted to the Secretary of the Treasury as to whether the Project continues to meet the requirements of section 142(d) of the Code) to the Secretary of the Treasury and provide a copy thereof to the Trustee.

(g) Each lease or rental agreement shall contain a provision to the effect that the Borrower has relied on the Income Certification and supporting information supplied by the Low Income Tenant in determining qualification for occupancy of the unit and that any material misstatement in such certification (whether or not intentional) may be cause for immediate termination of such lease or rental agreement. Each such lease or rental agreement shall also provide (and shall so disclose to the tenant) that the tenant's income is subject to annual certification in accordance with Section 3(c).

(h) The Borrower further agrees to use its best efforts, to the extent permitted by applicable law, to provide to the Issuer no later than July 15 of each year the information required for the Issuer to complete its annual report to the Texas Department of Housing and Community Affairs, as required by Section 394.027 of the Act. In general, the report (for year ending June 30) must include for persons residing in multifamily housing units financed by the Issuer information similar to the geographic and demographic information contained in the Texas Department of Housing and Community Affairs Compliance Monitoring Form and Income Certification, including household size, total household income, and project location. The current form of such annual report to be filed by the Issuer is attached hereto as Exhibit E.

(i) The Borrower covenants and agrees to prepare and submit to the Trustee and, the Issuer, within sixty (60) days prior to the last day of the Qualified Project Period, a certificate

setting forth the date on which the Qualified Project Period will end, which certificate shall be in recordable form.

(j) Anything in this Agreement to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that the Issuer and the Trustee may rely conclusively on the truth and accuracy of any certificate, opinion, notice, representation or instrument made or provided by the Borrower in order to establish the existence of any fact or statement of affairs not otherwise within the knowledge of the Issuer or the Trustee, and which is required to be noticed, represented or certified by the Borrower hereunder or in connection with any filings, representations or certifications required to be made by the Borrower in connection with the issuance and delivery of the Bonds.

Section 4. Tax-Exempt Status of the Bonds. The Borrower and the Issuer (each on behalf of itself) make the following representations as of the date hereof and covenant and agree for the benefit of the holders of the Bonds from time to time as follows:

(a) Neither the Borrower nor the Issuer shall knowingly take or permit, or knowingly omit to take or cause to be taken, as is appropriate, by parties within its respective control any action that would adversely affect the Tax-Exempt nature of the interest on the Bonds, and, if either should become aware that it has taken or permitted, or omitted to take or cause to be taken, any such action, it will take all lawful actions necessary to rescind or correct such actions or omissions promptly upon obtaining knowledge thereof.

(b) The Borrower and the Issuer will take such action or actions as may be necessary to comply fully with all applicable rules, rulings, policies, procedures, Regulations or other official statements promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service pertaining to obligations the interest on which is Tax-Exempt under section 142(d) of the Code.

(c) The Borrower and the Issuer will file of record such documents and take such other steps as are necessary in order to provide that the requirements and restrictions of this Regulatory Agreement will be binding upon all owners of the Project, including, but not limited to, the execution and recordation of this Regulatory Agreement in the real property records of Bexar County.

(d) The Borrower will not enter into any agreements which would result in the payment of principal of or interest on the Bonds being “federally guaranteed” within the meaning of section 149(b) of the Code.

(e) Other than with respect to various easements, the Borrower hereby covenants to include the requirements and restrictions contained in this Regulatory Agreement in any documents transferring any interest in the Project to another Person to the end that such transferee has notice of, and is bound by, such restrictions, and to obtain the agreement from any such transferee to abide by all requirements and restrictions of this Regulatory Agreement.

Section 5. Modification of Covenants. The Borrower, the Trustee, and the Issuer hereby agree as follows:

(a) To the extent any amendments to the Act, the Regulations, or the Code shall, in the written opinion of Bond Counsel filed with the Issuer and the Trustee, who shall deliver a copy thereof to the Borrower, impose requirements upon the ownership or operation of the

Project more restrictive than those imposed by this Regulatory Agreement, this Regulatory Agreement shall be deemed to be automatically amended to impose such additional or more restrictive requirements. The parties hereto hereby agree to execute such amendment hereto as shall be necessary to document such automatic amendment hereof.

(b) To the extent that the Act, the Regulations, or the Code, or any amendments thereto, shall, in the written opinion of Bond Counsel filed with the Issuer, the Trustee, and the Borrower, impose requirements upon the ownership or operation of the Project less restrictive than those imposed by this Regulatory Agreement, this Regulatory Agreement may be amended or modified to provide such less restrictive requirements but only by written amendment signed by the Issuer, the Trustee, and the Borrower and the written opinion of Bond Counsel to the effect that such amendment is permitted by the Act and will not affect the Tax-Exempt status of interest on the Bonds.

(c) The Borrower, the Issuer, and, if applicable, the Trustee shall execute, deliver, and, if applicable, file of record any and all documents and instruments reasonably necessary in the opinion of Bond Counsel delivered to the Borrower, the Issuer, and the Trustee to effectuate the intent of this Section, and each of the Borrower and the Issuer hereby appoints the Trustee as its true and lawful attorney-in-fact to execute, deliver and, if applicable, file of record on behalf of the Borrower or the Issuer, as is required in the opinion of Bond Counsel, any such document or instrument (in such form as may be approved in writing by Bond Counsel) if either the Borrower or the Issuer materially defaults in the performance of its obligations under this subsection (c); **HOWEVER, UNLESS DIRECTED IN WRITING BY THE ISSUER, THE TRUSTEE SHALL TAKE NO ACTION UNDER THIS SUBSECTION (C) WITHOUT FIRST NOTIFYING THE BORROWER OR THE ISSUER, OR BOTH OF THEM, AS IS APPLICABLE, AND WITHOUT FIRST PROVIDING THE BORROWER OR THE ISSUER, OR BOTH, AS IS APPLICABLE, AN OPPORTUNITY TO COMPLY WITH THE REQUIREMENTS OF THIS SECTION.**

(d) All reasonable costs including fees and reasonable out-of-pocket expenses actually incurred by the Issuer and the Trustee, including the fees and expenses of Bond Counsel and counsel to the Trustee, in connection with compliance with the requirements of this Section shall be paid by the Borrower and its successors in interest.

Section 6. Consideration. The Issuer has issued the Bonds to provide funds to make the Loan to finance the Project, all for the purpose, among others, of inducing the Borrower to acquire, construct, and operate the Project. In consideration of the issuance of the Bonds by the Issuer, the Borrower has entered into this Regulatory Agreement and has agreed to restrict the uses to which the Project can be put on the terms and conditions set forth herein.

Section 7. Reliance. The Issuer and the Borrower hereby recognize and agree that the representations and covenants set forth herein may be relied upon by all Persons interested in the legality and validity of the Bonds, and in the exclusion from gross income for purposes of federal income taxation of the interest on the Bonds. In performing their duties and obligations hereunder, the Issuer and the Trustee may rely upon statements and certificates of the Low Income Tenants and the Borrower, and the Issuer may rely upon audits of the books and records of the Borrower pertaining to the Project. In addition, the Issuer and the Trustee may consult with counsel at the expense of the Borrower, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Issuer or the Trustee hereunder in good faith and in conformity with such opinion. In determining whether any default by the Borrower exists under this Regulatory Agreement, the Trustee shall not be required to conduct any investigation into or review of the operations, books, or records of the Borrower. The Trustee may presume no default of the Borrower has occurred unless (i) the

Trustee has failed to receive reports or certificates required to be received pursuant to this Agreement, (ii) such reports are incomplete or incorrect on their face, or (iii) the Trustee has been notified in writing by any Person that the Borrower is in default. The Trustee may rely on any written report, notice or certificate delivered to the Trustee by any Person retained to review the Borrower's compliance with this Regulatory Agreement or by the Borrower or the Issuer with respect to the occurrence or absence of a default unless it has actual knowledge that the report, notice, or certificate is erroneous or misleading.

Section 8. Project in San Antonio. The Borrower hereby represents that the Project is located entirely within San Antonio, Texas.

Section 9. Sale or Transfer of the Project. The Borrower hereby covenants and agrees not to voluntarily sell, transfer, or otherwise dispose of the Project, or any leasehold interest therein or portion thereof (other than leases for individual tenant use as contemplated hereunder and easements necessary for the ordinary course of business and obsolete personal property), without obtaining the prior written consent of the Issuer which consent shall not be unreasonably withheld or delayed by the Issuer and shall be given by the Issuer if (a) the purchaser or transferee shall covenant to operate the Project in such a manner as to comply with the provisions of this Regulatory Agreement; (b) the Issuer and the Trustee shall have received (i) evidence reasonably satisfactory to the Issuer that the Borrower's purchaser or transferee has assumed in writing and in full and is capable of performing the Borrower's duties and obligations under this Regulatory Agreement, (ii) a certificate of the Borrower to the effect that no Event of Default has occurred and is continuing under this Regulatory Agreement, unless the purpose of such transfer is to cure such a default, (iii) payment to the Issuer by the Borrower or its purchaser or transferee of an assumption fee in an amount established by the Issuer from time to time for such purpose, (iv) evidence reasonably satisfactory to the Issuer that the transferee has agreed to any restrictions imposed by Bond Counsel in order to maintain the treatment of interest on the Bonds as excludable from gross income for federal income tax purposes, (v) an opinion of Bond Counsel that such transfer shall not adversely affect the Tax-Exempt status of the interest on the Bonds, and (vi) a Certificate of Continuing Program Compliance current as of a date no more than 45 days prior to delivery thereof; and (c) as among the Issuer, the Trustee, and the Borrower, the Borrower shall pay all costs of the transfer of title, including, but not limited to, the cost of meeting the conditions specified in this Section. The foregoing requirements relating to the voluntary sale, transfer or other disposition of the Project shall not apply in the event of foreclosure or the delivery of a deed in lieu of foreclosure. **IT IS HEREBY EXPRESSLY STIPULATED AND AGREED THAT ANY SALE, TRANSFER OR OTHER DISPOSITION OF THE PROJECT IN VIOLATION OF THIS SECTION SHALL CONSTITUTE A DEFAULT HEREUNDER AND SHALL BE INEFFECTIVE TO RELIEVE THE BORROWER OF ITS OBLIGATIONS UNDER THIS REGULATORY AGREEMENT.** Nothing contained in this Section shall affect any provision of any other document or instrument between the Borrower or any other party which requires the Borrower to obtain the consent of such other party as a precondition to sale, transfer, or other disposition of the Project. Upon any sale or other transfer which complies with this Regulatory Agreement, the Borrower shall be fully released from its obligations hereunder to the extent such obligations have been assumed by the transferee of the Project. Any transfer of the Project to any entity, whether or not affiliated with the Borrower, shall be subject to the provisions of this Section.

Section 10. Term. This Regulatory Agreement and all and each of the provisions hereof shall become effective upon its execution and delivery, shall remain in full force and effect for the periods provided herein and, except as otherwise provided in this Section, shall terminate in its entirety at the end of the Qualified Project Period, it being expressly agreed and understood that certain provisions hereof are intended to survive the retirement of the Bonds.

The terms of this Regulatory Agreement to the contrary notwithstanding, the requirements set forth herein shall terminate, without the requirement of any consent by the Issuer and the Trustee, and be

of no further force and effect in the event of involuntary noncompliance with the provisions of this Regulatory Agreement caused by fire, seizure, requisition, foreclosure or transfer of title by deed in lieu of foreclosure, change in a federal law or an action of a federal agency after April 1, 2010 which prevents the Issuer or the Trustee from enforcing the provisions hereof, or condemnation or a similar event, but only if, within a reasonable period thereafter, either the Bonds are retired or amounts received as a consequence of such event are used to provide a project which meets the requirements of the Code set forth in this Regulatory Agreement. The provisions of the preceding sentence shall cease to apply and the requirements referred to therein shall be reinstated if, at any time during the Qualified Project Period after the termination of such requirements as a result of involuntary noncompliance due to foreclosure, transfer of title by deed in lieu of foreclosure or similar event, the Borrower or any related Person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for tax purposes. The Issuer shall not be required to consent to termination of this Regulatory Agreement for any reason other than those specified above.

Upon the termination of the terms of this Regulatory Agreement, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof; however, the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Regulatory Agreement in accordance with its terms. All costs, including fees and expenses of the Issuer and the Trustee, incurred in connection with the termination of this Regulatory Agreement shall be paid by the Borrower and its successors in interest.

Section 11. Covenants To Run With the Land. The Borrower hereby subjects the Project (including the Project Site) to the covenants, reservations, and restrictions set forth in this Regulatory Agreement. The Issuer, the Trustee, and the Borrower hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Borrower's successors in title to the Project; however, on the termination of this Regulatory Agreement said covenants, reservations, and restrictions shall expire. Each and every contract, deed, or other instrument hereafter executed covering or conveying the Project or any portion thereof shall conclusively be held to have been executed, delivered, and accepted subject to such covenants, reservations, and restrictions, regardless of whether such covenants, reservations, and restrictions are set forth in such contract, deed or other instruments.

No breach of any of the provisions of this Regulatory Agreement shall impair, defeat, or render invalid the lien of any mortgage, deed of trust or like encumbrance made in good faith and for value encumbering the Project or any portion thereof.

Section 12. Burden and Benefit. The Issuer, the Trustee, and the Borrower hereby declare their understanding and (as to the Issuer and the Borrower) their intent that the burden of the covenants set forth herein touch and concern the land in that the Borrower's legal interest in the Project is rendered less valuable thereby. The Issuer, the Trustee, and the Borrower hereby further declare their understanding and (as to the Issuer and the Borrower) their intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Project by Low Income Tenants, the intended beneficiaries of such covenants, reservations, and restrictions, and by furthering the public purposes for which the Bonds were issued.

Section 13. Uniformity; Common Plan. The covenants, reservations, and restrictions hereof shall apply uniformly to the entire Project in order to establish and carry out a common plan for the use, development, and improvement of the Project Site.

Section 14. Default; Enforcement. If the Borrower defaults in the performance or observance of any covenant, agreement, or obligation of the Borrower set forth in this Regulatory Agreement, and if

such default remains uncured for a period of sixty (60) days after written notice thereof shall have been given by the Issuer or the Trustee to the Borrower, then the Trustee, provided the Trustee is aware of such default, shall declare an “Event of Default” to have occurred hereunder; however, if the default stated in the notice is of such a nature that it cannot be corrected within sixty (60) days, such default shall not constitute an Event of Default hereunder so long as (i) the Borrower institutes corrective action within said sixty (60) days and diligently pursues such action until the default is corrected and (ii) in the opinion of Bond Counsel, the failure to cure said default within sixty (60) days will not adversely affect the Tax-Exempt status of interest on the Bonds.

Following the declaration of an Event of Default hereunder, the Trustee (subject to being indemnified to its satisfaction with respect to the costs and expenses of any proceeding), acting at the direction of the Issuer, may, at its option, take any one or more of the following steps:

- (i) by mandamus or other suit, action, or proceeding at law or in equity, including injunctive relief, require the Borrower to perform its obligations and covenants hereunder or enjoin any acts or things which may be unlawful or in violation of the rights of the Issuer or the Trustee hereunder;
- (ii) have access to and inspect, examine, and make copies of all of the books and records of the Borrower pertaining to the Project; and
- (iii) take such other action at law or in equity as may be necessary to enforce the obligations, covenants, and agreements of the Borrower hereunder.

The Borrower hereby agrees that specific enforcement of the Borrower’s agreements contained herein is the only means by which the Issuer and the Trustee may obtain the benefits of such agreements made by the Borrower herein, and the Borrower therefore agrees to the imposition of the remedy of specific performance against it in the case of any Event of Default by the Borrower hereunder.

All rights and remedies herein given or granted to the Issuer and the Trustee are cumulative, nonexclusive, and in addition to any and all rights and remedies that the Issuer and the Trustee may have or may be given by reason of any law, statute, ordinance, document, or otherwise. Notwithstanding the availability of the remedy of specific performance provided for in this Section, promptly upon determining that a violation of this Regulatory Agreement has occurred, the Issuer shall to the extent that it has actual knowledge thereof, by notice in writing to the Trustee, use its best efforts to inform the Trustee that a violation of this Regulatory Agreement has occurred.

Section 15. The Trustee. The Trustee shall act as specifically provided herein. The Trustee shall act as the agent of and on behalf of the Issuer when requested in writing by the Issuer to do so, and any act required to be performed by the Issuer as herein provided shall be deemed taken if such act is performed by the Trustee. The Trustee is entering into this Regulatory Agreement solely in its capacity as Trustee, and the duties, powers, rights and obligations of the Trustee in acting hereunder shall be subject to the provisions of the Trust Indenture that was entered into for the Bonds.

The Trustee’s responsibility for reviewing and monitoring this Regulatory Agreement shall be limited to monitoring whether the Borrower has timely filed all required certificates with the Trustee and reviewing, on their face, the compliance certificates submitted by the Borrower to determine if the Borrower is in compliance hereunder.

Section 16. Recording and Filing. The Borrower shall cause this Regulatory Agreement, and all amendments and supplements hereto and thereto, to be recorded and filed in the real property records

of Bexar County and in such other places as the Issuer or the Trustee may reasonably request. The Borrower shall pay all fees and charges incurred in connection with any such recording. This Regulatory Agreement is subject to and subordinate to all matters of record as of the date hereof.

Section 17. Reimbursement of Expenses. Notwithstanding any prepayment of the loan associated with the Bonds and notwithstanding a discharge of the Indenture associated with the Bonds, throughout the term of this Regulatory Agreement, the Borrower shall continue to pay to the Issuer and the Trustee reimbursement for all reasonable out-of-pocket expenses, if any, actually incurred in connection with the Project or this Regulatory Agreement.

Section 18. Governing Law. This Regulatory Agreement shall be governed by the laws of the State. The Trustee's rights, duties, powers and obligations hereunder are governed in their entirety by the terms and provisions of this Regulatory Agreement and the Indenture.

Section 19. Amendments. Subject to the provisions of Section 5, this Regulatory Agreement shall be amended only by a written instrument executed by the parties hereto, or their successors in title, and duly recorded in the real property records of Bexar County, and only upon receipt by the Issuer, the Trustee, and the Borrower of an opinion from Bond Counsel that such amendment will not adversely affect the Tax-Exempt status of interest on the Bonds and is not contrary to the provisions of the Act.

Section 20. Notices. Any notice required to be given hereunder to the Issuer, the Trustee and the Borrower shall be given in the manner and to the address set forth in Section 14 of this Regulatory Agreement.

Section 21. Severability. If any provision of this Regulatory Agreement is determined to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

Section 22. Multiple Counterparts. This Regulatory Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 23. Reserved.

Section 24. Indemnification. **THE BORROWER SHALL INDEMNIFY AND HOLD HARMLESS THE ISSUER, THE CITY, AND THE TRUSTEE AND THE RESPECTIVE OFFICERS, MEMBERS, SUPERVISORS, DIRECTORS, OFFICIALS AND EMPLOYEES AND EACH OF THEM, EXCEPT TO THE EXTENT THAT MATTERS RESULT FROM THE BAD FAITH, WILLFUL MISCONDUCT, OR FRAUD OF THE ISSUER, AGAINST ALL LOSS, COSTS, DAMAGES, EXPENSES, SUITS, JUDGMENTS, ACTIONS AND LIABILITIES OF WHATEVER NATURE (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES, LITIGATION AND COURT COSTS, AMOUNTS PAID IN SETTLEMENT, AND AMOUNTS PAID TO DISCHARGE JUDGMENTS) DIRECTLY OR INDIRECTLY RESULTING FROM OR ARISING OUT OF OR RELATED TO (A) THE DESIGN, CONSTRUCTION, INSTALLATION, OPERATION, USE, OCCUPANCY, MAINTENANCE, OR OWNERSHIP OF THE PROJECT (INCLUDING COMPLIANCE WITH LAWS, ORDINANCES AND RULES AND REGULATIONS OF PUBLIC AUTHORITIES RELATING THERETO), OR (B) ANY WRITTEN STATEMENTS OR REPRESENTATIONS WITH RESPECT TO THE BORROWER, THE PROJECT OR THE BONDS MADE OR GIVEN TO THE ISSUER, THE CITY OR THE TRUSTEE, OR ANY UNDERWRITERS OR PURCHASERS OF ANY OF THE BONDS, OR ANY TENANTS OR APPLICANTS FOR TENANCY IN THE PROJECT OR ANY OTHER PERSON, BY THE BORROWER, OR ANY AUTHORIZED BORROWER REPRESENTATIVE, INCLUDING, BUT NOT LIMITED TO, STATEMENTS OR REPRESENTATIONS OF FACTS, FINANCIAL INFORMATION OR PARTNERSHIP AFFAIRS. THE BORROWER ALSO SHALL PAY AND DISCHARGE AND SHALL INDEMNIFY**

AND HOLD HARMLESS THE ISSUER, THE CITY AND THE TRUSTEE FROM (I) ANY LIEN OR CHARGE UPON PAYMENTS BY THE BORROWER TO THE ISSUER, THE CITY AND THE TRUSTEE HEREUNDER AND (II) ANY TAXES (INCLUDING, WITHOUT LIMITATION, ALL AD VALOREM TAXES AND SALES TAXES), ASSESSMENTS, IMPOSITIONS AND OTHER CHARGES IN RESPECT OF ANY PORTION OF THE PROJECT. IF ANY SUCH CLAIM FOR INDEMNIFICATION DESCRIBED IN THIS SECTION IS ASSERTED, OR ANY SUCH LIEN OR CHARGE UPON PAYMENTS, OR ANY SUCH TAXES, ASSESSMENTS, IMPOSITIONS OR OTHER CHARGES, ARE SOUGHT TO BE IMPOSED, THE ISSUER, THE CITY OR THE TRUSTEE SHALL GIVE PROMPT NOTICE TO THE BORROWER AND THE BORROWER SHALL HAVE THE SOLE RIGHT AND DUTY TO ASSUME, AND WILL ASSUME, THE DEFENSE THEREOF, WITH FULL POWER TO LITIGATE, COMPROMISE OR SETTLE THE SAME IN ITS SOLE DISCRETION, PROVIDED THAT THE ISSUER, THE CITY AND THE TRUSTEE SHALL HAVE THE RIGHT TO REVIEW AND APPROVE OR DISAPPROVE ANY SUCH COMPROMISE OR SETTLEMENT IN THEIR REASONABLE DISCRETION, WITH NO FURTHER LIABILITY OF THE BORROWER TO SUCH PARTY AFTER SUCH WRITTEN APPROVAL AS TO THE MATTER APPROVED. IN ADDITION THERETO, THE BORROWER WILL PAY UPON DEMAND ALL OF THE REASONABLE FEES AND EXPENSES PAID OR INCURRED BY THE TRUSTEE, THE CITY, AND/OR THE ISSUER IN ENFORCING THE PROVISIONS HEREOF AGAINST THE BORROWER.

Promptly after receipt by any party entitled to indemnification under this Section of notice of the commencement of any suit, action or proceeding, such indemnified party shall, if a claim in respect thereof is to be made against the Borrower under this Section, notify the Borrower in writing of the commencement thereof; but the omission so to notify the Borrower shall not relieve it from any liability which it may have to any indemnified party otherwise than under this Section or from any liability under this Section unless the failure to provide notice prejudices in any way the defense of such suit, action or proceeding. In case any such action is brought against any indemnified party, and it notifies the Borrower, the Borrower shall be entitled to participate in, and to the extent that it may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party (but shall not be required), to assume, the defense thereof, with counsel reasonably satisfactory to such indemnified party; however, if the defendants in any such action include both the indemnified party and the Borrower and the indemnified party shall have reasonably concluded that there are legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the Borrower, the indemnified party or parties shall have the right to select separate counsel to assert such legal defenses and otherwise to participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the Borrower to such indemnified party of the Borrower's election to assume the defense of such action and approval by the indemnified party of counsel, the Borrower shall not be liable to such indemnified party under this Section for any attorneys' fees or expenses subsequently incurred by such indemnified party in connection with defense thereof unless (i) the indemnified party shall have employed separate counsel in connection with the assertion of legal defenses in accordance with the proviso to the next preceding sentence, or (ii) the Borrower shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action, or (iii) the Borrower has authorized the employment of counsel to represent the indemnified party at the expense of the Borrower. Notwithstanding the foregoing, the Trustee shall not be indemnified for its own income tax, franchise tax or similar tax liability. Nothing in this Section shall require the Borrower to satisfy or pay any claims settled by an indemnified party without the prior written consent of the Borrower. The obligations of the Borrower under this Section shall survive the termination of this Regulatory Agreement and the resignation or removal of the Trustee.

Section 25. Borrower Liability. The Borrower's liability to the Issuer and the Trustee hereunder shall be with recourse to the Borrower and shall be unlimited. Notwithstanding any provisions of this Regulatory Agreement to the contrary, the obligations of the Borrower under this Regulatory Agreement for the payment of money and all claims for damages against the Borrower occasioned by

breach or alleged breach by the Borrower of its obligations under this Regulatory Agreement are not secured by and shall not in any manner constitute a lien on the Project, and no Person shall have the right to enforce such obligations other than directly against the Borrower. No subsequent owner of the Project shall be liable or obligated for the breach or default of any obligation of any prior owner under this Regulatory Agreement, including but not limited to any payment or indemnification obligation. Such obligations are personal to the Person who was the owner at the time the default or breach was alleged to have occurred, and such Person shall remain liable for any and all damages occasioned thereby even after such Person ceases to be the owner. Notwithstanding the foregoing, no partner (other than the general partner), shareholder, member, director, governor, manager, officer, employee, or agent of the Borrower shall be liable for any financial obligation of the Borrower and nothing herein shall cause the Borrower or any of its parties to be liable for principal and interest on the Bonds or the Loan.

Section 26. Landlord's Acknowledgment; Landlord's Ownership of the Project Facilities. The Landlord consents to the provisions of this Regulatory Agreement and agrees that it shall not take any measures that will prevent the Borrower from complying with the Regulatory Agreement. The Landlord further agrees to comply with all provisions of this Regulatory Agreement in the event the Landlord takes control of or becomes the owner of the Project Facilities.

Section 27. Reserved.

Section 28. Property Tax Restrictions. For any period during which the Project claims a property tax exemption, no less than 50% of the Units may be rented to tenants having incomes at the time of initial occupancy that are less than 80% of the area median income for the City of San Antonio.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Issuer, the Trustee, and the Borrower have executed this Regulatory Agreement by duly authorized representatives, all as of the date first above written.

SAN ANTONIO HOUSING TRUST FINANCE CORPORATION

By: _____
Pedro A. Alanis, Assistant Secretary

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

On this, the _____ day of _____, 2021, before me, the undersigned Notary Public, personally appeared Pedro A. Alanis, who acknowledged that he is the Assistant Secretary of the San Antonio Housing Trust Finance Corporation, a Texas non-profit housing finance corporation, and executed this Regulatory Agreement on behalf of such corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public of the State of Texas

My Commission expires: _____

(Notary Seal)

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee**

By: _____
[Deirdre H. Ward, Vice President]

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF _____ §

On this, the _____ day of _____, 2021, before me, the undersigned Notary Public, personally appeared [Deirdre H. Ward], who acknowledged that [she] is a [Vice President] of Wells Fargo Bank, National Association, a national banking association, and executed this Regulatory Agreement on behalf of such association.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public of the State of Texas

My Commission expires: _____

(Notary Seal)

CEVALLOS LOFTS, LTD.,
a Texas limited partnership

By: Cevallos Lofts GP, LLC,
a Texas limited liability company,
its general partner

By: San Antonio Housing Trust Public
Facility Corporation, a Texas nonprofit
public facility corporation, its sole
member

By: _____
Pedro A. Alanis, Assistant Secretary

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

On this, the ____ day of _____, 2021, before me, the undersigned Notary Public, personally appeared Pedro A. Alanis, who acknowledged that he is the Assistant Secretary of San Antonio Housing Trust Public Facility Corporation, a Texas nonprofit public facility corporation, as the sole member of Cevallos Lofts GP, LLC, a Texas limited liability company, as general partner of Cevallos Lofts, Ltd., a Texas limited partnership, and executed this Regulatory Agreement on behalf of such nonprofit public facility corporation, limited liability company, and limited partnership.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public of the State of Texas

My Commission expires: _____

(Notary Seal)

CONSENTED AND AGREED TO AS TO SECTION 26 HEREOF:

**SAN ANTONIO HOUSING TRUST PUBLIC
FACILITY CORPORATION,**

a Texas nonprofit public facility corporation

By: _____
Pedro A. Alanis, Assistant Secretary

ACKNOWLEDGMENT

STATE OF TEXAS §

§

COUNTY OF BEXAR §

On this, the _____ day of _____, 2021, before me, the undersigned Notary Public, personally appeared Pedro A. Alanis, who acknowledged that he is the Executive Director of San Antonio Housing Trust Public Facility Corporation, and executed this Regulatory Agreement on behalf of such nonprofit public facility corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public of the State of Texas

My Commission expires: _____

(Notary Seal)

EXHIBIT A

LEGAL DESCRIPTION

A 7.452 ACRE TRACT SITUATED IN THE CITY OF SAN ANTONIO, BEXAR COUNTY, TEXAS, BEING A PORTION OF THE REMAINING PORTION OF THAT CERTAIN 11.13 ACRE TRACT OF LAND CONVEYED TO C.A.N. INDUSTRIES, INC. BY DEED OF RECORD IN VOLUME 8662 PAGE 314 OF THE REAL PROPERTY RECORDS OF BEXAR COUNTY TEXAS, AND ALL OF LOTS 11-13 & LOTS 24-26, BLOCK 3, N.C.B. 2567, AND ALL OF LOTS 1-6 & 15-20, BLOCK 4, N.C.B. 2568, THAD SMITYH, J. CASSIANO & H. CUNNINGHAM SUBDIVISION, A SUBDIVISION OF RECORD IN VOLUME 60, PAGE 603 OF THE DEED RECORDS OF COUNTY, TEXAS, AND THAT CERTAIN 25' ALLEY VACATED BY ORDINANCE 2009-01-29-0055 RECORDED IN VOLUME 13847, PAGE 1885 OF SAID REAL PROPERTY RECORDS; SAID 7.452 ACRES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING, AT A FOUND PK-NAIL ON THE SOUTHERLY LINE OF THE 50' UNION PACIFIC RAILROAD R.O.W., PORTION OF +/- 34 ACRE TRACT DESCRIBE IN VOLUME 40, PAGE 630 DEED RECORDS OF BEXAR COUNTY, TEXAS, SAME BEING THE NORTHEASTERLY CORNER OF THAT CERTAIN 1.55 ACRE TRACT CONVEYED TO RIVER CITY FELLOWSHIP RECORDED IN VOLUME 11101, PAGE 435 REAL PROPERTY RECORDS OF BEXAR COUNTY, TEXAS, AND THE NORTHWESTERLY CORNER OF SAID 11.13 ACRE TRACT;

THENCE, S 65° 38' 43" E, ALONG THE SAID 50' UNION PACIFIC RAILROAD R.O.W., A DISTANCE OF 255.54 FEET TO A SET ½ INCH IRON ROD WITH BPI CAP, FOR THE POINT OF BEGINNING OF HEREIN DESCRIBED TRACT;

THENCE, ALONG THE SAID 50' UNION PACIFIC RAILROAD R.O.W., THE FOLLOWING COURSES:

S 65° 38' 43" E, A DISTANCE OF 137.01 FEET TO A FOUND ½ INCH IRON ROD FOR THE BEGINNING OF A CURVE TO THE RIGHT;

SOUTHEASTERLY, ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 1738.18 FEET, A CENTRAL ANGLE OF 10° 34' 30", AN ARC LENGTH OF 320.82 FEET AND A CHORD BEARING: S 60° 17' 25" E, A DISTANCE OF 320.36 FEET TO A FOUND PK-NAIL;

S 55° 06' 07" E, A DISTANCE OF 208.46 FEET TO A FOUND ½ INCH IRON ROD FOR THE BEIGINNING OF A CURVE TO THE RIGHT;

SOUTHEASTERLY, ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 649.69 FEET, A CENTRAL ANGLE OF 20° 32' 55", AN ARC LENGTH OF 233.01 FEET AND A CHORD BEARING: S 44° 50' 09" E, A DISTANCE OF 231.76 FEET TO A SET ½ INCH IRON ROD WITH BPI CAP, FOR THE NORTHEASTERLY CORNER OF HEREIN DESCRIBED TRACT;

THENCE, S 26° 07' 23" W, A DISTANCE OF 115.14 FEET TO A SET ½ INCH IRON ROD ON THE NORTHERLY LINE OF LOT 24, OF THE SAID THAD SMITYH, J. CASSIANO & H. CUNNINGHAM SUBDIVISION, FOR THE MOST EASTERLY-SOUTHEASTERLY CORNER OF HEREIN DESCRIBED TRACT;

THENCE, N 79° 34' 09" W, ALONG THE NORTHERLY LINE OF SAID LOT 24, A DISTANCE OF 14.56 FEET TO A SET ½ INCH IRON ROD WITH BPI CAP FOR THE NORTHWESTERLY CORNER OF SAID LOT 24;

THENCE, N 72° 41' 12" W, A DISTANCE OF 119.77 FEET TO A SET ½ INCH IRON ROD WITH BPI CAP;

THENCE, N 72° 03' 09" W, A DISTANCE OF 3.69 FEET TO A SET ½ INCH IRON ROD WITH BPI CAP FOR AN INTERIOR ANGLE CORNER OF HEREIN DESCRIBED TRACT;

THENCE, S 18° 57' 55" W, A DISTANCE OF 184.49 FEET TO A SET ½ INCH IRON ROD WITH BPI CAP ON THE NORTHERLY LINE OF E. CEVALLOS STREET (55.6 R.O.W.), FOR THE SOUTHWESTERLY LINE OF LOT 7, OF THE SAID THAD SMITH, J. CASSIANO & H. CUNNINGHAM SUBDIVISION, FOR THE MOST SOUTHERLY CORNER OF HEREIN DESCRIBED TRACT;

THENCE, N 71° 02' 09" W, ALONG THE NORTHERLY LINE OF E. CEVALLOS STREET (55.6' R.O.W.), A DISTANCE OF 475.00 FEET TO A SET ½ INCH IRON ROD WITH BPI CAP FOR A CORNER OF HEREIN DESCRIBED TRACT;

THENCE, N 18° 36' 35" E, ALONG THE SAID LOT 10, AND LOT 23, A DISTANCE OF 177.54 FEET TO A FOUND ½ INCH IRON ROD FOR AN INTERIOR ANGLE CORNER OF HEREIN DESCRIBED TRACT;

THENCE, ALONG THE NORTHERLY LINE OF SAID THAD SMITH, J. CASSIANO & H. CUNNINGHAM SUBDIVISION, THE FOLLOWING COURSES:

N 72° 27' 07" W, A DISTANCE OF 99.03' FEET TO A FOUND ½ INCH IRON ROD;

N 70° 36' 31" W, A DISTANCE OF 99.12' FEET TO A FOUND ½ INCH IRON ROD;

N 70° 30' 09" W, A DISTANCE OF 47.08' FEET TO A SET ½ INCH IRON ROD WITH BPI CAP, FOR THE MOST WESTERLY-SOUTHWESTERLY CORNER OF HEREIN DESCRIBED TRACT;

THENCE, N 21° 10' 37" E, CROSSING SAID 11.13 ACRE TRACT, DISTANCE OF 360.56 FEET TO THE **POINT OF BEGINNING**, CONTAINING AN AREA OF 7.452 ACRES (324,613 SQ. FT.) OF LAND, MORE OR LESS.

EXHIBIT B

PROJECT AND BORROWER

Borrower: Cevallos Lofts, Ltd., a Texas limited partnership

Project: The Project is a 252-unit multifamily housing facility to be known as Cevallos Lofts Apartments and to be located at 301 East Cevallos Street, San Antonio, Texas 78204. The unit mix will consist of:

66 Studio Units
74 1-Bedroom Units
112 2-Bedroom Units
252 Total Units

Indoor common areas will include a community area with a computer lab/business center, two fitness centers, laundry room, furnished community room/activity lounge and wine vault. Outdoor common areas to include swimming pool, community patio, gazebo, pavilion with picnic tables and professionally landscaped grounds. Other common areas include two additional lounges and numerous outdoor, roof-top terraces.

EXHIBIT C

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

TO: Wells Fargo Bank, National Association, Trustee
MAC: T5017-241
1021 Main Street, Suite 2403
Houston TX 77002
Attention: Corporate Trust Department

San Antonio Housing Trust Finance Corporation
2515 Blanco Road
San Antonio, Texas 78212-1859
Attention: President

Re: San Antonio Housing Trust Finance Corporation Variable Rate Demand Multifamily Housing Revenue Bonds (Cevallos Lofts Apartments) Series 2010 (the "Bonds")

Cevallos Lofts, Ltd., a Texas limited partnership (the "Borrower"), hereby represents and warrants as follows:

1. A review of the activities of the Owner during the period of _____ through _____ (the last three calendar months) and of the Borrower's performance under the hereinafter defined Regulatory Agreement has been made under the supervision of the undersigned.
2. The Borrower owns Cevallos Lofts Apartments (the "Project").
3. The Project was financed, in substantial part, as a result of the indirect loan of the proceeds of the Bonds.
4. The undersigned and the Borrower have read and are thoroughly familiar with the provisions of (1) the Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") dated as of April 1, 2010, as Amended among the Borrower, San Antonio Housing Trust Finance Corporation (the "Issuer"), and Wells Fargo Bank, National Association, as Trustee. The Regulatory Agreement was executed, delivered, and recorded against the Project in connection with the issuance of the Bonds. Hereinafter, unless otherwise expressly provided herein or unless the context requires otherwise, the capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Regulatory Agreement.
5. The Project's Qualified Project Period commences on the first date ten percent (10%) of the units in the Project are occupied and will end on the latest of (a) the date which is fifteen (15) years after the date on which fifty percent (50%) of the units in the Project are occupied, (b) the first date on which no Tax-Exempt private activity bond (as that phrase is used in section 142(d)(2) of the Code) issued with respect to the Project is outstanding, or (c) the date on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937 terminates.

6. Throughout the Qualified Project Period, no less than 20% (or 51 units when complete) of the total number of units of the Project (252 units when complete) shall at all times be rented to and occupied by Low Income Tenants. The Qualified Project Period [check one] ☐ has not begun ☐ began on _____, 20____. (If the Qualified Project Period has not begun, the Borrower is not required to complete paragraph 7 or attach the Occupancy Summary and is not deemed to make the certifications set forth in paragraphs 8 or 9.)

7. As of the date of this Certificate, the following percentages of completed residential units in the Project (excluding units occupied by on-site management) (the "Available Units") are occupied or are currently vacant and being held available for such occupancy and have been so held continuously since the date a Low Income Tenant, respectively, vacated such unit, as indicated:

Occupied by Low Income Tenants: _____ percent

Held vacant for occupancy _____ percent
continuously since last occupied by
Low Income Tenant

8. At no time since the date of filing of the last Continuing Program Compliance Certificate has less than 20% of the Available Units of the units in the Project been occupied by or, if vacant, been last occupied by Low Income.

9. To the best knowledge of the undersigned, after due inquiry, all units were rented or available for rental on a continuous basis during the immediately preceding calendar quarter to members of the general public, and the Borrower is in compliance with and is not now and has not been in default under the terms of the Regulatory Agreement.

10. If the Borrower is in default under the terms of the Regulatory Agreement such knowledge should be detailed here:

11. The Borrower has not transferred any interest in the Project since the date of submission of the Continuing Program Compliance Certificate last submitted to the Trustee and the Issuer with respect to the Project. If the Borrower has transferred any interest in the Project, such transfer should be detailed here:

Attached is a separate sheet (the "Occupancy Summary") listing, among other items, the following information for each unit in the Project: the number of each unit, the name of the primary

occupants of such unit, the number of occupants in the unit, the size of the unit, whether such unit was treated as being occupied or last occupied by a Low Income Tenant, the date of the last Income Certification for the occupants of the unit, and which units became Low Income Units since the filing of the last Certificate of Continuing Program Compliance. The information contained thereon is, to the best knowledge of the Borrower (based upon information supplied by tenants of the Project), true and accurate.

CEVALLOS LOFTS, LTD.,
a Texas limited partnership

By: Cevallos Lofts GP, LLC,
a Texas limited liability company,
its general partner

By: San Antonio Housing Trust Public Facility
Corporation, a Texas nonprofit public
facility corporation, its sole member

By: _____
Title: _____

or

_____, Manager

By: _____
Authorized Representative

**SAN ANTONIO HOUSING TRUST FINANCE CORPORATION
VARIABLE RATE DEMAND MULTIFAMILY HOUSING REVENUE BONDS
(CEVALLOS LOFTS APARTMENTS)
SERIES 2010**

OCCUPANCY SUMMARY

AS OF _____
For Period _____ through _____

PROJECT NAME: Cevallos Lofts Apartments

PROJECT LOCATION: 301 East Cevallos Street, San Antonio, Texas 78204

a.	Total Number of Units:	252
b.	Required Units for Low-Income Tenants (20%):	51
c.	Total Units Occupied or Last Occupied and Held Vacant for Low-Income Tenants:	_____ (___%)

Number of Low-Income Tenants whose Annual Income exceeded 140% of the applicable income limit for a Low-Income Tenant of the same family size this month/quarter: _____

Number of Low-Income Tenants terminating occupancy this month/quarter: _____

- | | |
|----|---|
| 1. | _____ : Number of Low Income Tenants commencing occupancy this month/quarter. |
| 2. | _____ : Number of Low Income Tenants continuing occupancy this month/quarter for which an Income Certification was not previously attached. |
| 3. | _____ : Total Number of Income Certifications attached hereto as required by the Regulatory Agreement. (sum of Line 1 and Line 2) |

PREPARED AND SUBMITTED BY:

Phone: _____

Date: _____

EXHIBIT D

**SAN ANTONIO HOUSING TRUST FINANCE CORPORATION
VARIABLE RATE DEMAND MULTIFAMILY HOUSING REVENUE BONDS
(CEVALLOS LOFTS APARTMENTS)
SERIES 2010**

INCOME CERTIFICATE

VERIFICATION OF INCOME

RE: _____

Apartment Number: _____ Building Number: _____ Square footage: _____

Number of Bedrooms: _____

I/We, the undersigned, being first duly sworn, state that I/we have read and answered fully and truthfully each of the following questions for all persons who are to occupy the unit in the above apartment development for which application is made, all of whom are listed below:

1. Name of Members of the Household	2. Relationship to Head of Household	3. Age	4. Social Security Number	5. Place of Employment
	Head			
	Spouse			

6. The anticipated income of all the above persons during the 12-month period beginning on the later of the date on which the above persons first occupy the apartment or sign a lease with respect to the apartment, including income described in (a) below, but excluding all income described in (b) below, is \$ _____.

(a) The amount set forth above includes all of the following income (unless such income is described in (b) below):

(i) all wages and salaries, overtime pay, commissions, fees, tips and bonuses and other compensation for personal services, before payroll deductions;

(ii) net annual income from the operation of a business or profession or from the rental of real or personal property (without deducting expenditures for business expansion or amortization or capital indebtedness). (An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Include any withdrawal of cash or assets from the operation of a business or profession, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the above persons);

(iii) interest and dividends (include all income from assets as set forth in item 7(b) below and include any withdrawal of cash or assets from an investment, except to

the extent the withdrawal is reimbursement of cash or assets invested by the above persons);

(iv) the full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum payment for the delayed start of a periodic payment;

(v) payments in lieu of earnings, such as unemployment and disability compensation, workers' compensation and severance pay;

(vi) any welfare assistance: if the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, include as income (a) the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities, plus (b) the maximum amount that the welfare assistance agency could in fact allow the above persons for shelter and utilities. (If the welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under clause (b) shall be the amount resulting from one application of the percentage);

(vii) periodic and determinable allowances, such as alimony and child support payments and regular contributions and gifts received from persons not residing in the dwelling;

(viii) all regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is the head of the household, spouse or other household member whose dependents are residing in the unit; and

(ix) any earned income tax credit to the extent it exceeds income tax liability.

(b) The following income is excluded from the amount set forth above:

(i) income from employment of children (including foster children) under the age of 18 years;

(ii) payment received for the care of foster children or adults;

(iii) lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workers' compensation), capital gains and settlement for personal or property losses;

(iv) amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;

(v) income of a live-in aide;

(vi) amounts of student financial assistance paid directly to the student or to the educational institution;

(vii) the special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

(viii) (a) amounts received under training programs funded by Housing and Urban Development (“HUD”);

(b) amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (“PASS”);

(c) amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

(ix) a resident service stipend in a modest amount (not to exceed \$200 per month) received by resident for performing a service for the Owner, on a part-time basis, that enhances the quality of life in the Project, including but not limited to fire patrol, hall monitoring, lawn maintenance and resident initiative coordination;

(x) compensation from state or local employment training programs in training of a family member as resident management staff which is received under employment training programs with clearly defined goals and objectives and excluded by the Department of Housing and Urban Development;

(xi) reparations payment paid by a foreign government pursuant to claims filed under the laws of that government for persons who were persecuted during the Nazi era;

(xii) earnings in excess of \$480 for each full-time student, 18 years old or older but excluding the head of household and spouse;

(xiii) adoption assistance payments in excess of \$480 per adopted child;

(xiv) deferred periodic payments of supplemental security income and social security benefits that are received in a lump sum payment;

(xv) amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;

(xvi) amounts paid by a state agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;

(xvii) temporary, nonrecurring or sporadic income (including gifts); and

(xviii) amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937.

7. If any of the persons described in column 1 above (or any person whose income or contributions were included in item 6) has any savings, stocks, bonds, equity in real property or other form of capital investment (excluding interests in Indian trust lands, but including the value of any assets

disposed of for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the previous two years in excess of the consideration received therefor), provide:

(a) the total value of all such assets owned by all such persons:

\$ _____; and

(b) the amount of income expected to be derived from such assets in the 12-month period commencing this date: \$ _____.

8. (a) Will all of the persons listed in column 1 above be or have they been full-time students during five (5) calendar months of this calendar year at an educational institution (other than a correspondence school) with regular faculty and students?

Yes _____ No _____

(b) (Complete only if the answer to Question 8(a) is "Yes.") Is any such person (other than nonresident aliens) married and eligible to file a joint federal income tax return?

Yes _____ No _____

We acknowledge that all of the above information is relevant to the status under federal income tax law of the interest on bonds issued to finance construction or acquisition of the apartment building for which application is being made. We consent to the disclosure of such information to the issuer of such bonds, the holders of such bonds, any trustee acting on their behalf and any authorized agent of the Treasury Department or Internal Revenue Service.

Date: _____

Head of Household

Spouse

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

Subscribed, sworn to and acknowledged before me this ____ day of _____,
_____.

Notary Public of the State of Texas

(Notary Seal)

NOTE TO PROJECT OWNER: A vacant unit previously occupied by individuals or a family of very low income may be treated as occupied by individuals or a family of very low income until reoccupied (other than for a period of 31 consecutive days or less), at which time the character of the unit shall be redetermined.

FOR COMPLETION BY PROJECT OWNER OR MANAGER ONLY:

I. Calculation of eligible income:

- (A) Enter amount entered for entire household in 6 above: \$ _____
- (B) If the amount entered in 7(a) above is greater than \$5,000, enter:
- (i) the product of the amount entered in 7(a) above multiplied by the current passbook savings rate as determined by HUD: \$ _____
- (ii) the amount entered in 7(b) above: \$ _____
- (iii) line (i) minus line (ii) (if less than \$0, enter \$0): \$ _____
- (C) TOTAL ELIGIBLE INCOME (line I(A) plus line I(B)(iii)): \$ _____

II. Qualification as individuals or a family of low income:

- (A) Is the amount entered in line 1(c) less than 50% of Median Income for the Area with adjustments for smaller and larger families? *
- Yes _____ No _____
- (B) (i) If line II(A) is "No," then the household does not qualify as individuals or a family of low income; skip to item III.
- (ii) If line II(A) above is "Yes" and 8(a) above is "No," then the household qualifies as individuals or a family of low income; skip to item III.
- (iii) If line II(A) above is "Yes" and 8(b) above is "Yes," then the household qualifies as individuals or a family of low income; skip to item III;
- (iv) If neither (ii) nor (iii) is applicable, then the household does not qualify as individuals or a family of low income.

* "Median Income for the Area" means the area median gross income as determined by the Secretary of the Treasury in a manner consistent with determinations of lower-income families and area median gross income under Section 8 of the United States Housing Act of 1937, including adjustments for family size or, if programs under Section 8 are terminated, area median gross income determined under the method in effect immediately before such termination.

III. (Check one)

The household does not qualify as individuals or a family of low income.

The household qualifies as individuals or a family of low income.

IV. Number of apartment unit assigned:
(enter here and on page 1)

Date: _____

CEVALLOS LOFTS, LTD.,
a Texas limited partnership

By: Cevallos Lofts GP, LLC,
a Texas limited liability company,
its general partner

By: San Antonio Housing Trust Public Facility
Corporation, a Texas nonprofit public
facility corporation, its sole member

By: _____
Title: _____

or

_____, Manager

By: _____
Authorized Representative

EXHIBIT E

**SAN ANTONIO HOUSING TRUST FINANCE CORPORATION
VARIABLE RATE DEMAND MULTIFAMILY HOUSING REVENUE BONDS
(CEVALLOS LOFTS APARTMENTS)
SERIES 2010**

FORM OF ANNUAL REPORT
TO
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

HOUSING FINANCE CORPORATION ANNUAL REPORT

The Housing Finance Corporation Annual Report is required by
Subchapter C, Chapter 394, Section 394.027 of
the Local Government Code

The following report shall be filed with the **Texas Department of Housing and Community Affairs** (TDHCA) no later than July 31 of each year.

PLEASE REFER TO THE INFORMATION BELOW FOR EXPLANATIONS OF THE REPORTING REQUIREMENTS FOR EACH CATEGORY:

BOND CAPTION AND DATE ISSUED	For each single family mortgage loan and multifamily housing unit please indicate the bond caption and date issued of the applicable bond.
TOTAL FACE VALUE OF THE LOAN:	Please indicate the amount of the loan.
COUNTY & CENSUS TRACT:	Please indicate the county and six digit census tract number in which the applicable property is located (i.e. Zapata 9503.00). <i>Census Tract/Block Numbering Area Maps may be ordered from the Government Printing Office at (214) 767-0076 (Dallas) or (713) 228-1187 (Houston)</i>
ETHNIC CATEGORIES:	Please use the following abbreviations when indicating the ethnic composition of households receiving assistance: <i>(Please note that this section is optional and will be used for statistical purposes only)</i> W =WHITE AF =AFRICAN AMERICAN H =HISPANIC N =NATIVE AMERICAN AS =ASIAN OR PACIFIC ISLANDER O =OTHER
MONTHLY RENT CHARGED:	Please indicate the <i>monthly rent</i> amount of the applicable multifamily unit. Please do not include utilities. If household receives outside rental assistance, indicate with an asterisk (*) after the amount of monthly rent.
HOUSEHOLD INCOME:	Please indicate the <i>annual household income</i> of the household receiving assistance. If specific income information is unavailable, please provide an approximate income figure followed by an asterisk (*).
ACCESSIBLE UNITS:	Please place a check in the 'accessible unit' column if the applicable multifamily housing unit has been modified or built so that is readily accessible and usable for persons with disabilities.
HOUSEHOLD SIZE:	Please indicate the number of persons in the household.
SPECIAL NEEDS:	If the household receiving services includes an individual that falls under any of the following categories, please indicate all that apply by filling in the appropriate abbreviation as indicated below: <i>(Please note that this section is optional and will be used for statistical purposes only)</i> E =ELDERLY PERSONS (at least 60 years of age), FE =FRAIL ELDERLY PERSONS (elderly person unable to perform one or more 'activities of daily living' without assistance), D =PERSONS WITH DISABILITIES A =PERSONS WITH ALCOHOL OR OTHER DRUG ADDICTIONS H =PERSONS WITH HIV/AIDS

FACILITY NAME: CEVALLOS LOFTS APARTMENTS

FORM 3 - MULTIFAMILY HOUSING REPORT								
BOND CAPTION & DATE ISSUED	NUMBER OF BEDROOMS IN THE UNIT	COUNTY & CENSUS TRACT WERE THE PROPERTY IS LOCATED	MONTHLY RENT CHARGED	ETHNICITY OF HOUSEHOLD OCCUPYING UNIT	SIZE OF HOUSEHOLD OCCUPYING UNIT	ANNUAL INCOME OF HOUSEHOLD OCCUPYING UNIT	SPECIAL NEEDS	ACCESSIBLE UNITS
*		**						
*		**						
*		**						
*		**						
*		**						
*		**						
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* SAN ANTONIO HOUSING TRUST FINANCE CORPORATION VARIABLE RATE DEMAND MULTIFAMILY HOUSING REVENUE BONDS
(CEVALLOS LOFTS APARTMENTS) SERIES 2010; April 6, 2010
* * Bexar County, Texas; Census Tract No. 1501.00

Please copy additional page as needed.

TDHCA Housing Finance Corporation Report Page 3 of 3

EXHIBIT C

DEFEASANCE AGREEMENT

This Defeasance Agreement dated October [], 2021 (this “Agreement”) is among the **SAN ANTONIO HOUSING TRUST FINANCE CORPORATION**, a Texas non-profit housing finance corporation (the “Issuer”), **CEVALLOS LOFTS, LTD.**, a Texas limited partnership (the “Current Owner”) and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association with trust powers, as escrow agent hereunder (the “Escrow Bank”).

WHEREAS, definitions in the Indenture are incorporated herein by reference, except to the extent terms are otherwise expressly defined herein;

WHEREAS, pursuant to Chapter 394, Texas Local Government Code, as amended (the “Act”), and a Trust Indenture dated as of April 1, 2010 (the “Indenture”), by the Issuer and Wells Fargo Bank, National Association (the “Trustee”), the Issuer authorized the issuance and sale of its San Antonio Housing Trust Finance Corporation Variable Rate Demand Multifamily Housing Revenue Bonds (Cevallos Lofts Apartments) Series 2010, which are currently outstanding in the aggregate principal amount of \$[20,935,000] and stated to mature on [October 1, 2024] (the “Bonds”);

WHEREAS, the Current owner is selling the Project to the San Antonio Housing Trust Public Facility Corporation (“SAHTPFC”), which will enter into a long term lease with a third-party purchaser (the “New Owner”);

WHEREAS, the New Owner will deposit an upfront lease payment directly with [] (the “Title Company”) sufficient to enable SAHTPFC to acquire the Project and the Current Owner will be deemed to make a deposit sufficient to defease the Bonds;

WHEREAS, a portion of the proceeds of the sale of the Project will be used to effectuate (1) the defeasance of the Bonds on October [14], 2021 in accordance with Article IX of the Indenture and (2) the redemption of the Bonds on October 1, 2024 (the “Redemption Date”) in accordance with Article III of the Indenture;

WHEREAS, on the date hereof, the New Owner will deposit or cause to be deposited with the Title Company at least \$[], which amount shall constitute a portion of the sales price of the Project;

WHEREAS, the Current Owner and the Issuer have made instructions and provisions:

A. for the redemption of all of the Bonds on the Redemption Date and for notice of such redemption to be provided by the Trustee in accordance with the requirements of the Indenture and this Agreement;

B. for the deposit in the Escrow Account (as defined below) of money in an aggregate amount, without investment, sufficient to pay in full on the Redemption Date the principal of, premium, and interest on the Bonds (the “Bond Requirements”) in accordance with the Indenture; and

C. for the execution and delivery of this Agreement;

WHEREAS, attached hereto as Exhibit 1 and made a part hereof is a true, complete, and correct copy of the schedule of the Bond Requirements;

WHEREAS, it is the intention and agreement of the Current Owner, the New Owner, and the Issuer that all right, title, and interest in and to the hereinafter described Escrow Deposit and other properties and assets in the Escrow Account shall be transferred to, held by, and vested in the Escrow Bank in trust and for the benefit of those persons specified below by and on the terms of this Agreement, and that neither the Current Owner, the New Owner, the Issuer, nor any creditor of any of the Current Owner, the New Owner, or the Issuer shall be able to rescind or revoke or have access to the trust created hereby or obtain access to, control over, or title to the assets dedicated to satisfy the Current Owner's, the New Owner's, or the Issuer's obligations in respect of the Bonds or any other obligations;

WHEREAS, the Escrow Bank is empowered to undertake the obligations and commitments on its part herein set forth, and the undersigned officer of the Escrow Bank is duly authorized to execute and deliver this Agreement in the Escrow Bank's name and on its behalf;

WHEREAS, the Issuer is empowered to undertake the obligations and commitments on its part herein set forth, and the undersigned officer of the Issuer is duly authorized to execute and deliver this Agreement in the Issuer's name and on its behalf; and

WHEREAS, the Current Owner and the Issuer are empowered to undertake the obligations and commitments on their part herein set forth, and the undersigned officers of the Current Owner and the Issuer are duly authorized to execute and deliver this Agreement in the name and on behalf of the Current Owner and the Escrow Bank.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH:

In consideration of the mutual agreements herein contained, and in order to secure the payment on the Redemption Date of the Bond Requirements, the parties hereto mutually undertake, promise, and agree for themselves, and their respective representatives, successors, and assigns, as follows:

Section 1. Creation of Escrow; Notices of Defeasance.

A. The sequence of actions shall occur as follows:

(1) On October 6, 2021, the New Owner will transfer the amount of \$[] to the Title Company as the sales price of the Project (the "Sales Price");

(2) On October 6, 2021, the Title Company will transfer a portion of the Sales Price in the amount of \$[] to the Escrow Bank which will be deposited to the Escrow Account (defined below) and applied by the Escrow Bank to defease the Bonds (the "Escrow Deposit");

(3) On October 7, 2021, pursuant to and in accordance with this Agreement, the Escrow Bank shall invest the Escrow Deposit in the Escrow Account in the securities

shown on Exhibit 2 (the “Escrow Securities”), which will be sufficient together with the earnings on the securities to effectuate the defeasance of the Bonds on October 7, 2021.

(4) The Trustee has received a verification report of Robert Thomas, Certified Public Accountant, which certifies to the sufficiency of the Escrow Deposit to defease the Bonds and effectuate the redemption of the Bonds on the Redemption Date and that using the proceeds of the Escrow Securities will be sufficient to defease the Bonds on October 7, 2021 and effectuate the Redemption of the Bonds on the Redemption Date (the “Verification Report”).

(5) Bond Counsel has delivered to the Issuer and the Trustee the opinions required by Article IX of the Indenture, which have not been waived.

(6) The Escrow Bank shall cause the Escrow Deposit to be credited to and accounted for in the separate trust account hereby created, to be held by the Escrow Bank in trust for the equal and ratable benefit of the registered owners of the Bonds, until used to purchase the Escrow Securities, the proceeds of which will be set aside or delivered to the Trustee on the Redemption Date as required by and in accordance with the Indenture, and which account is designated as the “San Antonio Housing Trust Finance Corporation Variable Rate Demand Multifamily Housing Revenue Bonds (Cevallos Lofts Apartments) Escrow Account” (the “Escrow Account”).

(7) Upon the purchase of the Escrow Securities, any balance above \$_____ shall be paid to the Current Owner and the Escrow Securities shall become the new Escrow Deposit.

(8) The Current Owner, the New Owner and the Issuer (to the extent of any interest any of them may have) hereby transfer to the Escrow Bank all of their right, title, and interest in and to the Escrow Deposit and other properties and assets in or credited to the Escrow Account, and the same shall be held by and are vested in the Escrow Bank in trust and for the benefit of those persons specified herein, and neither the Current Owner, the New Owner or the Issuer, nor any creditor of the Current Owner, the New Owner or the Issuer shall be able to rescind or revoke or have access to the Escrow Account and trust created hereby or obtain access to, control over or title to the assets dedicated to and held in or credited to the Escrow Account to satisfy the Current Owner’s, the New Owner’s or the Issuer’s obligations in respect of the Bonds, or any other obligation. To the extent any agreement or provision of law states or implies that the Current Owner, the New Owner or the Issuer retains any title to such assets, the Current Owner, the New Owner and the Issuer hereby disclaim such title.

(9) The Escrow Bank, by execution and delivery of this Agreement, acknowledges receipt of the Escrow Deposit in an amount sufficient to effectuate the defeasance of the Bonds on the date hereof.

B. By their execution and acknowledgment of this Agreement, the Escrow Bank and the Trustee, confirm that they will make the transfers described in paragraph A above.

C. The Issuer, the Current Owner, the New Owner and the Escrow Bank agree and acknowledge that the trust established herein is irrevocable.

Section 2. Purpose of Escrow.

A. The Escrow Bank shall hold the Escrow Deposit and the Escrow Account in trust for the benefit of the registered owners of the Bonds (as applicable) and to make and to secure payment on the Redemption Date of the Bond Requirements for the Bonds. All cash in the Escrow Account is hereby irrevocably delivered, pledged, and held in trust for the payment of the Bond Requirements on the Redemption Date, subject only to the other provisions hereof.

B. The Issuer and the Current Owner shall continue to cooperate with the Escrow Bank as may be required under the Indenture to cause the redemption and payment of the Bonds when due and called for redemption.

Section 3. Accounting for Escrow. The money accounted for in or credited to the Escrow Account shall not be subject to checks drawn by the Current Owner, the New Owner, or the Issuer or otherwise subject to the Current Owner's order except as otherwise provided in and subject to the limitations in Section 5.

Section 4. No Investments or Reinvestments. The Escrow Bank shall have no right or obligation by virtue of this Agreement, general trust law, or otherwise to make any reinvestment of any money in the Escrow Account at any time.

Section 5. Sufficiency of Escrow; Transfer of Excess Amounts. The Escrow Deposit held in the Escrow Account is in an amount which at all times is sufficient to pay the Bond Requirements on the Redemption Date for the Bonds, all as evidenced by the Verification Report. If any of the Escrow Deposit remains in the Escrow Account following payment in full of the Bond Requirements, title to such funds shall thereupon vest in the Current Owner, and such funds shall be promptly transferred by the Escrow Bank to, or at the written direction of, the Current Owner.

Section 6. Redemption of Bonds—Notice of Redemption. Pursuant to the Indenture, the Issuer, on behalf of the Current Owner, hereby provides irrevocable written notice to the Trustee to call the Bonds for early redemption on the Redemption Date and the Trustee hereby agrees to provide timely notice of optional redemption of the Bonds on the Redemption Date. Such notice of redemption is attached hereto as Exhibit 4.

Section 7. Termination of Escrow Account. When all transfers hereunder have been completed as to the Escrow Account, the Escrow Bank shall terminate the Escrow Account.

Section 8. Fees and Costs. On the date hereof, the Current Owner shall cause to be paid by a wire transfer from the Title Company to Wells Fargo Bank, National Association, as a fee for performing the services hereunder as both Escrow Bank and Trustee, all expenses incurred or to be incurred by the Escrow Bank in the administration of this Agreement and for any and all remaining fees owed for services rendered as Trustee under the Indenture, including legal fees related thereto, the sum of \$[_____], the sufficiency of which is hereby acknowledged by the Escrow Bank and Trustee. In the event that the Escrow Bank is requested to perform any extraordinary services hereunder, the Current Owner hereby agrees to pay reasonable fees to the

Escrow Bank for such extraordinary services and to reimburse the Escrow Bank for all expenses incurred by the Escrow Bank in performing such extraordinary services, and the Escrow Bank hereby agrees to look only to the Current Owner for the payment of such fees and reimbursement of such expenses. The Escrow Bank hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Account for any fees for its services, whether regular or extraordinary, as Escrow Bank, or in any other capacity, or for reimbursement for any of its expenses.

Section 9. Possible Deficiencies. If at any time the money in the Escrow Account will not be sufficient to make all required payments on the Redemption Date for the Bonds, the Escrow Bank shall notify the Current Owner in writing as soon as reasonably practicable of such fact and the amount of such deficiency. Thereupon the Current Owner shall forthwith (but in all events by the Redemption Date) deposit with the Escrow Bank for deposit in the Escrow Account such funds as may be required. The Escrow Bank shall not be responsible for the Current Owner's failure to make any such deposit.

Section 10. Excess Funds of the Indenture. Upon receipt of the funds described in Sections 1 and 8 above, all amounts due and owed under Articles III and IX of the Indenture required to defease the Bonds and effectuate a redemption of the Bonds on the Redemption Date shall have been received and applied by the Trustee and all remaining funds held under the Indenture shall be deemed as excess funds and released to the Current Owner.

Section 11. Character of Deposit.

A. Except as provided in Section 1.A(7) above, the Escrow Deposit and all money in or credited to the Escrow Account from time to time shall be held in trust by the Escrow Bank for the equal and ratable benefit of the registered owners of the Bonds.

B. The Escrow Bank shall hold the Escrow Deposit and all money in or credited to the Escrow Account as a special trust fund and account for the benefit of the registered owners of the Bonds (in accordance with Section 1.C) separate and wholly segregated from all other securities and funds of the Escrow Bank or deposited therein and shall never commingle such money with other securities or money.

Section 12. Securing Deposit. No money paid into and accounted for in the Escrow Account shall ever be considered as a banking deposit, and neither the Escrow Bank nor any such trust bank shall have any right or title with respect thereto.

Section 13. No Amendment. This Agreement is irrevocable. This Agreement is not subject to amendment except by a writing signed by the Current Owner, the New Owner, the Escrow Bank, and the Issuer, and acknowledged by the Trustee; provided that no amendment shall revoke or shall affect the irrevocability of this Agreement.

Section 14. Exculpatory Provisions.

A. The liability of the Escrow Bank to transfer funds for the payment of the principal of and interest on the Bonds shall be limited to the cash balances from time to time on deposit in the Escrow Account. Notwithstanding any provision contained herein to the contrary, neither the New Owner, the Escrow Bank, the Trustee, nor the Paying Agent for the Bonds shall have any

liability whatsoever for the insufficiency of funds from time to time in the Escrow Account not caused by the Escrow Agent's, the Trustee's, or the Paying Agent's gross negligence or willful misconduct, except for the obligation to notify the Current Owner as promptly as practicable of any such occurrence upon obtaining actual knowledge thereof.

B. The recitals herein shall be taken as the statements of the Issuer, the Current Owner and the New Owner and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Bank. The Escrow Bank was not a party to the proceedings authorizing the Bonds and is not responsible for nor bound by any of the provisions thereof (except as the successor Trustee and Paying Agent). In its capacity as Escrow Bank, it is agreed that the Escrow Bank need look only to the terms and provisions of this Agreement.

C. The Escrow Bank makes no representations as to the value, conditions, or sufficiency of the Escrow Account, or any part thereof, or as to the title of any entity thereto, or as to the security afforded thereby or hereby, and the Escrow Bank shall not incur any liability or responsibility in respect to any of such matters.

D. It is the intention of the parties hereto that the Escrow Bank shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

E. The Escrow Bank shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Bank be responsible for the consequences of any error of judgment; and the Escrow Bank shall not be answerable except for its own action, neglect or default, nor for any loss unless the same shall have been through its gross negligence or willful misconduct.

F. Unless it is specifically otherwise provided herein, the Escrow Bank has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Current Owner with respect to arrangements or contracts with others, with the Escrow Bank's sole duty hereunder being to safeguard the Escrow Account, to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Bank is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Bank shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Bank shall be liable only for its own willful misconduct or its gross negligence. In determining the occurrence of any such event or contingency the Escrow Bank may request from the Current Owner or any other person such reasonable additional evidence on which it is entitled to rely to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, the Current Owner at any time.

G. The Escrow Bank shall not be liable for the performance of any duties, except such duties as are specifically set forth in this Escrow Agreement, and no implied covenants or obligations shall be read into this Escrow Agreement. Nothing herein contained shall relieve the Escrow Bank from liability for its own grossly negligent action, grossly negligent failure to act, or willful misconduct, except that this sentence shall not be construed to limit the effect of the

immediately preceding sentence. The Escrow Bank shall not incur any liability for any error of judgment, unless it shall be proved that it was grossly negligent in ascertaining the pertinent facts. The Escrow Bank shall be protected in relying and acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. The Escrow Bank may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith.

H. The Escrow Bank may rely conclusively upon the truth, completeness, and accuracy of the statements, certificates, opinions, resolutions, and other documents conforming to the requirements of this Escrow Agreement and shall not be obligated to make any independent investigation with respect thereto.

I. **TO THE FULL EXTENT PERMITTED BY LAW, THE CURRENT OWNER AGREES TO INDEMNIFY, DEFEND, AND HOLD THE ESCROW BANK HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DAMAGE, TAX, LIABILITY, AND EXPENSE THAT MAY BE INCURRED BY THE ESCROW BANK AS A RESULT OF ANY THIRD PARTY CLAIM ARISING OUT OF OR IN CONNECTION WITH ITS ACCEPTANCE OR APPOINTMENT AS ESCROW BANK HEREUNDER, INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES OF DEFENDING ITSELF AGAINST ANY CLAIM OR LIABILITY IN CONNECTION WITH ITS PERFORMANCE HEREUNDER EXCEPT THAT THE ESCROW BANK SHALL NOT BE INDEMNIFIED FOR ANY LOSS, DAMAGE, TAX, LIABILITY, OR EXPENSE RESULTING FROM ITS OWN GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR MATERIAL BREACH OF THIS AGREEMENT.**

Section 15. Time of Essence. Time is of the essence in the performance of the obligations from time to time imposed upon the Escrow Bank by this Agreement.

Section 16. Successors.

A. Whenever in this Agreement the Current Owner, the New Owner, the Issuer, the Escrow Bank, or the Trustee is named or is referred to, such provision is deemed to include any successor of the Current Owner, the New Owner, the Issuer, the Escrow Bank, or the Trustee, respectively, immediate or intermediate, whether so expressed or not.

B. All of the stipulations, obligations and agreements by or on behalf of and other provisions for the benefit of the Current Owner, the Issuer, the Escrow Bank, or the Trustee contained in this Agreement

(1) shall bind and inure to the benefit of any such successor, and

(2) shall bind and inure to the benefit of any officer, board, authority, agent, or instrumentality to whom or to which there shall be transferred by or in accordance with law any relevant right, power or duty of the Current Owner, the Issuer, the Escrow Bank, or the Trustee, respectively, or of its successor.

C. Notwithstanding any other provision of this Agreement, neither the Current Owner nor the Issuer may assign or otherwise transfer any of its obligations hereunder, other than to a

successor. Except as expressly permitted in Section 19, the Escrow Bank shall have no right to assign or transfer its obligations hereunder.

Section 17. Severability. If any section, paragraph, clause, or provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Agreement.

Section 18. Counterparts. This Agreement may be executed in multiple counterparts.

Section 19. Successor Escrow Bank.

A. If at any time the Escrow Bank or its legal successor or successors should become unable, through operation of law or otherwise, to act as Escrow Bank hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason a vacancy shall forthwith exist in the office of Escrow Bank hereunder, the Issuer, by appropriate action, promptly shall appoint a successor Escrow Bank to fill such vacancy. If no successor Escrow Bank shall have been appointed by the Issuer within thirty (30) days, a successor may be appointed by the owners of a majority in principal amount of the Bonds then Outstanding by an instrument or instruments in writing filed with the Issuer, signed by such owners or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Bank shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after a vacancy shall have occurred, the owner of any Bonds may apply to any court of competent jurisdiction to appoint a successor Escrow Bank. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Bank.

B. The Escrow Bank may at any time resign and be discharged from its duties hereunder by giving not less than thirty (30) days' written notice to the Issuer; provided, that, no such resignation shall take effect unless (i) a successor Escrow Bank shall have been appointed by the owners of the Bonds or by the Issuer as herein provided; (ii) such successor Escrow Bank shall have accepted such appointment; and (iii) the successor Escrow Bank shall have entered into a separate arrangement with the Current Owner with respect to its fees. Such resignation shall take effect immediately upon compliance with the foregoing requirements.

C. Any successor Escrow Bank shall be an entity qualified to serve as Trustee under the Indenture.

D. Any successor Escrow Bank shall execute, acknowledge, and deliver to the Issuer and the Escrow Bank an instrument accepting such appointment hereunder, and the Escrow Bank shall execute and deliver an instrument transferring to such successor Escrow Bank, subject to the terms of this Agreement, all the rights, powers, and trusts of the Escrow Bank hereunder. Upon the request of any such successor Escrow Bank, the Issuer shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Bank all such rights, powers, and duties. The Escrow Bank shall pay over to its successor Escrow Bank a proportional part of the Escrow Bank's fee paid to the Escrow Bank pursuant to Section 9.

E. Any entity into which the Escrow Bank may be merged or converted or with which it may be consolidated or any entity resulting from any merger, conversion, or consolidation to which the Escrow Bank shall be a party, or any entity to which all or substantially all of the corporate trust business of the Escrow Bank may be sold or otherwise transferred, shall be the successor Escrow Bank hereunder without any further act.

Section 20. Termination of Documents and Liens and Assignment of Rents. Upon the funding of the Escrow Account and defeasance of the Bonds as described in Section 1 hereof and the payment of all fees due and owed to the Trustee as described in Section 8 hereof, any and all estates, liens, interests, and rights, including specifically the assignment of rents to the Trustee, established under the Indenture, the Loan Agreement, the Deed of Trust, the Remarketing Agreement, and any other document related to Bonds establishing a lien on the Trust Estate and the Project for benefit of the holders of the Bonds shall be terminated and all rights, title, and interest in the Project, including specifically the rights to all rents of the Project, shall vest in the New Owner in accordance with terms of the purchase and sale agreement between the Current Owner and the New Owner.

Section 21. Notices.

Any notice, authorization, request, or demand required or permitted to be given hereunder, shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid, addressed as follows:

To the Escrow Bank:	Wells Fargo Bank, National Association [1021 Main Street, Suite 2403 MAC T5017-241 Houston, Texas 77002 Attention: Corporate Trust Services]
To the Issuer:	San Antonio Housing Trust Finance Corporation 2515 Blanco Road San Antonio, Texas 78212 Attention: Pedro A. Alanis, Assistant Secretary
To the Current Owner:	Cevallos Lofts, Ltd. c/o The NRP Group 1228 Euclid Avenue, 4 th Floor Cleveland, Ohio 44115 Attention: [Noam Magence, General Counsel]

The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Either party hereto may change the address to which notices are to be delivered by giving to the other party not less than ten (10) days prior notice thereof.

Section 22. Texas Law Governs. This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Texas.

Section 23. Third-Party Beneficiary. Wells Fargo Bank, National Association, as Paying Agent for the Bonds, is a third-party beneficiary of this Agreement.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Issuer, the Current Owner the Escrow Bank have caused this Agreement to be signed in their respective corporate names by their respective authorized officers, all as of the day and year first above written.

ISSUER:

**SAN ANTONIO HOUSING TRUST
FINANCE CORPORATION**, a Texas
nonprofit housing finance corporation

By: _____
Name: Pedro A. Alanis
Title: Assistant Secretary

CURRENT OWNER:

CEVALLOS LOFTS, LTD., a Texas limited
partnership

By: Cevallos Lofts GP, LLC, a Texas limited
liability company

By: San Antonio Housing Trust Public Facility
Corporation, a Texas nonprofit public facility
corporation

By: _____
Name:
Title:

NEW OWNER:

By: _____
Name:
Title:

ESCROW BANK:

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**

By: _____
Authorized Officer

Acknowledged:

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**, as the Trustee

By: _____
Authorized Officer

Exhibit 1

BOND REQUIREMENTS

Date	Delinquent Principal (\$)	Principal (\$)	Delinquent Interest (\$)	Interest (\$)	Total (\$)
[]	[]	[]	[]	[]	[]

Exhibit 2

ESCROW SECURITIES

Exhibit 3

NOTICE OF DEFEASANCE

**SAN ANTONIO HOUSING TRUST FINANCE CORPORATION
VARIABLE RATE DEMAND MULTIFAMILY HOUSING REVENUE BONDS
(CEVALLOS LOFTS APARTMENTS) SERIES 2010**

CUSIP NO: 79626PAB8*
DATE OF ISSUE: 04-06-2010
BOND DATE: 04-01-2010
INTEREST RATE: ____%
STATED MATURITY DATE: 04-01-2043

NOTICE IS HEREBY GIVEN that, pursuant to the Trust Indenture dated as of April 1, 2010 (the “Indenture”), between San Antonio Housing Trust Finance Corporation (the “Issuer”) and Wells Fargo Bank, National Association, as trustee (the “Trustee”), on October 6, 2021, 100% of the outstanding principal amount of the referenced securities (the “Bonds”) were defeased pursuant to a Defeasance Agreement dated as of October 6, 2021 among the Issuer, Cevallos Lofts, Ltd., _____, a _____, and Wells Fargo Bank, National Association, as Escrow Bank.

If you have any questions, please contact:

[_____]

[_____]

[_____]

SAN ANTONIO HOUSING TRUST FINANCE CORPORATION

By: Wells Fargo Bank, National Association,
as Trustee

Dated _____, 2021

* The CUSIP number is included solely for the convenience of the Holders. Neither the Issuer nor the Trustee shall be responsible for the selection or the use of the CUSIP numbers, nor is any representation made as to their correctness on the securities or as indicated in any redemption notice.

Exhibit 4

NOTICE OF REDEMPTION IN WHOLE

**SAN ANTONIO HOUSING TRUST FINANCE CORPORATION
VARIABLE RATE DEMAND MULTIFAMILY HOUSING REVENUE BONDS
(CEVALLOS LOFTS APARTMENTS) SERIES 2010**

CUSIP NO: 79626PAB8*
DATE OF ISSUE: 04-06-2010
BOND DATE: 04-01-2010
INTEREST RATE: ____%
STATED MATURITY DATE: 04-01-2043

NOTICE IS HEREBY GIVEN that, pursuant to the Trust Indenture dated as of April 1, 2010 (the "Indenture"), between San Antonio Housing Trust Finance Corporation (the "Issuer") and Wells Fargo Bank, National Association, as trustee (the "Trustee"), 100% of the outstanding principal amount of the referenced securities will be redeemed on October 1, 2024 (the "Redemption Date") at a price of 100%, plus accrued and unpaid interest to the Redemption Date (the "Redemption Price"). On the Redemption Date, the Redemption Price will become due, and, unless the Trustee fails to receive sufficient funds to pay the Redemption Price, interest will no longer accrue on such principal amount from and after the Redemption Date.

To receive payment of principal of, premium, and interest on these Bonds, you must present your certificate(s) to us on or prior to the Redemption Date. The certificates should be delivered to the following addressee:

Wells Fargo Bank, National Association
[Address]

IMPORTANT TAX INFORMATION

[Under the Jobs and Growth Tax Relief Reconciliation Act of 2003, paying agents are required to withhold 31% of gross payments to bondholders who fail to provide a valid taxpayer identification number on or before the date upon which bonds are presented for payment. Bondholders are additionally subject to a penalty of \$50 for failure to provide such number. Please provide a taxpayer identification number when presenting bonds for redemption. To avoid this 31% withholding, please submit, with your securities, a form W-9.]

If you have any questions, please contact Bondholder Services at [_____].

SAN ANTONIO HOUSING TRUST FINANCE CORPORATION

By: Wells Fargo Bank, National Association
as Trustee

Dated _____, 2021

If by mail:

Wells Fargo Bank, National Association

[_____]
[_____]
[_____]

If by hand or overnight mail:

Wells Fargo Bank, National Association

[_____]
[_____]
[_____]

* The CUSIP number is included solely for the convenience of the Holders. Neither the Issuer nor the Trustee shall be responsible for the selection or the use of the CUSIP numbers, nor is any representation made as to their correctness on the securities or as indicated in any redemption notice.