

ALASKA HOUSING FINANCE CORPORATION
BOARD OF DIRECTORS
REGULAR MEETING

June 26, 2024

10:00 a.m.

Anchorage

- I. ROLL CALL
- II. APPROVAL OF AGENDA
- III. MINUTES: May 29, 2024
Next Resolution: #24-06
- IV. PUBLIC COMMENTS
- V. OLD BUSINESS: NONE
- VI. NEW BUSINESS:
 - A. Consideration of a Resolution for Review and Approval of the FY2025 Operating Budget for the Low-Rent Asset Management Developments (AMPS) and the Central Office Cost Center (COCC) (2024-06)
 - B. Consideration of a Resolution Approving the FY2024 Vacated Tenant Accounts Receivables and Write Offs (2024-07)
 - C. Consideration of a Resolution Approving \$1,500,000 from Cook Inlet Lending Center, Inc (CILC) under the Loans-To-Sponsors Loan Program (LTSP) (2024-08)
 - D. Consideration of a Resolution Authorizing Public Hearings for Amendments To: 15 AAC 155.300-15 AAC 155.350 Article 3- Home Energy Rating Rebate Grant (2024-09)
 - E. Consideration of a Resolution Amending Prior Board Resolution 2022-12 and Authorizing the Issuance and Sale of not to Exceed \$2,000,000 Conduit Revenue Bond 2022-1 (Fairbanks Affordable Housing Project) and approving related matters (2024-10)
- VII. REPORT OF THE CHAIR
- VIII. BOARD COMMITTEE REPORTS: NONE
- IX. REPORT OF THE EXECUTIVE DIRECTOR
- X. ANY OTHER MATTERS TO PROPERLY COME BEFORE THE BOARD Monthly Reports and Meeting Schedules
- XI. EXECUTIVE SESSION: Corporation's operational and personnel matters that may have an impact on the Corporation's financial matters. Board action related to this matter, if any, will take place in the public session following the Executive Session.

**The Chair may announce changes in the Order of Business during the meeting.

MINUTES

ALASKA HOUSING FINANCE CORPORATION BOARD OF DIRECTORS

REGULAR MEETING

May 29, 2024

10:06 a.m.

Anchorage/Juneau/Fairbanks

The Board of Directors of Alaska Housing Finance Corporation met May 29, 2024 in the AHFC Board Room, 4300 Boniface Parkway in Anchorage, Alaska, at 10:06 a.m. Board members present in the room and via teleconference were:

BRENT LEVALLEY	Chair Member of the Board
JESS HALL	Member of the Board
ALLEN HIPPLER	Member of the Board
DAVID PRUHS	Member of the Board
FADIL LIMANI	Designee for Commissioner Department of Revenue Member of the Board
JULIE SANDE via teleconference	Commissioner Department of Commerce, Commerce, Community & Economic Development Member of the Board
LEAH VAN KIRK via teleconference	Designee for Commissioner Department of Health Member of the Board

- I. **ROLL CALL.** CHAIR LEVALLEY called the meeting to order. Roll call was taken and a quorum was declared present. The meeting was duly and properly convened for the transaction of business.
- II. **APPROVAL OF AGENDA.** CHAIR LEVALLEY proposed the agenda as presented. JESS HALL moved to approve the agenda as presented. FADIL LIMANI seconded. Hearing no objections, the agenda was approved as presented.

- III. **APPROVAL OF APRIL 24, 2024 MINUTES.** CHAIR LEVALLEY proposed the minutes as presented. JESS HALL moved to approve the April 24, 2024 minutes as presented. FADIL LIMANI seconded. Hearing no objections, the meeting minutes were approved as presented.
- IV. **PUBLIC COMMENTS:** There were no public comments.
- V. **OLD BUSINESS:** No old business to discuss with the Board.
- VI. **NEW BUSINESS**
- A. **Consideration of a Resolution of Alaska Housing Finance Corporation Establishing a Building Code Advisory Council. (24-03).** BRYAN BUTCHER introduced the item and JIMMY ORD presented. Mr. Ord stated AHFC is required to ensure the purchase of mortgage loans for the acquisition, construction, or improvement adhere to standards adopted under 15 AAC 150.035 and 15 AAC.010. Research and Rural Development Department staff are responsible for reviewing the latest building and energy code updated from national organizations, and when appropriate, recommending to AHFC's Board Directors amendments to the adopted standards. This review and recommendation occur approximately every three years after the International Code Council (ICC) finalizes and releases its latest model codes. Staff recommended Board approval of Resolution 24-03, establishing a Building Code Advisory Council. Seeing and hearing no questions, CHAIR LEVALLEY asked for a motion and a second. ALLEN HIPPLER made a motion to approve and FADIL LIMANI seconded. ALLEN HIPPLER then made a motion to amend resolution 24-03 and explained the proposed amendment. Seeing and hearing no questions, CHAIR LEVALLEY asked for a second. DAVID PRUHS seconded. A roll call vote was taken on the amendment. The proposed amendment was approved unanimously (7-0). Seeing and hearing no further questions, CHAIR LEVALLEY asked for a roll call vote and the amended resolution was approved unanimously. (7-0). **RESOLUTION NO. 2024-03: RESOLUTION APPROVING OF ALASKA HOUSING FINANCE CORPORATION ESTABLISHING A BUILDING CODE ADVISORY COUNCIL**
- B. **Consideration of a Term Loan Request in the Amount of \$2,971,000 for the Long-Term Financing for the Purchase of a Newly Constructed 24 Unit Multi-Family Property located in Fairbanks, Alaska. (24-04).** BRYAN BUTCHER introduced the item and RICH MCKINSTRY presented. Mr. McKinstry outlined the Multi-Family Loan Purchase Program and requirements. Mr. McKinstry then stated AHFC received and reviewed an application from lending partner Global Credit Union that was submitted on behalf of Lewis & Christine M. Johnson for term financing of a purchase of a newly constructed 24-unit apartment building in Fairbanks, Alaska. AHFC staff reviewed the application package, determined it meets the requirements of the Multi-Family Loan Purchase Program, and is an acceptable risk to the Corporation. Staff recommended board approval of Resolution 2024-04. Board members DAVID PRUHS and ALLEN HIPPLER asked questions and BRYAN BUTCHER provided answers. Seeing and hearing no further questions CHAIR LEVALLEY asked for a motion and a second to approve Resolution 24-04. ALLEN HIPPLER moved to approve Resolution 24-04. JESS HALL seconded. A roll call vote was taken and the resolution was unanimously approved. (7-0). **RESOLUTION NO. 2024-02: RESOLUTION APPROVING THE TERM LOAN REQUEST IN THE AMOUNT OF \$2,971,000 FOR THE LONG-TERM FINANCING FOR THE PURCHASE OF A NEWLY CONSTRUCTED 24 UNIT MULTI-**

FAMILY PROPERTY LOCATED IN FAIRBANKS, ALASKA.

- C. Consideration of a Term Loan Request in the Amount of \$3,425,000 for the Long-Term Financing for the Purchase of a Newly Constructed 24 Unit Multi-Family Property located in Eagle River, Alaska. (24-05).** BRYAN BUTCHER introduced the item and RICH MCKINSTRY presented. Mr. McKinstry again outlined the Multi-Family Loan Purchase Program and requirements. Mr. McKinstry stated AHFC received and reviewed an application from lending partner Global Credit Union that was submitted on behalf of Eagle River Apartments, LLC; Walter R. Weston for term financing for a purchase of a newly constructed 24-unit apartment building in Eagle River, Alaska. AHFC staff reviewed the application package, determined it meets the requirements of the Multi-Family Loan Purchase Program, and is an acceptable risk to the Corporation. Staff recommended board approval of Resolution 2024-05. Seeing and hearing no questions, CHAIR LEVALLEY asked for a motion to approve Resolution 24-05. JESS HALL moved to approve Resolution 24-05. FADIL LIMANI seconded the motion. A roll call vote was taken and the resolution was unanimously approved. (7-0). **RESOLUTION NO. 2024-05: RESOLUTION APPROVING a Term Loan Request in the Amount of \$3,425,000 for the Long-Term Financing for the Purchase of a Newly Constructed 24 Unit Multi-Family Property located in Eagle River, Alaska.**

- VII. REPORT OF THE CHAIR.** CHAIR LEVALLEY named board member ALLEN HIPPLER to the Audit Committee effective next meeting date, commended board member FADIL LIMANI for his recognition by the Alaska Journal of Commerce as part of the Class of 2024 Top 40 Under 40 and welcomed Mayor DAVID PRUHS to the board.
- VIII. BOARD COMMITTEE REPORTS.** JESS HALL presented for Audit Committee, reporting on four items: the Eide Bailly Governance Letter and timeline for fiscal year 2024 audit; eight internal audit reports presented to the Audit Committee; three activity reports presented for the period of January 1 to April 30 to the Audit Committee; and the Annual Plan resented and approved by the Audit Committee.
- IX. REPORT OF THE EXECUTIVE DIRECTOR.** BRYAN BUTCHER presented his report to the board. He spoke to the end of the legislative session, the outcome of legislation pertinent to AHFC, and summarized the status of AHFC's operating and capital funding requests, noting a few specific items. Mr. Butcher reported on the status of the Association of Alaska Housing Authorities, a partner organization to AHFC and the change to the organization's executive leadership. He then summarized meetings that occurred between AHFC executive staff and the Federal Reserve Bank of San Francisco and the Federal Deposit Insurance Corporation. Mr. Butcher also recounted meetings with the U.S. Department of Energy and the Alaska Energy Authority, as well as AHFC's participation in the Governor's Sustainable Energy Conference. He then turned to media coverage of the corporation, and noted several interviews given to local news organizations on the topic of AHFC priorities. Finally, Mr. Butcher reported on the actions of the National Council of State Housing Agencies, the national organization AHFC is a member of and which he sits on the national board of directors.

X. **ANY OTHER MATTERS TO PROPERLY COME BEFORE THE BOARD.**

1. Monthly Reports. Finance, Mortgage, and Governmental Affairs and Public Relation Directors presented reports for discussion and review.

2. Meeting Schedules.

AHFC Regular Board Meeting

June 26, 2024, at 10:00 a.m.

XI. **EXECUTIVE SESSION.** No Executive Session was required.

XII. **ADJOURNMENT.** With no other matters to consider, CHAIR LEVALLEY asked for a motion to adjourn. JESS HALL moved to adjourn. FADIL LIMANI seconded.

CHAIR LEVALLEY adjourned the meeting at 11:02 a.m.

ATTESTED:

Brent LeValley
Chair

Bryan Butcher
CEO/Executive Director

ALASKA HOUSING FINANCE CORPORATION BOARD CONSIDERATION MEMORANDUM

Date: June 26, 2024

Staff: James Wiedle

Item: Consideration of a Resolution for review and approval of the FY2025 Operating Budget for the Low-Rent Asset Management Developments (AMPs) and the Central Office Cost Center (COCC)

Background:

The Department of Housing and Urban Development (HUD) requires AHFC Board Approval of the Low Rent Asset Management (AMP) and Central Office Cost Center (COCC) Operating Budgets prior to the July 1st start date of the new operating budget year. The FY2025 budgets under consideration were approved by the AHFC Board of Directors last October, and the Alaska Legislature in May. AHFC anticipates that Governor Dunleavy will approve AHFC's operating budget before the start of Fiscal Year 2025.

Issue:

AHFC's proposed FY2025 Low Rent and the FY2025 Central Office Cost Center operating budgets are status-quo budgets. No legislative increments were requested from the FY2024 budgets. The Low Rent budget for FY2025 is \$19.8 million and the Central Office Cost Center budget is \$9.5 million. Both budgets comply with HUD's Asset Management rules and contain sufficient revenue to cover all expected costs.

Recommendation:

Staff recommends approval of the *Resolution for review and approval of the FY2025 Operating Budget Details for the Low-Rent Asset Management Developments (AMPs) and the Central Office Cost Center (COCC)*. Upon approval, staff will submit the resolution to the Department of Housing and Urban Development.

PHA Board Resolution

Approving Operating Budget

**U.S. Department of Housing
and Urban Development**
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)OMB No. 2577-0026
(exp. 06/30/2022)

Public reporting burden for this collection of information is estimated to average **10 minutes per response**, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Alaska Housing Finance Corporation

PHA Code: AK001

PHA Fiscal Year Beginning: July 1, 2024

Board Resolution Number: 24-06

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

- ☒ Operating Budget approved by Board resolution on: 06/26/2024
- ☐ Operating Budget submitted to HUD, if applicable, on:
- ☐ Operating Budget revision approved by Board resolution on:
- ☐ Operating Budget revision submitted to HUD, if applicable, on:

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name: Brent LeValley	Signature: 	Date: 06/26/2024
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Alaska Housing Finance Corporation
Low Rent AMP Projects
Income vs. Expense
July 1, 2024 Through June 30, 2025

	Public Housing Project (AMP)						
	Totals Low-Rent	Anchorage Central 247	Anchorage East 271	Anchorage South 274	Bethel 257	Cordova 216	Fairbanks 275
A. Starting Reserve Balance (7/1/2024)	(\$17,565,204)	(\$1,624,491)	(\$2,103,780)	(\$2,078,375)	(\$3,358,780)	(\$365,334)	(\$1,920,726)
B. AMP Reserve Fungibility¹	(\$0)	\$5,986	(\$15,417)	\$1,040,938	(\$17,148)	(\$15,569)	(\$13,651)
1. Transfer In	(1,060,607)	0	(15,417)	0	(17,148)	(15,569)	(13,651)
2. Transfer Out	1,060,607	5,986	0	1,040,938	0	0	0
C. FY2025 Forecasted Income	(\$21,529,029)	(\$1,735,227)	(\$2,846,563)	(\$3,009,948)	(\$2,639,213)	(\$285,021)	(\$3,181,161)
1. Dwelling	(9,596,616)	(648,639)	(1,378,880)	(1,410,290)	(1,398,271)	(154,011)	(1,175,654)
2. MTW Revenue (CFP Transfers)	(509,407)	0	0	0	0	0	0
3. Non-Dwelling Income	(107,120)	0	0	0	0	0	(12,000)
4. Operating Subsidy (HUD)	(10,749,986)	(1,030,888)	(1,440,383)	(1,538,358)	(1,193,942)	(124,310)	(1,755,307)
5. Other	(565,900)	(55,700)	(27,300)	(61,300)	(47,000)	(6,700)	(238,200)
D. FY2025 Forecasted Expense	\$19,862,494	\$1,703,921	\$2,522,940	\$2,056,343	\$3,056,095	\$338,334	\$2,599,036
1. Capital Outlay	845,143	9,542	45,389	151,853	444,690	1,136	22,880
2. Commodities	1,296,905	203,352	154,653	267,620	132,155	9,923	129,041
3. Grants	71,541	0	14,998	15,090	7,965	0	14,455
4. Management Fees	1,354,489	131,444	193,908	205,515	128,210	17,474	180,608
5. Salary and Benefits	6,534,598	576,712	1,150,483	180,548	827,612	168,796	841,902
6. Services	9,664,853	772,568	959,672	1,219,891	1,494,296	137,728	1,399,679
7. Travel and Training	94,964	10,302	3,838	15,826	21,167	3,278	10,472
E. Ending Reserve Balance (6/30/2025)	(\$19,231,739)	(\$1,649,811)	(\$2,442,821)	(\$1,991,042)	(\$2,959,046)	(\$327,589)	(\$2,516,502)
F. Average Monthly Expense	\$1,655,208	\$141,993	\$210,245	\$171,362	\$254,675	\$28,195	\$216,586
G. Total Units	1,242	120	177	193	117	16	165
H. Avg. Monthly Cost Per Unit	\$1,333	\$1,183	\$1,188	\$888	\$2,177	\$1,762	\$1,313
I. Total Reserve Months	12	12	12	12	12	12	12
J. Reserves Sufficient for HUD Standard?	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes:

1. Per HUD rules, a PHA may transfer excess revenue between AMPs as long as revenue is sufficient to cover at least one month's operating expense. Transfers estimated to occur by end of FY2025

Alaska Housing Finance Corporation
Low Rent AMP Projects
Income vs. Expense
July 1, 2024 Through June 30, 2025

	Public Housing Project (AMP)							
	Juneau 277	Ketchikan 279	Kodiak 265	Nome 260	Sitka 280	Valdez 263	Wasilla 244	Wrangell 213
A. Starting Reserve Balance (7/1/2024)	(\$2,368,154)	(\$528,943)	(\$740,854)	(\$827,031)	(\$652,368)	(\$145,559)	(\$434,510)	(\$416,299)
B. AMP Reserve Fungibility¹	(\$917,749)	\$13,683	(\$10,143)	(\$19,352)	(\$25,884)	(\$4,186)	(\$13,156)	(\$8,353)
1. Transfer In	(917,749)	0	(10,143)	(19,352)	(25,884)	(4,186)	(13,156)	(8,353)
2. Transfer Out	0	13,683	0	0	0	0	0	0
C. FY2025 Forecasted Income	(\$3,606,380)	(\$1,126,395)	(\$701,222)	(\$599,609)	(\$761,133)	(\$121,313)	(\$483,347)	(\$432,497)
1. Dwelling	(1,521,289)	(474,001)	(398,603)	(412,399)	(295,848)	(59,173)	(142,376)	(127,182)
2. MTW Revenue (CFP Transfers)	(359,407)	0	0	0	0	0	(75,000)	(75,000)
3. Non-Dwelling Income	(70,820)	(7,800)	(5,800)	0	(4,800)	(5,900)	0	0
4. Operating Subsidy (HUD)	(1,617,264)	(620,994)	(284,719)	(173,010)	(449,685)	(53,240)	(260,271)	(207,615)
5. Other	(37,600)	(23,600)	(12,100)	(14,200)	(10,800)	(3,000)	(5,700)	(22,700)
D. FY2025 Forecasted Expense	\$3,501,742	\$834,071	\$737,824	\$734,661	\$731,304	\$137,715	\$473,017	\$435,489
1. Capital Outlay	144,695	2,894	1,811	9,160	1,774	515	7,798	1,007
2. Commodities	143,613	72,710	23,302	27,105	37,450	10,236	49,110	36,635
3. Grants	6,783	1,178	4,635	2,258	380	95	95	3,610
4. Management Fees	225,597	80,082	43,879	35,884	47,176	7,681	35,114	21,917
5. Salary and Benefits	1,243,481	241,541	257,595	285,716	328,262	45,393	183,390	203,166
6. Services	1,729,502	430,967	403,324	370,274	312,809	71,582	196,243	166,319
7. Travel and Training	8,071	4,699	3,277	4,264	3,454	2,213	1,267	2,835
E. Ending Reserve Balance (6/30/2025)	(\$3,390,540)	(\$807,584)	(\$714,394)	(\$711,331)	(\$708,080)	(\$133,342)	(\$457,996)	(\$421,660)
F. Average Monthly Expense	\$291,812	\$69,506	\$61,485	\$61,222	\$60,942	\$11,476	\$39,418	\$36,291
G. Total Units	206	73	40	33	43	7	32	20
H. Avg. Monthly Cost Per Unit	\$1,417	\$952	\$1,537	\$1,855	\$1,417	\$1,639	\$1,232	\$1,815
I. Total Reserve Months	12	12	12	12	12	12	12	12
J. Reserves Sufficient for HUD Standard?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes:

1. Per HUD rules, a PHA may transfer excess revenue between AMPs as long as revenue is sufficient to cover at least one month's operating expense. Transfers estimated to occur by end of FY2025

Alaska Housing Finance Corporation
Central Office Cost Center Budget
Program Summary Draft

FY2025
June 26, 2024

Housing Operations	Budget
Contractual	\$199,381
Salary and Benefits	\$2,917,003
Supplies	\$9,525
Travel and Training	\$54,501
Total:	\$3,180,410

Facilities Management (inc. \$3.0 mil. In Corporate Special Projects)	Budget
Capital Outlay	\$246,373
Contractual	\$5,372,040
Salary and Benefits	\$910,536
Supplies	\$41,348
Travel and Training	\$20,000
Total:	\$6,343,924

Total Central Office Cost Center	Budget
Contractual	\$5,571,421
Salary and Benefits	\$3,827,538
Supplies	\$50,873
Travel and Training	\$74,501
Grand Total	\$9,524,334

ALASKA HOUSING FINANCE CORPORATION BOARD CONSIDERATION MEMORANDUM

Date: June 26, 2024

Staff: Catherine Stone

Item: Consideration of a Resolution Approving FY2024 Vacated Tenant Accounts Receivable Inactivation

Background:

The Public Housing Department (PHD) submits tenant accounts receivable activity each year to the Board for its Public Housing, Section 8 New Multifamily, and Affordable Housing programs. The activity is necessary as HUD does not favorably view public housing agencies with large accounts receivable balances for families. Although PHD removes these accounts from its active accounts receivable, staff continue to take an aggressive stance on collection of these accounts.

PHD pursues two methods of collection:

- Garnishing Permanent Fund Dividends, and
- Turning over delinquent accounts throughout the fiscal year to a collection agency.

Collection activities have resulted in the following amounts recovered during the fiscal year:

	Voucher	Multifamily	Public	Unassisted	Totals
Collection	\$1,146.60	\$0.00	\$6,872.61	\$0.00	\$8,019.21
PFD	\$0.00	\$0.00	\$22,025.31	\$0.00	\$22,025.31
AHFC	\$2,272.00	\$1,127.22	\$8,055.58	\$0.00	\$11,454.80
Totals	\$3,418.60	\$1,127.22	\$36,953.50	\$0.00	\$41,499.32

The current accounts receivable balance includes the debts of clients that have vacated in the current fiscal year and previous fiscal years. In order to protect the privacy of our clients and their account information, the following summary information is presented to the Board.

Program	FY2024	
Public Housing	94	\$479,213.99
Multifamily Housing	5	\$30,039.29
Unassisted Housing	2	\$25,703.33
Total	101	\$534,956.61

Recommendation:

Staff recommends Board approval of the attached resolution that approves vacated tenant accounts receivable inactivation.

BOARD RESOLUTION OF ALASKA HOUSING FINANCE CORPORATION

RESOLUTION 2024-07

**RESOLUTION APPROVING FY2024 VACATED TENANT ACCOUNTS
RECEIVABLE INACTIVATION**

WHEREAS, certain delinquent accounts receivable of tenants who have vacated Public Housing, S8N Multifamily, and Affordable Housing developments statewide are currently reported each year to the Department of Housing and Urban Development; and

WHEREAS, Public Housing Department staff have employed all reasonable means to locate tenants and collect on these debts; and

WHEREAS, the inactivation process does not end the collection process, and any monies subsequently received will be recorded and credited to the proper accounts; and

WHEREAS, in many cases, court judgments and Permanent Fund Dividend assignments have been obtained; and

WHEREAS, 105 accounts totaling \$534,956.61 are proposed to be inactivated.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Alaska Housing Finance Corporation that the following 101 delinquent vacated tenant accounts totaling \$534,956.61 are approved for inactivation as of June 26, 2024:

1. Public Housing – 94 accounts totaling \$479,213.99; and
2. S8N Multifamily Housing – 5 accounts totaling \$30,039.29; and
3. Affordable Housing – 2 accounts totaling \$25,703.33.

This resolution shall take effect immediately.

PASSED AND APPROVED by the Board of Alaska Housing Finance Corporation this 26th day of June, 2024.

Brent LeValley – Board Chair

ALASKA HOUSING FINANCE CORPORATION BOARD CONSIDERATION MEMORANDUM

Date: June 26, 2024

Staff: Rich McKinstry
Reviewer: Jim McCall

Item: Request for \$1,500,000 from Cook Inlet Lending Center, Inc. (CILC) under the Loans-to-Sponsors Loan Program (LTSP)

Background:

Established in 1993, the Loans-to-Sponsors Program (LTSP) provides low-cost financing, subject to the availability of funds, to support an eligible sponsor's homeownership loan program. The intent of the program is to provide financing to lower-income individuals or persons who would not otherwise qualify for financing due to income limitations, down payment requirements, loan-to-value or other considerations.

Under the LTSP, AHFC lends funds to a sponsor that in turn lends the monies to its borrowers (recipients) under terms and conditions approved by AHFC. An eligible sponsor is a non-profit corporation, regional housing authority, agency of the state or a municipality in the state. The sponsor's recipients are individuals or families whose income does not generally exceed 120% of the median income for the area, adjusted for family size. AHFC takes no oversight responsibilities, other than for the sponsor's compliance with AHFC's regulations and guidelines for the program.

Cook Inlet Lending Center, Inc. (CILC) has applied for \$1,500,000 in sponsor funds for the purpose of continuing its loan program for down payment and closing cost assistance for borrowers.

Purpose of Request:

1. Continuation of the CILC down payment assistance loan program covering the Cook Inlet region;
2. Funding would provide the Sponsor with critical funds necessary to meet its allocation plan for providing assistance to borrowers who may not qualify for homeownership due to changes in the market, which include higher housing costs, low inventory in target neighborhoods and lower interest rate subsidies resulting in an increase in the need for CILC assistance; and
3. The continuation of the partnership between CILC and AHFC to provide assistance to families, making homeownership possible for lower-to-moderate-income borrowers.

Summary and Recommendation:

The Loans-to-Sponsors Program (LTSP) was designed to provide housing options or improve the quality of housing for persons of lower incomes who would not otherwise have these opportunities. CILC will be administering a comprehensive program that meets the definition and intent of the LTSP. The request for funding allows CILC to offer homeownership loans to low to moderate income borrowers within the Cook Inlet region, thus facilitating homeownership and improving the quality of housing. (See attached Appendix A)

Staff recommends approval of the \$1,500,000 loan subject to the terms and conditions of the Loans-to-Sponsors Program guidelines. In accordance with the fee schedule, a \$6,875 loan fee will be charged.

Reviewed and accepted by senior staff as substantively stated in this memorandum, subject to Board Approval:



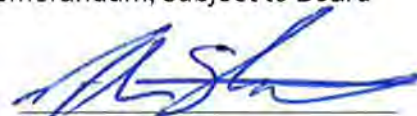
Bryan D. Butcher
CEO/Executive Director

Date: 6-17-24



Akis Gialopsos
Deputy Executive Director

Date: 6/17/24



Michael Strand
Chief Financial Officer

Date: 6/12/24

**ALASKA HOUSING FINANCE
CORPORATION RESOLUTION NO. 2024-08**

**RESOLUTION APPROVING A \$1,500,000 LOAN TO
PROVIDE FUNDS UNDER THE LOANS-TO-SPONSORS
PROGRAM TO COOK INLET LENDING CENTER, INC.**

WHEREAS, there is a need to provide for and to improve the quality of housing for persons of lower-to-moderate income; and

WHEREAS, since 2004, and at various times thereafter, Cook Inlet Lending Center, Inc. was approved for funding under the Loans-to-Sponsors Program to provide funds for its down payment and/or closing cost assistance loan program, which assists in the financing of and improvement of housing for persons of lower-to-moderate-income; and

WHEREAS, the down payment loan program continues to be in demand; and

WHEREAS, Cook Inlet Lending Center, Inc. has applied for \$1,500,000 to fund its down payment loan program; and

WHEREAS, the proposed financing falls within the established Loans-to-Sponsors Program regulations; and

WHEREAS, the proposed financing is found to be an acceptable risk to Alaska Housing Finance Corporation;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Alaska Housing Finance Corporation hereby approves the request substantively as stated in the June 26, 2024 Board Consideration Memorandum prepared in support of the application.

PASSED AND APPROVED by the Board of Alaska Housing Finance Corporation this 26th day of June, 2024.

Brent LeValley – Board Chair

ALASKA HOUSING FINANCE CORPORATION BOARD CONSIDERATION MEMORANDUM

Date: 6/26/24

Staff: Jimmy Ord – Director, Research and Rural Development Department

Item: Authorization to hold public hearings regarding proposed amendments to 15 AAC 155.300 – 15 AAC 155.350 - Article 3 - Home Energy Rating Rebate Grant

Background:

On August 16, 2022, President Biden signed a law passed by the United States Congress that provides funding for up to \$8.8 billion for Home Energy Rebates nationwide with Alaska set to receive \$74,444,011. The U. S. Department of Energy (DOE) Home Energy Rebates will provide discounts on household energy efficiency upgrades that can lower monthly utility bills.

Alaska Housing Finance Corporation (AHFC), through a relationship with the Alaska Energy Authority, is positioned to receive and administer the Home Energy Rebate programs. AHFC has prior experience administering a nearly \$250M Home Energy Rebate program: from 2008 to 2018. This State of Alaska funded program benefitted 26,587 Alaskan households, saving the average participant household 34 percent on their energy bills.

Additionally, the Alaska legislature in the 2024 legislative session provided funding to restart a program for incentivizing energy-efficient, new construction. The previous program provided 3,637 households with a rebate for constructing or buying a new home that met the 5-star-plus or 6-star energy rating standard.

If funding is retained, the reinstated program will once again provide an incentive for Alaskans who construct or purchase a home that meets AHFC's requirements.

Issue:

Since AHFC previously administered energy rebate programs, Article 3 Home Energy Rating Rebate Grant 15 AAC 155.300 – 15 AAC 155.350 is drafted toward previous program's specific details, including specifying rebate amounts. The forthcoming DOE Home Energy Rebate program guidelines have different program requirements. Additionally, the rebate amounts for the DOE programs and the new home construction rebate program need updating as they are specified in regulation.

Discussion:

The proposed changes to 15 AAC 155.300 – 15 AAC 155.350 modify the regulation to account for the new DOE program requirements and rebate amount adjustments. The following is a brief summary of the proposed changes:

15 AAC 155.300 – modifies the language to allow for the issuance of rebates for other energy saving measures approved by the Corporation.



15 AAC 155.310 – modifies the language broadening the definition of participant from homeowner to eligible rebate recipient.

15 AAC 155.320 – modifies the language by establishing a new definition for eligible dwelling unit as defined in 15 AAC 155.990(4).

15 AAC 155.325 – modifies the language by defining an eligible energy rating as in compliance with the Alaska Home Energy Rating System described in 15 AAC 155.510 – 15 AAC 155.560.

15 AAC 155.330 – modifies the language by removing the prior State of Alaska funded Home Energy Rebate program rebate amounts and provides for AHFC sole and absolute discretion determining energy rebate amounts.

15 AAC 155.340 – modifies the language by allowing for energy rebate applications for other energy saving measures on a form provided by the Corporation.

15 AAC 155.350 – no changes.

Staff Recommendation:

Staff requests authorization to hold a public hearing to obtain any testimony regarding the proposed amendments. The results of the public hearing and staff recommendation will be brought back to the AHFC Board of Directors for consideration prior to enactment of these recommendations.

Board Action Requested:

Staff requests authorization to schedule a public hearing to obtain testimony regarding the proposed amendments to Article 3 Home Energy Rating Rebate Grant 15 AAC 155.300 – 15 AAC 155.350.

BOARD RESOLUTION OF ALASKA HOUSING FINANCE CORPORATION

RESOLUTION 2024-09

RESOLUTION AUTHORIZING PUBLIC HEARINGS FOR AMENDMENTS TO:

15 AAC 155.300 – 15 AAC 155.350 – ARTICLE 3 – HOME ENERGY RATING REBATE GRANT

WHEREAS, the Corporation's regulations 15 AAC 155.300 – 15 AAC 155.350 – Article 3 – Home Energy Rating Rebate Grant is proposed to be amended to accommodate the forthcoming DOE Home Energy Rebate programs requirements and rebate amounts;

WHEREAS, the provisions of AS 18.56.088 mandate that a public hearing must be conducted prior to amendment of regulations; and

WHEREAS, a copy of the proposed changes to the regulations has been presented to the Board of Directors at this meeting;

Now, therefore, let it be resolved that:

- A. Staff is directed to hold a public hearing pursuant to the provisions of AS 18.56.088 for considerations of amendments to regulations as prepared and attached in support of this resolution; and
- B. This resolution shall take effect immediately.

PASSED AND APPROVED by the Board of Alaska Housing Finance Corporation this 26th day of June, 2024.

Brent LeValley – Board Chair

NOTICE Under AS 18.56.088(d), the agency's final regulations, or amendments of regulations, may vary in content from this proposal as long as the subject matter remains the same. If your interests could be affected by agency action on the subject of this proposal, you should make public comment to the agency during the time allowed.

HOW TO READ THESE PROPOSED REGULATIONS:

The introduction to each section will show whether it is an existing regulation being amended, an existing regulation being repealed and readopted, or a new regulation.

In amendments to existing regulations:

Underlined and bold language is new.

[UPPERCASE LANGUAGE WITHIN BRACKETS IS DELETED]

A proposed new regulation or replacement of an existing regulation will not be underlined.

Section 15 AAC 155.300 – 15 AAC 155.350 is amended as follows:

Article 3

Home Energy Rating Rebate Grant

15 AAC 155.300. Purpose. (a) The Corporation will, in its discretion, provide rebate grants under the Home Energy Rating Rebate Program established in 15 AAC 155.300 - 15 AAC 155.350 as follows: (1) energy[EFFICIENCY] rebates to **eligible rebate recipients**[HOMEOWNERS] who utilize the **Alaska** Home Energy Rating System established in 15 AAC 155.510 - 15 AAC 155.560 to construct a new, energy efficient dwelling unit or to improve the energy efficiency of an existing dwelling unit; and (2) energy [RATING] rebates to energy raters **or eligible rebate recipients for reimbursement toward the cost**[ON BEHALF OF THE HOMEOWNER TO SUBSIDIZE THE COST] of energy ratings **or for other energy saving measures approved by the Corporation.** (b) The purpose of the Home Energy Rating Rebate Program established in 15 AAC 155.300 - 15 AAC 155.350 is to assist people who **purchase or build new, energy efficient dwelling units or** make energy [RATING] improvements to their dwelling units.

15 AAC 155.310. Eligible **rebate recipient**[HOMEOWNER]. To be an eligible **rebate recipient**[HOMEOWNER], an applicant must **demonstrate through a form approved by the Corporation that the energy rebate will benefit the occupants**[CERTIFY TO THE OWNERSHIP AND YEAR-ROUND OCCUPANCY] of an **eligible** dwelling unit. **Additional** eligibility requirements **may**[WILL] be determined by the Corporation.

15 AAC 155.320. Eligible dwelling unit. A[N EXISTING] dwelling unit **as defined in 15 AAC 155.990(4)** for which an energy rating **may be performed**[OF AT LEAST ONE-STAR PLUS OR A NEW DWELLING UNIT FOR WHICH AN ENERGY RATING OF AT LEAST FIVE STAR PLUS HAS BEEN ASSIGNED] by a certificated energy rater in accordance with the **Alaska** Home Energy Rating System described in 15 AAC 155.510 - 15 AAC 155.560 is eligible for a rebate. Additional eligibility requirements may be determined by the Corporation.

15 AAC 155.325. Eligible energy rating. (a) An energy rating is valid if it is **completed in accordance**

with the Alaska Home Energy Rating System described in 15 AAC 155.510 – 15 AAC 155.560 and if it is completed on-premise[DONE] on an eligible dwelling unit for an eligible **rebate recipient**[HOMEOWNER ON A SUBSTANTIALLY COMPLETE DWELLING UNIT. (B) AN ENERGY RATING IS INELIGIBLE IF IT IS DONE: (1) FOR A GOVERNMENT-OWNED OR CONTROLLED DWELLING UNIT; OR (2) FROM PLANS OR WHEN THERE IS NO ON-SITE INSPECTION OF THE COMPLETED DWELLING UNIT].

15 AAC 155.330. Rebate amount. (a) The energy[EFFICIENT] rebate **shall be determined by the Corporation in its sole and absolute discretion and is available** to an eligible **rebate recipient**[HOMEOWNER] for a newly constructed, eligible dwelling unit **that**[WHICH ALSO] meets the Corporation's property financing requirements **and**[MAY NOT EXCEED \$7,000 FOR A "FIVE STAR PLUS" OR \$10,000 FOR A "SIX STAR"] energy rating **requirements as** assigned by a certificated energy rater in accordance with the **Alaska** Home Energy Rating System described in 15 AAC 155.510 - 15 AAC 155.560. (b) The rebate to an eligible **rebate recipient** [HOMEOWNER] for an existing eligible dwelling unit **shall be determined by the Corporation in its sole and absolute discretion**[MAY NOT EXCEED THE FOLLOWING AMOUNTS: (1) \$10,000 FOR A FIVE-STEP IMPROVEMENT; (2) \$8,500 FOR A FOUR-STEP IMPROVEMENT; (3) \$7,000 FOR A THREE-STEP IMPROVEMENT; (4) \$5,500 FOR A TWO-STEP IMPROVEMENT; AND (5) \$4,000 FOR A ONE-STEP IMPROVEMENT]. (c) [FOR PURPOSES OF 15 AAC 155.330(b), THE NUMBER OF STEPS THAT AN IMPROVEMENT EQUALS IS THE SAME AS THE NUMBER OF ENERGY EFFICIENCY RATING INCREASES RESULTING FROM THE IMPROVEMENT. (d)] For **other** eligible energy [RATING] rebates, the rebate is an amount established by the Corporation for the type of energy rating done on an eligible dwelling unit **or for energy saving measures approved by the Corporation** [ON BEHALF OF AN ELIGIBLE HOMEOWNER].

15 AAC 155.340. Application for rebate. (a) To apply for an energy[EFFICIENCY] rebate, an **eligible rebate recipient**[HOMEOWNER] shall complete an application **on a form provided by**[FOR A HOME ENERGY EFFICIENCY REBATE, AVAILABLE FROM] the Corporation[,] and shall certify **that the information provided is true and correct**[UPON IT OWNERSHIP, OCCUPANCY, AND OTHER REQUIREMENTS]. (b) The Corporation will review the energy[EFFICIENCY] rebate application and ensure that the following conditions are met: (1) all information requested on the form has been provided; (2) for a newly constructed dwelling unit, a copy of the energy rating is provided; (3) for an existing dwelling unit, copies of the energy ratings before and after the improvement are provided; (4) the rebate amount is correct; and (5) the applicant is an eligible **rebate recipient**[HOMEOWNER]. (c) For an energy rating rebate, the energy rater **or eligible rebate recipient** shall complete an application **on a form provided by the Corporation** [FOR AN ENERGY RATING REBATE ON BEHALF OF THE HOMEOWNER] and shall certify upon it the accuracy of the information provided. (d) The Corporation will review the energy rating rebate application and ensure that **program**[THE FOLLOWING] conditions are met[: (1) ALL INFORMATION REQUESTED ON THE FORM HAS BEEN PROVIDED; (2) A COPY OF THE ENERGY RATING IS PROVIDED; (3) THE HOMEOWNER AND DWELLING UNIT ARE ELIGIBLE; AND (4) THE TYPE OF ENERGY RATING PERFORMED IS ELIGIBLE]. **(e) For rebates for other energy saving measures, the applicant will complete an application on a form provided by the Corporation and shall certify that the information is true and correct.**

15 AAC 155.350. Misrepresentation. If a rebate was paid as a result of a misstatement of material fact, the applicant shall repay to the Corporation an amount equal to the rebate paid plus accrued interest at the highest permissible rate established by law calculated from the date of issuance of the rebate check by the Corporation. An individual, business, or other entity that misrepresents a material fact in order to qualify an applicant for a subsidy under this program may not receive any benefit from the Corporation for energy rating services or from the program. The Corporation, in its discretion, will reinstate eligibility to receive benefits from the program.

**ALASKA HOUSING FINANCE CORPORATION
BOARD CONSIDERATION MEMORANDUM**

Date: June 26, 2024

Item: Revenue Bond, 2022-1 (Fairbanks Affordable Housing Project)

Background:

The Fairbanks Affordable Housing Project, led by the Alaska Corporation for Affordable Housing, is an affordable 58-unit multi-family housing development in Fairbanks, Alaska (the "Project"). Construction on the Project is at 87% completion, and units are expected to be ready for occupancy later this year. Financing for the Project includes 4% low-income housing tax credits, which require at least 50% of development costs be funded with proceeds from tax-exempt bonds. The proposed bond satisfies that IRS requirement and provides the necessary funding to complete the Project.

In accordance with Board Resolution 2022-12, Alaska Housing Finance Corporation (the "Corporation") approved the issuance of Revenue Bond 2022 (Fairbanks Affordable Housing Project) (the "Original Bond"), in an amount not to exceed \$15,000,000, of which \$13,000,000 was issued. Project financing requires the issuance of an additional series of bonds, Revenue Bond, 2022-1 (Fairbanks Affordable Housing Project) (the "Bond"), in an amount not to exceed \$2,000,000.

The Bond will be sold directly to the construction lender, First National Bank Alaska (the "Purchaser"), in a private placement transaction, secured solely from payments received from Fairbanks Affordable Housing, LLC (the "Borrower"), pursuant to a new loan agreement and/or amendment to the prior loan agreement securing the Original Bond (the "Loan Agreement and/or Amendment"). The Borrower will make payments per the Loan Agreement and/or Amendment from tax-credit proceeds, cash reserves, mortgages or other revenue sources. The Corporation acts only as a conduit issuer, meaning no Corporation or State assets or revenues will be pledged to the payment of the Bond, nor shall the Bond constitute a debt liability of the Corporation or the State.

Bond Issue:

Subject to the Board's approval and in accordance with Corporation policies, the attached Resolution authorizes the issuance of Revenue Bond, 2022-1 (Fairbanks Affordable Housing Project), in an amount not to exceed \$2,000,000, and approves

various documents as required for issuance. Attached for the Board's review are the prior Loan Agreement and a draft of the new Loan Agreement and/or Amendment in substantially final form.

Recommendation:

Staff recommends Board approval.

**BOARD RESOLUTION OF ALASKA HOUSING FINANCE CORPORATION
RESOLUTION NO. 2024-10**

**RESOLUTION OF THE ALASKA HOUSING FINANCE CORPORATION
AMENDING PRIOR BOARD RESOLUTION 2022-12 AND AUTHORIZING
THE ISSUANCE AND SALE OF A NOT TO EXCEED \$2,000,000 REVENUE
BOND, 2022-1 (FAIRBANKS AFFORDABLE HOUSING PROJECT);
AUTHORIZING A LOAN AGREEMENT; AND AUTHORIZING AND
APPROVING RELATED MATTERS.**

WHEREAS, in accordance with Board Resolution 2022-12, on June 29, 2022, the Alaska Housing Finance Corporation (“the Corporation”) had determined to issue its Revenue Bond, 2022 (Fairbanks Affordable Housing Project) (the “Original Bond”), the aggregate principal amount of which would not exceed \$15,000,000, and the Original Bond was issued in an amount not to exceed \$13,000,000; and

WHEREAS, the Corporation has determined that it is necessary to issue an additional series of bonds to finance the Project, as defined below; and

WHEREAS, the Corporation has determined to issue its Revenue Bond, 2022-1 (Fairbanks Affordable Housing Project), or such other designation as deemed appropriate or desirable, the aggregate principal amount of which will not exceed \$2,000,000 (the “Bond”), and secured and payable solely from certain defined revenues as further described herein and not by the general credit or other assets or revenues of the Corporation; and

WHEREAS, First National Bank Alaska (the “Bank”) will purchase the Bond and, as payment for the Bond, will provide funds for a loan to the Corporation pursuant to a new Loan Agreement (the “Loan Agreement”) related to the Bond and/or an amendment (the “Amendment”) to the Loan Agreement dated September 1, 2022 with respect to the Original Bond (the “Original Loan Agreement”); and

WHEREAS, the Loan Agreement, if necessary or desirable, shall be in substantially the form presented to and made part of the records of this meeting and shall be entered into by the Corporation, the Bank and Fairbanks Affordable Housing, LLC, an Alaska limited liability company (the “Borrower”) and the Amendment, if necessary or desirable, shall amend the Original Loan Agreement, which form of Original Loan Agreement is also attached hereto; and

WHEREAS, pursuant to the terms of the Loan Agreement and/or Amendment, the Corporation will lend the proceeds of the Bond to the Borrower, and the Borrower will use the loan proceeds to pay the costs of the following (or to reimburse the Borrower for the payment of such costs): (1) acquisition, construction and equipping

of a 58-unit multi-family rental housing facility and other facilities functionally related and subordinate thereto in Fairbanks, Alaska, for low income tenants (the “Project”), (2) any required reserve funds, (3) capitalized interest during construction of the project and (4) certain related expenses; and

WHEREAS, the Borrower has represented to the Corporation that it will rent most or all of the units in the Project to either low income or very low income tenants; and

WHEREAS, the Loan Agreement and/or Amendment will provide for payments by the Borrower in amounts that will be sufficient to pay principal of and interest on the Bond when due; and

WHEREAS, such payments by the Borrower will be the sole source of revenues for payment of the Bond, and no assets or revenues of the Corporation will be pledged to the payment of the Bond; and

WHEREAS, all consents, proceedings, and approvals necessary for the authorization, sale, and delivery of the Bond have been taken or received;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ALASKA HOUSING FINANCE CORPORATION AS FOLLOWS:

In order to provide funds to finance the Project, the Corporation will enter into the Loan Agreement and/or Amendment and, in accordance with and pursuant to the terms of the Loan Agreement, will borrow the “2022-1 Issuer Loan” (as defined in the Loan Agreement and/or Amendment and which, pursuant to the terms of the Loan Agreement and/or Amendment, is the Bond referred to herein) in a principal amount not to exceed \$2,000,000 which will bear interest at a rate or rates determined as set forth in the Loan Agreement and/or Amendment but not to exceed an initial rate of 8% per annum and will lend the proceeds of the Bond to the Borrower to finance the Project; provided, however, that the Bond (1) bears interest at a rate or rates determined as set forth in the Loan Agreement and/or Amendment, and (2) is in substantially the form and content set forth in the Loan Agreement and/or Amendment for the “2022-1 Issuer Loan” but with such changes to the form and content as any of the Authorized Officers (as defined below) shall consider necessary or appropriate; and provided, further, that the Bond may not create a general obligation indebtedness of the Corporation but shall be payable solely from the revenues identified in the Loan Agreement and/or Amendment.

The Bond does not constitute the indebtedness or other liability of the State of Alaska or any political subdivision thereof, but shall be payable solely from certain of the payments to be made by the Borrower under the Loan Agreement and/or Amendment and certain other sources as identified in the Loan Agreement and/or

Amendment. The Corporation does not pledge the faith and credit of the Corporation or the State of Alaska or any political subdivision thereof to apply money from, or levy or pledge, any form of taxation to payment of the Bond.

The Chairman, the Vice Chairman, Chief Executive Officer/Executive Director, the Deputy Executive Director, and the Chief Financial Officer/Finance Director (each, an “Authorized Officer” and, collectively, the “Authorized Officers”) are severally authorized to approve, execute, and deliver the final form of the Loan Agreement substantially in the form presented to this meeting, or the Amendment to the Original Loan Agreement (which form of Original Loan Agreement is attached hereto) but with such changes as any of the Authorized Officers shall consider necessary or appropriate. The execution of the Loan Agreement and/or the Amendment by any Authorized Officer is conclusive evidence of approval of any and all changes, modifications, additions, or deletions to that Loan Agreement and/or the Amendment from the form or content that was presented to this meeting. Each of the Authorized Officers is authorized, empowered, and directed to do all such acts and things and to execute all such documents (the “Ancillary Documents”) as may be necessary, useful, or convenient to carry out the provisions of the Loan Agreement and/or the Amendment and to issue, sell, and deliver the Bond, including, but not limited to, executing an assignment of the Corporation’s right, title and interest in assets and revenues substantially as contemplated by the Loan Agreement and/or the Amendment (the “Assignment”) and, to provide for qualification of the interest on the Bond for exclusion from gross income for federal income tax purposes, a regulatory agreement and/or an amendment to the existing regulatory agreement related to the Project (“Regulatory Agreement”). This Resolution authorizes the Authorized Officers to issue the Bond and to enter into the Loan Agreement and/or the Amendment in the discretion of the Authorized Officers within the limitations set forth in this Resolution.

The Authorized Officers are each authorized, after execution of the Loan Agreement and/or the Amendment, to deliver the Loan Agreement and/or Amendment, the Regulatory Agreement, the Assignment and the Ancillary Documents to the Bank.

The Authorized Officers are each authorized for and on behalf of the Corporation to do or cause to be done all acts and things required or desirable to be done by the Corporation (or by any Authorized Officer) under and pursuant to the terms and conditions of the Loan Agreement and/or Amendment, the Regulatory Agreement, the Assignment and the Ancillary Documents, including all amendments, modifications, additions, or deletions deemed necessary or desirable in connection therewith and all amendments, modifications, additions, or deletions to the documents executed in connection with the issuance of the Original Bond. If documents with respect to outstanding Original Bond or the Bond are to be amended,

supplemented, extended or replaced, one or more amendments, supplements, extensions or replacement agreements, if any, to be entered into by the Corporation are hereby approved, if necessary or desirable, and each Authorized Officer is hereby authorized and directed to execute the same, with such additions or deletions as he or she shall deem necessary or desirable.

This Resolution shall take effect immediately.

PASSED AND APPROVED by the Board of Alaska Housing Finance Corporation this June 26th, 2024.

Brent LeValley – Board Chair

LOAN AGREEMENT
(Fairbanks Affordable Housing Project)

among

FIRST NATIONAL BANK ALASKA,
as Lender

and

ALASKA HOUSING FINANCE CORPORATION,
as Issuer

and

FAIRBANKS AFFORDABLE HOUSING, LLC,
as Borrower

dated as of September 1, 2022

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LOAN AGREEMENT

This Loan Agreement, dated as of September 1, 2022 (the “Loan Agreement”), among **First National Bank Alaska**, a national banking association (the “Lender”), **Alaska Housing Finance Corporation**, a public corporation and government instrumentality of the State of Alaska, as Issuer (the “Issuer”), and **Fairbanks Affordable Housing, LLC**, an Alaska limited liability company (the “Borrower”).

WITNESSETH:

WHEREAS, the Issuer was established for the purpose, among other things, of assisting in the acquisition and development of land and the construction, rehabilitation, financing, management, maintenance, sale, and rental of dwelling units for persons of lower and moderate income in Alaska pursuant to the provisions of Chapters 55 and 56 of Title 18, Alaska Statutes, as amended (the “Act”); and

WHEREAS, the Borrower desires to finance the Project (as further described and defined herein, the “Project”) on the terms and conditions set forth below; and

WHEREAS, the Issuer has determined that the financing of the Project is in furtherance of the purposes of the Issuer set forth above; and

WHEREAS, in order to finance the costs of Project, the Issuer intends to incur indebtedness to the Lender (as further described and defined herein, the “Issuer Loan”), the interest with respect to which shall be excluded from gross income of the Holder (as defined herein) for federal income tax purposes pursuant to 26 U.S.C. 103, as amended to the date hereof (provided, however, that the Lender understands and agrees that the Issuer Loan shall not be a “qualified tax-exempt obligation” for purposes of 26 U.S.C. 265, as amended to the date hereof) and shall be exempt from State taxation, except for transfer, estate, and inheritance taxes; and

WHEREAS, the Issuer intends to lend the proceeds of the Issuer Loan to the Borrower (as further described and defined herein, the “Borrower Loan”); and

WHEREAS, for and in consideration of the Issuer making the Borrower Loan, the Borrower agrees, among other things, to pay when and as due, the principal of, and the premium, if any, and interest on, the Borrower Loan and to pay, when and as due, all other Additional Payments (as defined herein); and

WHEREAS, the Issuer will assign the payments due under the Borrower Loan pursuant to this Loan Agreement (except any payments due to the Issuer pursuant to Reserved Issuer Rights) to the Lender; and

WHEREAS, the Borrower shall make Payments (as defined herein, the “Payments”) directly to the Lender as assignee of the Issuer; and

WHEREAS, the Issuer, the Lender, and the Borrower have duly authorized the execution and delivery of this Loan Agreement; and

WHEREAS, the Issuer's obligations and liabilities under this Loan Agreement, including the Issuer Loan, (1) are revenue obligations of the Issuer and are not general obligations of the Issuer and (2) are payable solely from the Payments and other security described in Sections 4.04 and 4.05 herein; and

WHEREAS, the obligations and liabilities of the Issuer under this Loan Agreement, including the Issuer Loan, do not constitute a debt, liability, or obligation of the State or of any political subdivision of the State or a pledge of the faith and credit of the State or of a political subdivision of the State; the obligations and liabilities of the Issuer under this Loan Agreement, including the Issuer Loan, are payable solely from the Payments and other security described in Sections 4.04 and 4.05 herein;

NOW, THEREFORE, in consideration of the payments to be made hereunder and the mutual covenants contained herein, the parties agree as follows:

ARTICLE I

DEFINITIONS

As used in this Loan Agreement, the terms defined in the foregoing recitals have the meanings given therein, and the following terms used herein have the meanings indicated below unless the context clearly requires otherwise.

"Accountant" means an independent certified public accountant or a firm of independent certified public accountants, selected by the Borrower and satisfactory to the Lender.

"Act" means Chapters 55 and 56 of Title 18, Alaska Statutes.

"Additional Payments" means the amounts, other than Payments, payable by the Borrower pursuant to the provisions of this Loan Agreement, including, without limitation, the Issuer Fees and Expenses, the Lender Fees, amounts pursuant to Section 12.03 hereof, indemnity payments and reimbursement of advances due hereunder.

"Affiliate" means an affiliate of the Lender or any related entity, 100% of whose common stock is directly or indirectly owned by the Lender.

"Affiliated Party" means a member of the Borrower, a person whose relationship with the Borrower would result in a disallowance of losses under Section 267 or 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).

"Agreement to Provide Insurance" means the Agreement to Provide Insurance, dated as of the Closing Date, by and between the Borrower and the Issuer.

"Assignment Agreement" means the Assignment Agreement dated as of September 13, 2022 between the Issuer and the Lender.

“Assignment of Construction Contracts” means the Assignment of Construction Contracts, dated as of the Closing Date, by and between Borrower and Lender.

“Authorized Borrower Representative” means Bryan Butcher, President of the Guarantor, the President of Alaska Corporation for Affordable Housing, the Managing Member of Fairbanks Affordable Housing Partners MM, LLC, the Managing Member of Borrower under the Operating Agreement.

“Bond Counsel” means the attorney(s) or firm(s) of attorneys selected by the Issuer as its bond counsel.

“Borrower” means (a) Fairbanks Affordable Housing, LLC, an Alaska limited liability company; (b) any surviving, resulting or transferee entity thereof permitted pursuant to the terms of this Loan Agreement; and (c) except where the context requires otherwise, any assignee or assignees of the Borrower permitted pursuant to the terms of this Loan Agreement.

“Borrower Loan” means the loan of proceeds from the Issuer Loan by the Issuer to the Borrower pursuant to this Loan Agreement.

“Borrower Loan Proceeds” means an amount not to exceed \$13,000,000 to be paid or provided by the Issuer to the Borrower as the Borrower Loan.

“Business Day” means any day which is not one of the following: (a) a Saturday, Sunday or legal holiday as set forth by the Federal Reserve Bank of San Francisco; (b) any other day on which banks in Fairbanks, Alaska, New York, New York or San Francisco, California are authorized or required to be closed by the appropriate regulatory authorities; or (c) a day on which the New York Stock Exchange is authorized or required to be closed.

“Change in Law” means the occurrence, after the date of this Loan Agreement regardless of the date enacted, adopted or issued, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any governmental authority, (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any governmental authority, (d) all rules, guidelines or directives under, or issued in connection with, the Dodd-Frank Wall Street Reform and Consumer Protection Act, and (e) all rules, guidelines or directives promulgated by the Bank for International settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case pursuant to Basel III.

“Closing Date” means September 14, 2022.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Collateral” means, collectively, the Property (as defined in the Deed of Trust) and the Collateral (as defined in the Security Agreement).

“Completion Date” means the date of the completion of the construction and equipping of the Project.

“*Completion Notice*” means a certificate stating that the Improvements are complete and that no further Draw Requests will be submitted.

“*Construction Loan Agreement*” means the Construction Loan Agreement dated as of the date hereof between Borrower and Lender.

“*Contractor*” means, collectively or severally, as the context thereof shall suggest or require the general contractor and any other person or entity with whom the Borrower contracts for the construction of the Improvements or any portion thereof.

“*Deed of Trust*” means the Construction Deed of Trust, dated as of September 13, 2022, by the Borrower to Fidelity Title Agency of Alaska for the benefit of the Issuer.

“*Default*” means an event that, with giving of notice or passage of time or both, would constitute an Event of Default as provided in Article XI hereof.

“*Default Rate*” means the rate set forth in the Promissory Note as the rate of interest after default but not to exceed the lesser of 8% or the highest rate permitted by law.

“*Determination of Taxability*” means any determination, decision, decree or advisement by the Commissioner of Internal Revenue, or any District Director of Internal Revenue or any court of competent jurisdiction, or an opinion obtained by the Lender, of Bond Counsel, that an Event of Taxability has occurred. A Determination of Taxability also shall be deemed to have occurred on the first to occur of the following:

- (a) the date when the Borrower files any statement, supplemental statement, or other tax schedule, return or document, which discloses that an Event of Taxability has occurred;

- (b) the effective date of any federal legislation enacted or federal rule or regulation promulgated after the date of this Loan Agreement that causes an Event of Taxability; or

- (c) the date of the sale or lease of the Facility or the date of any other deliberate action with respect to the Facility within the meaning of Treas. Reg. § 1.141-2(d) if, on or prior to either such date, the Lender has not received an unqualified opinion of Bond Counsel to the effect that such action will not cause interest on the Issuer Loan to become includable in the gross income of the recipient for purposes of federal income taxation;

“*Draw Request*” means a Project Fund Draw Request made by the Borrower substantially in the form attached hereto as Exhibit F.

“*EMMA*” means the Municipal Securities Rulemaking Board’s Electronic Municipal Access System or any service or services established by the Municipal Securities Rulemaking Board (or any of its successors) as a successor to the Electronic Municipal Access System.

“*Environmental Laws*” means any federal, state or local law (whether imposed by statute, or administrative or judicial order, or common law), now or hereafter enacted, governing health, safety, industrial hygiene, the environment or natural resources, or Hazardous Materials, including, such laws governing or regulating the use, generation, storage, removal, recovery, treatment, handling, transport, disposal, control, discharge of, or exposure to, Hazardous Materials.

“*Event of Indirect Taxability*” means the enactment of any federal legislation, or the promulgation of any federal rule or regulation, after the date of this Loan Agreement, that has the effect (no matter how accomplished or implemented) of causing all or any portion of the interest on the Issuer Loan to be taken into account under any provision of the Code in such manner as to cause an increase in the federal income tax liability of the Lender.

“*Event of Taxability*” means: (a) the application of the proceeds of the Issuer Loan, or other amounts treated as “gross proceeds” of the Loan, in such manner that the Issuer Loan becomes an “arbitrage bond” within the meaning of Code Sections 103(b)(2) and 148, with the result that interest on the Issuer Loan is or becomes subject to federal income taxation of the Holder of the Issuer Loan; or (b) if as a result of any act, failure to act, or use of the proceeds of any portion of the Issuer Loan or the Project or any misrepresentation or inaccuracy in any of the representations, warranties or covenants contained in this Loan Agreement or the enactment of any federal legislation or the promulgation of any federal rule or regulation after the date of this Loan Agreement, all or any portion of the interest on the Issuer Loan becomes subject to federal income taxation.

“*Facility*” means collectively (a) all buildings, structures and other Improvements situated, placed or constructed on the Land; and (b) all materials, supplies, equipment, apparatus and other items of personal property owned by the Borrower and attached to, installed in or used in connection with the Land, including (without limitation) water, gas, electrical, storm and sanitary sewer facilities and all other utilities whether or not situated in easements.

“*GAAP*” means generally accepted accounting principles in the United States of America set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States of America, that are applicable to the circumstances as of the date of determination, consistently applied.

“*Gross-Up Rate*” means, with respect to the Loan, an interest rate equal to 4.50% per annum plus a rate sufficient such that the total interest to be paid on any payment date would, after such interest was reduced by the amount of any federal, state and local income tax (including any interest or penalties) actually imposed thereon, equal the amount of interest due with respect to the Loan.

“*Guarantor*” means Alaska Corporation for Affordable Housing, an Alaska nonprofit corporation, and its successors and assigns.

“Guaranty Agreement” means, collectively or individually, as the content may imply, each Guaranty Agreement, described as the Commercial Guaranty dated as of September 13, 2022, by Guarantor in favor of Lender.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, materials, contaminants, chemicals, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“Holder” means either the Lender or a Qualified Institutional Buyer to which the Loan is assigned.

“Improvements” means the capital improvements to be financed in part with a portion of the proceeds of the Borrower Loan and consist of a low income housing project of 58 residential units and other ancillary facilities located at the Property.

“Inducement Date” means January 31, 2022 for up to \$12,000,000 and June 28, 2022 for up to \$15,000,000.

“Initial Draw Date” means September 14, 2022, the date of the initial draw.

“Issuer Fees and Expenses” means the fees and expenses described in Section 3.04 hereof.

“Issuer Loan” means the loan to the Issuer from the Lender made pursuant to this Loan Agreement; for purposes of description of the Issuer Loan in an IRS Form 8038 relating thereto or any other document pertaining to the Issuer Loan, the Issuer may refer to the Issuer Loan as the Alaska Housing Finance Corporation Revenue Bond, 2022 (Fairbanks Affordable Housing Project).

“Issuer Loan Proceeds” means an amount not to exceed \$13,000,000 to be paid or provided by the Lender to the Issuer as the Issuer Loan.

“Land” means the real property located in the City of Fairbanks, Alaska, and as more particularly described on Exhibit A attached hereto, together with any greater estate therein as hereafter may be acquired by the Borrower, known as Fairbanks Affordable Housing, Fairbanks, Alaska.

“Lender” means (a) First National Bank Alaska; (b) any surviving, resulting or transferee corporation of First National Bank Alaska; and (c) if this Loan Agreement and the Issuer Loan have been assigned by the Lender pursuant to Section 10.01 hereof, such assignee shall be considered the Lender with respect to this Loan Agreement and the Issuer Loan, subject to Section 10.01.

“Lender’s Counsel” means Fenimore, Kay, Harrison & Ford, LLP.

“*Lender Fees*” means, with respect to the Loan Agreement, the fee payable to the Lender for the Lender’s services in connection with the preparation, review and execution of this Loan Agreement, as further defined in Section 12.03.

“*Lien*” shall have the meaning set forth in Section 8.01 hereof.

“*Lien Claims*” shall have the meaning set forth in Section 8.01 hereof.

“*Limited Investor*” means Wincopin Circle LLLP, a Maryland limited liability limited partnership, and its successors and assigns.

“*Loan*” means, collectively, the Issuer Loan and the Borrower Loan, each in an aggregate principal amount not to exceed \$13,000,000.

“*Loan Documents*” means, collectively, this Loan Agreement, the Promissory Note, the Deed of Trust, the Construction Loan Agreement, the Security Agreement, the Assignment Agreement, the Assignment of Construction Contracts, the Guaranty Agreement, Regulatory Agreement and the Tax Agreement.

“*Loan Agreement*” means, collectively, this Loan Agreement and the Draw Requests, including the Exhibits hereto, as any of the same may be supplemented or amended from time to time in accordance with the terms hereof.

“*Managing Member*” means Fairbanks Affordable Housing Partners MM, LLC, an Alaska limited liability company, the managing member of the Borrower.

“*Material Adverse Change*” means the occurrence of any event or change which in the reasonable discretion of the Lender results in a material and adverse change in the business, assets, liabilities, condition (financial or otherwise), operations or prospects of the Borrower since June 30, 2022, or which in the sole reasonable discretion of the Lender materially and adversely affects (a) the enforceability of this Loan Agreement or any related document, (b) the ability of the Borrower to perform its obligations hereunder or thereunder or (c) the rights of or benefits or remedies available to the Lender under this Loan Agreement or any related documents.

“*Maturity Date*” means March 14, 2025, which date shall be deemed to be the maturity date with respect to the Lender’s commitment hereunder, unless the Loan is extended at the option of the Lender pursuant to Section 4.08(e).

“*Net Proceeds*” means any insurance proceeds or condemnation award paid with respect to the Facility, to the extent remaining after payment therefrom of all expenses incurred in the collection thereof.

“*Obligation*” means Payments and Additional Payments payable by the Borrower pursuant to the provisions of this Loan Agreement.

“*Operating Agreement*” means the First Amended and Restated Operating Agreement of Borrower dated as of September 14, 2022.

“*Patriot Act*” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107 56 (signed into law October 26, 2001).

“*Payments*” means payments of principal, interest and prepayment charges with respect to the Loan (excluding, Additional Payments, including, without limitation, the Issuer Fees and Expenses and the Lender Fees payable to the Lender and the Issuer hereunder) payable by the Borrower pursuant to the provisions of this Loan Agreement. Payments shall be payable by the Borrower directly to the Lender as assignee of the Issuer, in the amounts and at the times as set forth in this Loan Agreement.

“*Permitted Encumbrances*” means (a) Liens and security interests securing indebtedness owed by the Borrower to the Issuer and/or the Lender including the Deed of Trust and the Security Agreement; (b) Liens arising by reason of good faith deposits in connection with tenders, leases of real estate, bids or contracts (other than contracts for the payment of borrowed money); (c) any Lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable the Borrower to maintain self insurance or to participate in any funds established to cover any insurance risks or in connection with workers’ compensation, unemployment insurance, pensions or profit sharing plans or other social security plans or programs, or to share in the privileges or benefits required for corporations participating in such arrangements; (d) Liens arising by reason of good faith deposits made by or to the Borrower in the ordinary course of business (for other than borrowed money), deposits by the Borrower to secure public or statutory obligations or deposits to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges; (e) attachment or judgment liens not constituting a default hereunder or under the Deed of Trust, or any attachment or judgment lien against the Borrower so long as such judgment is being contested in accordance with the Lien Contest Criteria set forth in Section 8.01 hereof; (f) any claim against the Borrower which does not include any prejudgment right to attachment to, or prejudgment lien rights against, the Collateral or other assets of the Borrower, so long as such claim is being contested in good faith and with due diligence, without regard to the Lien Contest Criteria set forth in Section 8.01 hereof; (g) rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law affecting the Property, to: (1) terminate such right, power, franchise, grant, license, or permit, provided, that the exercise of such right would not materially impair the use of such Property in the ordinary course by the Borrower or materially and adversely affect the value thereof, or (2) purchase, condemn appropriate or recapture, or designate a purchaser of, the Property or any portion thereof; (h) Liens for taxes, assessments, or similar charges either not yet due or being contested in accordance with the Lien Contest Criteria set forth in Section 8.01 hereof; (i) Liens of materialmen, mechanics, warehousemen, or carriers, or other like Liens arising in the ordinary course of business and securing obligations which are not yet delinquent; or which are being contested in accordance with the Lien Contest Criteria set forth in Section 8.01 hereof; (j) easements, rights of way, servitudes, restrictions, oil, gas, or other mineral reservations and other minor defects, encumbrances, and irregularities in the title to the Property which do not materially impair the use of such Property in the ordinary course by the Borrower or materially

and adversely affect the value thereof; (k) rights reserved to or vested in any municipality or public authority to control or regulate the Property or to use such Property in any manner, which rights do not materially impair the use of such Property or materially and adversely affect the value thereof, to the extent that it affects title to the Property; (l) Liens on property received by the Borrower through gifts, grants or bequests, such Liens being due to restrictions on such gifts, grants or bequests or the income thereon, so long as the fair market value of any such property is greater than the amount of the indebtedness secured by the Lien on such property; (m) Liens to secure indebtedness permitted by Section 8.06 of this Loan Agreement, so long as such Liens are subordinate to the Liens securing the Loan in priority and right of payment; (n) the exceptions to coverage of the Title Policy as approved by the Lender and attached hereto as Exhibit E; (o) use or license agreements which are immaterial with respect to use of portions of the Facility for purposes consistent with the Borrower's purpose of providing housing for low and moderate income tenants; and (p) any Liens approved in writing by the Lender.

"Permitted Indebtedness" means the List of Permitted Indebtedness attached hereto as Exhibit D.

"Person" means any legal entity as the context may require.

"Phase I Environmental Report" means the Phase I Environmental Site Assessment, by Environmental Management, Inc., dated May 3, 2022 and Design Alaska, dated January 20, 2022.

"Plans and Specifications" means the Borrower's plans and specifications for the Improvements, as amended from time to time, which include a construction budget for the Improvements and an allocation of the sources and uses of funds for the Improvements.

"Prime Rate" means, for any date of determination, the rate of interest per annum most recently established by First National Bank Alaska in its sole discretion as its "prime rate." The parties hereto acknowledge that the rate announced by First National Bank Alaska as its prime rate is an index or base rate and shall not necessarily be publicly announced or be its lowest or best rate charged to its customers or other banks. If at any time (a) First National Bank Alaska ceases to exist or (b) First National Bank Alaska ceases to establish or publish a prime rate from which the Prime Rate is then determined, the applicable variable rate from which the Prime Rate is determined thereafter shall be instead the prime rate reported in The Wall Street Journal (or the average prime rate if a high and a low prime rate are therein reported). Each change in the Prime Rate shall be effective without notice as of the opening of business on the day such change in the Prime Rate occurs.

"Prior Interest Payment" means a payment of interest on the Borrower Loan made on or prior to the date of any Determination of Taxability that becomes includible in the gross income of the Holder of the Issuer Loan for purposes of federal income taxation as a result of the Determination of Taxability.

"Project" means the acquisition, construction, rehabilitations, renovation, furnishing and equipping of the Improvements.

“*Project Costs*” means the cost of the Project and, subject to the limitations set forth in the Tax Agreement and the Regulatory Agreement, the costs of issuing the Loan incurred by the Borrower.

“*Project Fund*” means that fund established pursuant to Section 3.02 hereof.

“*Promissory Note*” means the Promissory Note dated as of the Closing Date, executed by the Borrower.

“*Property*” means collectively, the Land and the Facility.

“*Qualified Institutional Buyer*” shall have the meaning ascribed thereto in the attachment to Exhibit B.

“*Qualified Project Costs*” means the Project Costs (excluding issuance costs) incurred not earlier than the date 60 days prior to the Inducement Date which either constitute land or property of a character subject to the allowance for depreciation under Section 167 of the Code, or are chargeable to a capital account with respect to the Project for federal income tax and financial accounting purposes, or would be so chargeable either with a proper election by the Borrower or but for the proper election by the Borrower to deduct those amounts; provided, however, that only such portion of the interest accrued on the Bond during the construction of the Project shall constitute Qualified Project Costs as bear the same ratio to all such interest or fees, as applicable, as the Qualified Project Costs bear to all Project Costs; and provided further that interest accruing on or after the Completion Date shall not be Qualified Project Costs; and provided finally that if any portion of the Project is being constructed by the Borrower or an Affiliated Party (whether as a general contractor or a subcontractor), “Qualified Project Costs” shall include only (a) the actual out of pocket costs incurred by the Borrower or such Affiliated Party in constructing the Project (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Borrower or such Affiliated Party (but excluding any profit component) and (c) any overhead expenses incurred by the Borrower or such Affiliated Party which are directly attributable to the work performed on the Project, and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the construction of the Project or payments received by such Affiliated Party due to early completion of the Project (or any portion thereof). Qualified Project Costs do not include Costs of Issuance. Notwithstanding anything herein to the contrary, no Project Costs relating to the acquisition of the Project or any assets relating thereto (including, without limitation, rights and interests with respect to development of the Project) shall constitute “Qualified Project Costs” unless, at the time Bond proceeds are expended to pay such costs, the Borrower and the seller of such assets are not “related parties” as such term is defined in Section 1.150 1(b) of the Regulations.

“*Regulatory Agreement*” means that certain Regulatory Agreement, dated as of September 1, 2022.

“*Repayment Date*” means the date of repayment pursuant to Section 4.08(e), which is March 14, 2025.

“*Reserved Issuer Rights*” means the Issuer’s rights to the Issuer Fees and Expenses, indemnification, notices, opinions, certifications, information, inspections and consents pursuant to this Loan Agreement, the Regulatory Agreement and the Tax Agreement.

“*Security Agreement*” means the Commercial Security Agreement of even date by and between the Borrower and the Issuer.

“*State*” means the State of Alaska.

“*Statutory Bond Criteria*” has the meaning set forth in Section 8.01 hereof.

“*Tax Agreement*” means the Tax Agreement executed and delivered by the Issuer and the Borrower, together with any supplements or certificates related thereto.

“*Title Insurer*” means Fidelity Title Agency of Alaska, LLC.

“*Title Policy*” means an ALTA (or equivalent) mortgagee policy of title insurance with coverage in an amount equal to the principal amount of the Loan, with reinsurance and endorsements as the Lender may require, containing no exceptions to title (other than Permitted Encumbrances) which are unacceptable to the Lender, and insuring that the Deed of Trust is a first-priority lien on the Property.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE ISSUER AND THE BORROWER

Section 2.01. Representations, Warranties and Covenants of the Issuer. The Issuer represents, warrants and covenants for the benefit of the Lender and the Borrower that as of the Closing Date:

(a) The Issuer is a public corporation and government instrumentality of the State and is duly authorized to enter into this Loan Agreement and to perform its obligations under this Loan Agreement.

(b) To the best knowledge of the Issuer, all requirements have been met and procedures have occurred in order to authorize the execution and delivery of this Loan Agreement by the Issuer. To the best knowledge of the Issuer, the Issuer has taken all necessary action and has complied with all provisions of the law required to make this Loan Agreement a valid and binding limited obligation of the Issuer, and this Loan Agreement is a valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, except to the extent limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors’ rights generally, by the application of equitable principles regardless of whether enforcement is sought in a proceeding at law or in equity, or by public policy.

(c) This Loan Agreement has been duly authorized, executed and delivered by the Issuer. Nothing in this Loan Agreement shall be construed as requiring the Issuer to provide any financing for the Project other than the proceeds of the Issuer Loan.

(d) To the best knowledge of the Issuer, there is no action, suit, proceeding, inquiry or investigation by or before any court, governmental agency or public board or body pending or threatened against the Issuer which (i) affects or seeks to prohibit, restrain or enjoin the origination of the Loan or the lending of the proceeds of the Issuer Loan to the Borrower, or the execution and delivery of this Loan Agreement or the Tax Agreement; (ii) affects or questions the validity or enforceability of this Loan Agreement; or (iii) questions the tax-exempt status of interest of the Issuer Loan.

(e) The Issuer hereby incorporates by reference the certifications made by it in the Closing Certificate of the Issuer delivered on, and dated as of, the Closing Date.

Section 2.02. Representations, Warranties and Covenants of the Borrower. The Borrower represents, warrants and covenants, for the benefit of the Lender and the Issuer that (such representations, warranties and covenants to remain operative and in full effect regardless of any investigations by or on behalf of the Issuer and regardless of the results of any such investigations):

(a) The Borrower is a limited liability company duly organized and in good standing under the laws of the State, has full legal right, power and authority to enter into the Loan Documents, and to carry out all of its obligations under and consummate all transactions contemplated by the Loan Documents, and by proper organizational action has duly authorized the execution, delivery and performance of the Loan Documents by the Borrower.

(b) As of the Closing Date, the officer of the Borrower executing the Loan Documents is duly and properly in office and fully authorized to execute the same.

(c) The Loan Documents have been duly authorized, executed and delivered by the Borrower.

(d) The Loan Documents constitute the legal, valid and binding agreements of the Borrower enforceable against the Borrower by the Lender in accordance with their terms, and any rights of the Issuer and obligations of the Borrower to the Issuer that are not assigned to the Lender constitute the legal, valid, and binding agreements of the Borrower enforceable against the Borrower by the Issuer in accordance with their terms, except, in each case, as enforcement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles regardless of whether enforcement is sought in a proceeding at law or in equity and by public policy.

(e) The execution and delivery of the Loan Documents, the consummation of the transactions contemplated by the Loan Documents and the fulfillment of or compliance with the terms and conditions of the Loan Documents, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or

both) under the certificate of organization of the Borrower, its operating agreement, any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Loan Documents, or the financial condition, assets, properties or operations of the Borrower.

(f) No consent or approval of any trustee or holder of any indebtedness of the Borrower or any guarantor of indebtedness of or other provider of credit or liquidity of the Borrower, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except with respect to any state securities or “blue sky” laws) is necessary in connection with the execution and delivery of the Loan Documents, or the consummation of any transaction contemplated by the Loan Documents, or the fulfillment of or compliance with the terms and conditions of the Loan Documents, except as have been obtained or made and as are in full force and effect.

(g) Except as previously disclosed to the Lender and the Issuer, there is no action, suit, proceeding, inquiry or investigation, before or by any court or federal, state, municipal or other governmental authority, pending, or to the knowledge of the Borrower, after reasonable investigation, threatened, against or affecting the Borrower or the assets, properties or operations of the Borrower which, if determined adversely to the Borrower or its interests, would have a material adverse effect upon the consummation of the transactions contemplated by, or the validity of, the Loan Documents, or upon the financial condition, assets, properties or operations of the Borrower, and the Borrower is not in default (and no event has occurred and is continuing which with the giving of notice or the passage of time or both could constitute a default) with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Loan Documents, or the financial condition, assets, properties or operations of the Borrower. All tax returns (federal, state and local) required to be filed by or on behalf of the Borrower have been filed, and all taxes shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Borrower in good faith, have been paid or adequate reserves have been made for the payment thereof which reserves, if any, are reflected in the audited financial statements described therein. The Borrower enjoys the peaceful and undisturbed possession of all of the premises upon which it is operating its facilities.

(h) No written information, exhibit or report furnished to the Lender by the Borrower in connection with the negotiation of the Loan Documents contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that with respect to projected financial

information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

(i) Reserved.

(j) The Borrower has good and marketable title to the Property, in each case free and clear from all encumbrances other than Permitted Encumbrances.

(k) Reserved.

(l) Except as disclosed in the Phase I Environmental Report, the Borrower complies in all material respects with all applicable Environmental Laws.

(m) Except as disclosed in the Phase I Environmental Report, to the best of the Borrower's knowledge, neither the Borrower nor the Facility are the subject of a federal, state or local investigation evaluating whether any remedial action is needed to respond to any alleged violation of or condition regulated by Environmental Laws or to respond to a release of any Hazardous Materials into the environment.

(n) As of the Closing Date, the Borrower does not have any material contingent liability in connection with any release of any Hazardous Materials into the environment.

(o) Reserved.

(p) Reserved.

(q) No Event of Default or Default under Section 11.01 of this Loan Agreement has occurred and is continuing.

(r) The Borrower is not in default under and is not violating any provision of its certificate of organization or operating agreement or, to the knowledge of the Borrower after due inquiry, any material provision of any material indenture, mortgage, lien, administrative regulations, order, judgment, decree or other instrument or restriction of any kind or character to which it is a party or by which it is bound or to which it or any of its assets is subject.

(s) The Borrower acknowledges, represents and warrants that it understands the nature and structure of the transactions relating to the Loan; that it is familiar with the provisions of all of the documents and instruments relating to such financing to which the Borrower is a party or of which it is a beneficiary; that it understands the risks inherent in such transactions; and that it has not relied on the Issuer for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by this Loan Agreement or otherwise relied on the Issuer for any advice or otherwise.

(t) All material certificates, approvals, permits and authorizations of applicable local governmental agencies, and agencies of the State and the federal government have been or will be obtained with respect to the acquisition of the Property

and the construction and installation of the Project and operation of the Facility, and the Project has been acquired, constructed and installed and the Facility will be operated pursuant to and in accordance with such certificates, approvals, permits and authorizations.

(u) No portion of the Facility financed with the proceeds of the Issuer Loan includes any property used or to be used for sectarian instruction or study, as a place for devotional activities or religious worship, or in connection with any part of the program of a school or department of divinity for any religious denomination.

(v) All financial and other information provided to the Lender by or on behalf of the Borrower and Guarantor in connection with this Loan Agreement is true and correct in all material respects and, as to projections, valuations or pro forma financial statements, present a good faith opinion as to such projections, valuations and pro forma condition and results.

(w) The Borrower is currently in compliance, and in the future will comply, with all applicable nondiscrimination laws.

ARTICLE III

ISSUANCE OF LOAN; APPLICATION OF PROCEEDS

Section 3.01. Loan to Finance the Project.

(a) The Lender hereby agrees to loan up to \$13,000,000 to the Issuer and the Issuer hereby agrees, subject to the limitations set forth herein, to borrow up to such amount from the Lender and to lend the Issuer Loan Proceeds to the Borrower for the purposes of financing the Project. The Loan is non-revolving. Any portion of the Loan repaid may not be reborrowed.

(b) The Borrower shall design, acquire, rehabilitate, construct, improve and equip the Improvements with all reasonable dispatch, substantially in accordance with the Plans and Specifications. The Borrower shall (a) pay when due all fees, costs and expenses incurred in connection with the foregoing from funds made available therefor in accordance with this Loan Agreement, or otherwise, unless any such fees, costs or expenses are being contested by the Borrower in good faith and by appropriate proceedings; (b) as the Borrower deems reasonably appropriate and in its best interests, ask, demand, sue for, levy, recover and receive all those sums of money, debts and other demands whatsoever which may be due, owing and payable under the terms of any contract, order, receipt, writing and instruction in connection with the design, construction and equipping of the Improvements; and (c) as the Borrower deems reasonably appropriate and in its best interests, enforce the provisions of any contract, agreement, obligation, bond or other performance security with respect thereto. The Borrower may revise the Plans and Specifications from time to time, provided that no revision shall be made which would change the purposes of the Improvements in a way that would adversely affect the tax-exempt status of interest on the Issuer Loan or which

would change the purposes of the Improvements to purposes that are not permitted by the Act or by the resolution of the Issuer's Board of Directors authorizing the Issuer to enter into this Loan Agreement. Upon the completion of the Improvements, the Borrower shall provide the Lender with a Completion Notice.

(c) Upon fulfillment of the conditions precedent set forth in Section 5.01 hereof, the Lender shall disburse the Issuer Loan Proceeds in the amount of at least \$50,001 to the Title Insurer. The Title Insurer shall then disburse the portion of the Issuer Loan Proceeds it receives on the Initial Draw Date in accordance with the escrow instructions provided to the Title Insurer by the Lender and the Borrower.

(d) Subject to the terms and conditions in Sections 4.03 and Article V hereof, the Lender shall disburse the Issuer Loan Proceeds from time to time into the Project Fund pursuant to Draw Requests. The aggregate principal amount of the Loan outstanding under this Loan Agreement is set forth in Exhibit G hereto, as such Exhibit G may be amended from time to time pursuant to Section 5.02(b) hereof.

(e) The Issuer's obligation to repay the Issuer Loan and the Borrower's obligation to repay the Borrower Loan shall commence, and interest shall begin to accrue, on the Initial Draw Date.

Section 3.02. Establishment and Application of Project Fund. The Borrower shall establish and maintain a subaccount designated as the "Project Fund" within its account maintained at First National Bank Alaska (Routing 125200060 Account #31576051). The Borrower shall maintain a separate record of the Project Fund on its books and shall account for all deposits and withdrawals from the Project Fund in accordance with the Borrower's accounting procedures. The Lender shall deposit the Issuer Loan Proceeds into the Project Fund to be used and withdrawn by the Borrower as the Borrower Loan pursuant to a Draw Request to pay Project Costs. No moneys in the Project Fund may be used to pay Additional Payments. Amounts in the Project Fund may be invested in Permitted Investments as directed by the Borrower.

Section 3.03. Term. The term of this Loan Agreement shall commence on the Closing Date and shall terminate upon the earliest to occur of any of the following events:

(a) so long as no Event of Default has occurred and is continuing hereunder, the payment by the Borrower of all Payments with respect to the Borrower Loan, any rebate payments and any other payments required to be paid by the Borrower hereunder;

(b) so long as no Event of Default has occurred and is continuing hereunder, the prepayment pursuant to the terms herein of the entire outstanding principal amount, accrued interest and other amounts due hereunder; or

(c) the Lender's election to terminate this Loan Agreement under Article XI due to an Event of Default hereunder.

Section 3.04. Costs and Expenses of the Issuer. The Borrower shall pay to the Issuer the following “Issuer Fees and Expenses”:

(a) All taxes and assessments of any type or character charged to the Issuer affecting the amount available to the Issuer from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding any taxes based upon the capital or income of the Issuer; provided, however, that the Borrower shall have the right to protest any such taxes or assessments and to require the Issuer, at the Borrower’s expense, to protest and contest any such taxes or assessments assessed or levied upon them and that the Borrower shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would materially adversely affect the rights or interests of the Issuer, notwithstanding the provisions of Section 8.01;

(b) The reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Issuer to prepare audits, financial statements or opinions or provide such other services as are required in connection with the Loan Documents and the Loan;

(c) Fees and expenses of the Issuer in connection with the Loan, the Loan Documents, or any other documents contemplated by such Loan Documents, including, without limitation, (i) the Issuer’s fee payable on the Closing Date of \$50,000 for the first \$5,000,000 issue amount plus 0.50% of the issue amount in excess of \$5,000,000 which shall be an initial fee of \$90,000; (ii) fees and expenses incurred by Bond Counsel or other counsel to the Issuer in connection with the Loan; (iii) any litigation which may at any time be instituted involving such Loan, the Loan Documents and any other documents contemplated by the Loan Documents for which the Borrower may be liable to indemnify the Issuer pursuant to Section 7.13 hereof; (iv) an annual administrative fee, paid in arrears on each anniversary date after origination and within 30 days after the date of which the Issuer Loan is paid off in full, in the amount of \$5,000 or 0.1% of the highest amount outstanding in the calculation period, which is the anniversary date of the date the Loan is made by the Issuer (whichever is greater) and (v) Lender’s counsel fee; and

(d) Such amounts as may be necessary to satisfy the rebate requirements in accordance with the Tax Agreement and to pay the cost of calculation of such rebate requirements when required by the Code and the Tax Agreement.

The Issuer shall bill the Issuer Fees and Expenses, other than the Issuer’s fee, set forth in (c)(i) and other than any amounts required by (d) above, to the Borrower from time to time, together with a statement of the Issuer certifying, if applicable, that the amount billed has been incurred or paid by the Issuer for one or more of the above items. After such a demand, the Borrower shall pay such amounts so billed within 30 days after receipt of the bill by the Borrower. The obligation of the Borrower to make payments to the Issuer as set forth in this Section 3.04 shall survive any termination of this Loan Agreement. The obligation of the Borrower to pay the

annual administrative fee described in (c)(iv) of this Loan Agreement shall survive any termination of this Loan Agreement and shall continue for so long as the Issuer Loan shall remain in effect. The Borrower shall, in all events, be liable for, and shall pay to Issuer, the foregoing Issuer fee regardless of whether the Issuer makes the Loan. From this Issuer fee, the Issuer will pay customary expenses and Bond Counsel fees and expenses up to a maximum of \$12,500. Fees and expenses incurred by the Issuer or Bond Counsel in excess of this amount are the responsibility of the Borrower, and the Borrower shall pay after the Closing Date within 30 days after receipt of the bill, as described above. The Borrower's liability to pay the Issuer pursuant to the terms of this Section 3.04 shall survive the termination of this Loan Agreement.

Section 3.05. Limited Obligations of the Issuer; Ability of the Issuer to Incur Debt.

(a) The Issuer Loan is a limited obligation of the Issuer and is not a general obligation of the Issuer. The Issuer Loan shall be payable solely from the Payments provided therefor. The Issuer shall not be obligated to pay the principal of the Issuer Loan or the prepayment premium, if any, or interest thereon, except from the Payments provided therefor hereunder. The Issuer Loan does not constitute a debt, liability, or obligation of the State or of any political subdivision of the State or a pledge of the faith and credit of the State or of a political subdivision of the State, and neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of principal of, or the prepayment premium, if any, or interest on, the Issuer Loan. The granting of the Issuer Loan shall not directly or indirectly or contingently obligate the State or any political subdivision thereof to levy or pledge any form of taxation or to make any appropriation for their payment. The Issuer has no taxing power.

(b) Nothing in this Loan Agreement is intended, or may be construed, to limit the ability of the Issuer to incur debt. The Issuer may incur debt at any time and without limitation as to security, including the pledging of the general credit of the Issuer or any specific security; provided, however, that the Issuer may not pledge as security for any other such debt any security that is specifically pledged as security for the Issuer Loan under this Loan Agreement.

Section 3.06. Invalidity of the Borrower Loan. If at any time the Borrower Loan is declared to be invalid or unenforceable for any reason, the Borrower Loan will be deemed to be a direct loan from the Lender to the Borrower. All references herein to "Borrower Loan" and "Issuer Loan" shall instead refer to the "Loan," a direct Loan from the Lender to the Borrower. In such an event, the Lender and the Borrower acknowledge that interest payments with respect to the Loan shall not be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code or State of Alaska income taxation, the Loan shall bear interest at the Gross-Up Rate and the Issuer thereupon shall be fully released from each and every obligation and liability of the Issuer under this Loan Agreement with the same effect as if the Issuer had never signed this Loan Agreement.

Section 3.07. Conditions Precedent to Construction Draws. Other than the disbursement of Issuer Loan Proceeds on the Initial Draw Date, the Lender's agreement to disburse funds to the Project Fund shall be subject to the further conditions precedent set forth in Sections 5.03 and 5.04 of this Loan Agreement and that Borrower shall have met the conditions

and requirements set forth in the Construction Loan Agreement with respect to disbursement of funds to the Project Fund. Upon receipt of a Draw Request to pay for Project Costs from the Borrower and the approval thereof by the Lender, the Lender shall disburse to, or for the account of, the Borrower, Borrower Loan Proceeds to pay Project Costs in accordance with the Draw Request.

ARTICLE IV

REPAYMENT OF THE LOAN

Section 4.01. Interest.

(a) The principal amount of the Loan hereunder outstanding from time to time shall bear interest (computed on the basis of a year of 360 days and the actual number of days elapsed) at the fixed rate of 4.00% per year. Interest shall accrue on the aggregate principal balance of the Loan from the Initial Draw Date, which is September 14, 2022 to the Maturity Date or earlier prepayment as provided herein, and shall be payable monthly on the fifteenth calendar day of each month, commencing October 15, 2022, by the Borrower in arrears on or prior to such date and upon earlier demand in accordance with the terms hereof or prepayment in accordance with Section 4.08 hereof.

(b) Upon the occurrence of a Determination of Taxability, the Borrower shall pay to the Lender, as assignee of the Issuer, future interest payments calculated at the Gross-Up Rate. The Lender's calculation of the Gross-Up Rate shall be conclusive absent manifest error. In addition, the Borrower shall make immediately, upon demand of the Lender, a payment to the Lender sufficient to reimburse the Lender and supplement Prior Interest Payments to equal the Gross-Up Rate, and such obligation shall survive the termination of this Loan Agreement.

(c) Upon the occurrence of an Event of Indirect Taxability, the Lender shall have the option, upon notice to the Borrower and the Issuer, to (i) adjust the Loan Rate with respect to the Issuer Loan so as to provide the Lender with a yield on the Issuer Loan, after taking into account the increase in the Lender's federal income tax liability as a result of such Event of Indirect Taxability, that is equivalent to the yield on the Issuer Loan immediately before such Event of Indirect Taxability, or (ii) to require the Borrower to reimburse the Lender for the increase, if any, in its federal income tax liability caused by such Event of Indirect Taxability. Any change to the Loan Rate with respect to the Issuer Loan shall also be concurrently applicable to the Borrower Loan. Any such change in the Loan Rate shall be subject to the condition that, on or prior to the effective date of such change, the Lender shall have reviewed the calculations of the Lender resulting in the adjusted Loan Rate and the Lender and the Issuer shall have received an opinion of Bond Counsel to the effect that such change complies with the requirements of this Loan Agreement and will not, in and of itself, cause interest with respect to the Issuer Loan to be included in the gross income of the Lender for federal income tax purposes.

Section 4.02. Payments. Subject to Section 3.05 hereof, the Issuer shall pay the principal of, prepayment premium, if any, and interest (including any adjustments to interest described in Section 4.01 or elsewhere herein) on the Issuer Loan, but only out of Payments made by the Borrower therefor. The Borrower shall pay to the Lender, as assignee of the Issuer, Payments in the amounts and at such times as set forth Section 4.01, Section 4.08 and Section 4.10 hereof.

Section 4.03. Draws. Until March 14, 2025, the Borrower and the Lender, without the consent of the Issuer, may from time to time, but no more often than once per calendar month, increase the amount of the Loan outstanding by executing Draw Requests substantially in the form set forth in Exhibit F hereto (or in such other form approved by the Lender) in accordance with Sections 5.02 through 5.06 hereof. Each Draw Request shall reasonably identify the Project Costs that will be paid with (or for which the Borrower will be reimbursed by) such Draw Request. Draw Requests shall be numbered consecutively beginning with “1.” No single Draw Request may provide for an advance of less than \$50,001 (other than the final Draw Request, which may be for a lesser amount). The maximum aggregate amount of the Issuer Loan provided for in all Draw Requests (including the initial draw on the Initial Draw Date) shall be less than or equal to \$13,000,000. An advance fee of \$10.00 will be paid by the Borrower for each advance.

Section 4.04. Security for the Loan. As security for the repayment of the Issuer Loan, the Issuer hereby assigns to the Lender all of its right, title and interest in this Loan Agreement (except for the Reserved Issuer Rights), including the Issuer’s rights (a) to receive Payments with respect to the Borrower Loan (and hereby directs the Borrower to make such Payments directly to, or at the direction of, the Lender), (b) to collect the Payments and any other payments due to the Issuer hereunder the receipt of which is not part of Reserved Issuer Rights, and to sue in any court for such Payments or other payments, (c) to exercise all rights hereunder with respect to the Project and the Facility, and (d) to withdraw or settle any claims, suits or proceedings pertaining to or arising out of this Loan Agreement and the Borrower Loan upon any terms (other than any claims related to Reserved Issuer Rights). Such assignment by the Issuer to the Lender shall be an absolute assignment without recourse to the Issuer. Such Payments and other payments the receipt of which is not part of Reserved Issuer Rights shall be made by the Borrower directly to the Lender, as the Issuer’s assignee, without the requirement of notice or demand, at such place as the Lender may from time to time designate in writing, and shall be credited against the Issuer’s payment obligations under the Issuer Loan. No provision, covenant or agreement contained in this Loan Agreement or any obligation herein imposed on the Issuer, or the breach thereof, shall constitute or give rise to or impose upon the Issuer a pecuniary liability, a charge upon its general credit or a pledge of its revenues. In making the agreements, provisions and covenants set forth in this Loan Agreement, the Issuer has not obligated itself except with respect to the application of the Payments to be paid by the Borrower hereunder. All amounts required to be paid by the Borrower hereunder shall be paid in lawful money of the United States of America in immediately available funds. No recourse shall be had by the Lender or the Borrower for any claim based on this Loan Agreement against any director, officer, employee or agent of the Issuer alleging personal liability on the part of such person.

Section 4.05. Further Security.

(a) On or prior to the Initial Draw Date, the Borrower shall, at its expense, record, or cause the recordation of, the Deed of Trust, and any and all amendments thereto in the Recorder's Office in the Fairbanks Recording District. Within 10 days after request for any confirmation of any filing required by this Section, the Borrower shall deliver to the Lender, as assignee of the Issuer, the signed documents requested or evidence satisfactory to the Lender to the effect that such filing has been duly accomplished. The Borrower hereby authorizes the Lender to file such financing statements (and all amendments or continuations thereto) as may be necessary to perfect the Lender's security in a form satisfactory to the Lender.

The Issuer, the Borrower and the Lender agree that the Deed of Trust, Security Agreement and UCC-1 financing statement may be amended or terminated at any time with the prior written consent of the Lender. The consent of the Issuer shall not be required for any such amendment or termination.

(b) To further secure the payment obligations of the Borrower hereunder, the Borrower has executed the Security Agreement.

(c) As additional security for the Issuer Loan, the Issuer has made a complete assignment to the Lender of all of the Issuer's rights, title, interest and obligations in, to and under the Deed of Trust and the Security Agreement, pursuant to the Assignment Agreement, except for the Reserved Issuer Rights. The Borrower hereby consents to such assignment, as well as the assignment by the Issuer set forth in this Section 4.05.

(d) To further secure the Borrower's obligations under this Agreement, the Borrower shall, at its sole expense, execute and deliver to the Lender (and where required, duly record) the Assignment of Agreement to Enter into a Housing Assistance Payments Contract, dated as of the date hereof ("Assignment of AHAP Contract").

Section 4.06. Payment on Non-Business Days. Whenever any payment to be made hereunder shall be stated to be due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day.

Section 4.07. The Borrower Payments to Be Unconditional. The obligations of the Borrower to make Payments required under this Loan Agreement and to make other payments hereunder and to perform and observe the covenants and agreements contained herein shall be absolute and unconditional in all events, without abatement, diminution, deduction, setoff or defense for any reason, including (without limitation), (a) any damage to, destruction of, or any condemnation or similar taking of the Facility; (b) any restriction or prevention of or interference with any use of the Property; (c) any title defect or encumbrance or any eviction from the Property by superior title or otherwise; (d) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation, or other like proceeding relating to the Lender or the Borrower, or any action taken with respect to the Loan Documents by any trustee or receiver of the Lender or the Borrower, or by any court, in any such proceeding; (e) any claim which the Borrower has or might have against the Lender; (f) any other occurrence whatsoever,

whether similar or dissimilar to the foregoing, whether or not the Borrower shall have notice or knowledge of any of the foregoing, (g) any failure of the Facility to be delivered or installed, any defects, malfunctions, breakdowns or infirmities in the Project or Facility or any accident, condemnation, destruction or unforeseen circumstances. Notwithstanding any dispute between the Borrower and any of the Issuer, the Lender or any other person, the Borrower shall make all Payments when due and shall not withhold any Payments pending final resolution of such dispute, nor shall the Borrower assert any right of setoff or counterclaim against its obligation to make such payments required under this Loan Agreement. Except to the extent prohibited by law, the Borrower waives all rights now or hereafter conferred by statute or otherwise to any setoff, abatement, suspension, deferment, diminution or reduction of the Obligations.

Section 4.08. Prepayments.

(a) The Issuer shall, solely to the extent funds are received by the Lender from the Borrower for such purpose, prepay the Issuer Loan and the Borrower may prepay the Borrower Loan in whole or in part on any interest payment date, in advance of the required Payments set forth in Section 4.10 hereof by paying the outstanding principal amount of the Loan (or the portion thereof being prepaid), accrued interest to the prepayment date, and any outstanding and unpaid Additional Payments due under this Loan Agreement; provided, however, that after any partial prepayment, the remaining outstanding principal amount of the Loan shall not be less than \$100,000. The Borrower shall provide the Lender written notice of any such prepayment at least 15 days in advance thereof. Upon any prepayment in part of the Loan, the prepayment shall be applied first to interest accrued thereon and any outstanding and unpaid Additional Payments, and next to the principal component of the Loan in the inverse order of maturity.

(b) The Issuer shall prepay the Issuer Loan solely to the extent that the Borrower shall prepay the Borrower Loan in whole or in part at any time from insurance or condemnation proceeds pursuant to Article IX hereof by paying some or all of the outstanding principal amount of the Loan, accrued interest to the prepayment date, and any outstanding and unpaid Additional Payments due under this Loan Agreement.

(c) The Issuer shall, solely to the extent funds are received from the Borrower, prepay the Issuer Loan and the Borrower shall prepay the Borrower Loan in full immediately upon demand therefor of the Lender to the Issuer after the occurrence of an Event of Default by paying the outstanding principal amount of the Loan, accrued interest to the prepayment date, and any outstanding and unpaid Additional Payments due under this Loan Agreement.

(d) Reserved.

(e) On the Repayment Date, the Issuer shall, to the extent funds are received from the Borrower, repay the Issuer Loan in full and the Borrower shall repay the Borrower Loan in full, together with all unpaid and accrued interest on the Loan to the Repayment Date, any Additional Payments then due in accordance with this Loan Agreement and all other amounts payable in accordance with this Loan Agreement.

Section 4.09. Restrictions on Transfer of Loan. Notwithstanding any other provision hereof, the Borrower Loan is nontransferable, except in connection with the transfer of the Issuer Loan. The Issuer Loan may be transferred, assigned and reassigned by the Lender without the consent of the Issuer or the Borrower, but solely in accordance with Section 10.01 hereof.

Section 4.10. Repayment. The Borrower shall make payments of interest only until March 14, 2025 pursuant to monthly statements or invoices provided by the Lender, and shall repay the full principal amount of the Loan on the earlier of (i) the Repayment Date or (ii) within 30 days of receipt of a certificate or occupancy for the Facilities; *provided, however*, that Borrower shall make partial principal payments hereunder in the amount of any capital contribution by the Limited Investor of Borrower into the Borrower at time of such contribution, at the time and in such amounts as set forth in the Operating Agreement.

Section 4.11. Late Charge. If the Borrower fails to make any Payment and such failure results in the untimely payment of principal and interest on the Loan, or if the Borrower fails to make any Additional Payment when due, in each case, taking into account any grace period allowed for such Additional Payment or Payment, and such payment is more than 10 days late, the Borrower shall pay a late charge equal to 5% of the payment past due after the 15th day of each month or \$500.00, which ever is less. Upon default under the Promissory Note, including failure to pay upon final maturity, the interest rate on the Promissory Note shall be increased by 3%. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

Section 4.12. Reserved.

Section 4.13. Increased Costs. If the Lender determines that any Change in Law shall: (i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by the Lender; (ii) subject the Lender to any tax of any kind whatsoever with respect to this Loan Agreement; or (iii) impose on the Lender or the London interbank market any other condition, cost or expense affecting this Loan Agreement or the Loans; and the result of any of the foregoing shall be to increase the cost to the Lender of making or maintaining the Loan, to reduce the amount of any sum received or receivable by the Lender under this Loan Agreement (whether of principal, interest or any other amount), or to reduce the rate or return on the Lender's capital or on the capital of the Lender's holding company as a consequence of this Loan Agreement or the Loan to the level below which the Lender or the Lender's holding company would have achieved but for such Change in Law (taking into consideration the Lender's policies and the policies of the Lender's holding company with respect to capital adequacy) then, upon request of the Lender, the Borrower will pay to the Lender within 30 days of written demand (together with a calculation of such amount in reasonable detail) such additional amount or amounts as will compensate the Lender for such additional costs incurred or reduction suffered.

ARTICLE V

CONDITIONS PRECEDENT

Section 5.01. Conditions Precedent to Loan Agreement. The Lender's agreement to enter into this Loan Agreement and provide the financing contemplated hereby shall be subject to the condition precedent that the Lender shall have received or waived the requirement for, all of the following, each in form and substance satisfactory to the Lender:

- (a) this Loan Agreement, properly executed on behalf of the Issuer, the Borrower and the Lender, and, if applicable, each of the Exhibits hereto properly completed;
- (b) the Tax Agreement, properly executed on behalf of the Borrower and the Issuer;
- (c) the Security Agreement, properly executed on behalf of the Borrower;
- (d) the Deed of Trust in recordable form for recordation in the Recorder's Office in the Fairbanks Recording District, Fourth Judicial District, State of Alaska;
- (e) the Guaranty Agreement, properly executed by the parties thereto;
- (f) a certificate of the Managing Member of the Borrower certifying as to (i) the resolution of the Managing Member, and its members, as applicable, authorizing the execution, delivery and performance of Loan Documents and any related documents on behalf of Borrower, (ii) Operating Agreement, (iii) the Operating Agreement of the Managing Member, and (iv) the signatures of the officers of the Managing Member authorized to execute and deliver Loan Documents and other instruments, agreements and certificates on behalf of the Borrower;
- (g) a certificate of the Guarantor, certifying as to (i) the resolutions of the Board of Directors Guarantor, (ii) the organizational documents of the Guarantor, and (iii) the signatures of the officers or agents of the Guarantor authorized to execute and deliver the Guaranty and other instruments, agreements and certificates on behalf of the Guarantor;
- (h) a payment and performance bond for construction of the Facility, in form and substance reasonably acceptable to the Lender;
- (i) [Reserved];
- (j) confirmation from the Issuer that the Project has received a reservation of tax credits with respect to the Project;
- (k) currently certified copies of the certificate of organization of the Borrower;

(l) a certificate of good standing issued as to the Borrower by the Alaska Department of Commerce, Community, and Economic Development dated not more than 30 days prior to the Closing Date;

(m) the Assignment of Construction Contracts executed by Borrower and Lender and acknowledged by the Architect and the Contractor;

(n) a resolution adopted by the Issuer authorizing the Borrower Loan and the Issuer Loan and the transactions contemplated hereunder;

(o) a closing certificate of the Issuer in a form acceptable to the Lender's Counsel;

(p) UCC-1 financing statement(s) as required by the Lender to perfect the security interests of the Issuer and assignment to the Lender;

(q) current searches of appropriate filing offices showing that (i) no state or federal tax liens have been filed and remain in effect against the Borrower, and (ii) no financing statements have been filed and remain in effect against the Borrower relating to the Facility except for those which constitute Permitted Encumbrances;

(r) a completed and executed Form 8038 or evidence of filing thereof with the Department of the Treasury, Internal Revenue Service Center;

(s) an opinion of counsel to the Borrower and Guarantor, addressed to the Lender, Lender's counsel and the Issuer, opining on the matters contained in Exhibit C attached hereto in a form approved by the Lender and the Issuer;

(t) an opinion of Bond Counsel, addressed to the Issuer and the Lender, in form and substance acceptable to the Issuer and the Lender;

(u) certificates of the insurance required under Section 7.04 of this Loan Agreement containing the Lender's loss payable clause or endorsement in favor of the Lender;

(v) evidence of payment of the Issuer's issuance fee and the fees of Bond Counsel;

(w) evidence of payment of the Lender's costs and the fees of the Lender's Counsel on the Closing Date (including the Lender's origination fee in the amount of \$65,000);

(x) an investor letter of representation executed by the Lender, in the form attached hereto as Exhibit B;

(y) the Title Policy or evidence satisfactory to the Lender in its sole discretion of the Title Insurer's irrevocable commitment to issue the Title Policy immediately upon closing;

(z) Docket Search of U.S. Bankruptcy Court and United States District Court for the State of Alaska;

(aa) the Regulatory Agreement, properly executed by the parties thereto; and

(bb) the Construction Loan Agreement, properly executed by the parties thereto; and

(cc) any other documents or items required by the Lender or the Issuer.

Section 5.02. Conditions Precedent to Making of the Borrower Loan. The Issuer's agreement to enter into the Loan Agreement and to provide the financing to the Borrower contemplated hereby shall be subject to the condition precedent that the Issuer shall have received the items listed in Section 5.01 (other than those items to be provided by the Issuer), in form and substance satisfactory to the Issuer.

Section 5.03. [Reserved]

Section 5.04. Conditions Precedent to Each Subsequent Draw Request. Other than the initial disbursement of Issuer Loan Proceeds on the Initial Draw Date, the Lender's agreement to disburse the Issuer Loan Proceeds shall be subject to the condition precedent that the Lender shall have received or waived the requirement for all of the following for each Draw Request, each in form and substance satisfactory to the Lender:

(a) an updated Exhibit G to this Loan Agreement, as applicable;

(b) a fully executed Draw Request substantially in the form attached hereto as Exhibit F, with all appropriate supporting documents attached thereto;

(c) all of the requirements set forth in the Construction Loan Agreement with respect to the amounts and items set forth in the Draw Request have been met;

(d) payment of the Additional Payments, commissions and expenses required by Section 12.03 hereof;

(e) copies of fully executed applications for payments submitted by the Contractor, and at the Lender's option, from the "Major Subcontractors" (defined for purposes of this section and elsewhere herein as subcontractors performing work in excess of \$250,000), on AIA Document 702 and 703, with all supporting documentations required thereby;

(f) The representations and warranties contained herein and in each of the other Loan Documents shall be true on and as of the date of the signing of this Loan Agreement and on the date of each extension of credit by the Lender pursuant hereto, with the same effect as though such representations and warranties had been made on and as of each such date, and on each such date, no Event of Default as defined herein, and no condition, event or act which with the giving of notice or the passage of time or both

would constitute such an Event of Default, shall have occurred and be continuing or shall exist; and

(g) such other information and documents as the Lender may reasonably require related to such disbursement request.

Section 5.05. Limitations to Disbursement. Notwithstanding anything to the contrary contained in this Loan Agreement, other than the initial disbursement of Issuer Loan Proceeds on the Initial Draw Date, the Lender need not make any further disbursements pursuant to a Draw Request or allow any withdrawal from the Project Fund at any time if:

(a) the Facility or Improvements are materially damaged by fire or other casualty and not fully repaired and restored, unless the Lender actually receives insurance proceeds or a cash deposit from the Borrower sufficient in the Lender's judgment to pay for the complete repair or replacement of the Improvements in a timely manner;

(b) The Lender reasonably believes that withholding disbursement in whole or in part is required by applicable mechanics' lien or stop notice laws (unless the Borrower has obtained a bond reasonably satisfactory to the Lender sufficient to allow the Lender to make such disbursement in accordance with Alaska law);

(c) The Borrower has not obtained or is not in compliance with all required governmental approvals, including without limitation all necessary building permits, or has not complied with all applicable regulations, laws, ordinances (including without limitation environmental and subdivision map requirements and conditions of approval) to permit the construction of the Improvements according to the Plans and Specifications;

(d) The Borrower fails timely to proceed with completion of construction of the Improvements substantially in accordance with the Plans and Specifications approved by the Lender; or

(e) an Event of Default has occurred under this Loan Agreement, any of the other Loan Documents, any other agreement between the Lender and the Borrower, or the Borrower is in default under any other agreement regarding the development of the Facilities or the Improvements, including without limitation, any subdivision agreement, improvement agreement, or development agreement.

ARTICLE VI

SECURITY

Section 6.01. Change in Name or Corporate Structure of the Borrower; Change in Location of the Borrower's Principal Place of Business. The Borrower's chief executive office is located at the address set forth in Section 12.04 hereof, and all of the Borrower's records relating to its business are kept at such location. The Borrower hereby agrees to provide written notice to the Lender and the Issuer of any change or proposed change in its name, corporate structure, state of its incorporation or organization, place of business or chief executive office, or

tax identification number at least 30 days in advance of the date that such change or proposed change is planned to take effect.

Section 6.02. Security Interest. The Borrower hereby authorizes the Lender to file any financing statement (and any amendments or continuations to any financing statement) necessary to perfect the security interest granted in this Loan Agreement under the laws of the State. Pursuant to AS 18.56.120, the pledge by the Issuer of the Payments for the repayment of the principal of, and the premium, if any, and interest on, the Issuer Loan is valid and binding from the date of this Loan Agreement, and the Payments are immediately subject to the lien of the pledge without physical delivery or further act. Such lien is valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the Issuer, irrespective of whether those parties have notice of the lien of the pledge. The Issuer represents that it has not made any pledge of the Payments prior to the date of this Loan Agreement.

Section 6.03. Assignment of Insurance. As additional security for the payment and performance of the Borrower's obligations under this Loan Agreement, the Borrower hereby assigns to the Lender, as assignee of the Issuer, any and all moneys (including, without limitation, proceeds of insurance) due or to become due under, and all other rights of the Borrower with respect to, any and all policies of insurance now or at any time hereafter covering the Facility or any evidence thereof or any business records or valuable papers pertaining thereto, and the Borrower hereby directs the Issuer of any such policy to pay all such moneys directly to the Lender. The Borrower hereby assigns to the Lender, as assignee of the Issuer, any and all moneys due or to become due with respect to any condemnation proceeding affecting all or any portion of the Facility. At any time, whether before or after the occurrence of any Event of Default, the Lender may (but need not), in the Lender's name or in the Borrower's name, execute and deliver proof of claim, receive all such moneys, endorse checks and other instruments representing payment of such moneys, and adjust, litigate, compromise or release any claim against the issuer of any such policy or party in any condemnation proceeding.

ARTICLE VII

AFFIRMATIVE COVENANTS OF THE BORROWER AND TAX COVENANTS

Section 7.01. Maintenance of Facility.

(a) The Borrower shall, at its own expense (including, without limitation, the Borrower's use of any proceeds of the Loan in accordance with the terms hereof), maintain, preserve and keep the Facility in good repair, working order and condition, and shall from time to time make all repairs and replacements necessary to keep the Facility in such condition, and in compliance with state and federal laws, ordinary wear, tear and depreciation excepted. In the event that any parts or accessories forming part of any item or items of Facility become worn out, lost, destroyed, damaged beyond repair or otherwise rendered unfit for use, the Borrower, at its own expense and expeditiously, will replace or cause the replacement of such parts or accessories by replacement parts or accessories free and clear of all Liens and encumbrances (other than Permitted Encumbrances) and with a value and utility at least equal to that of the parts or

accessories being replaced (assuming that such replaced parts and accessories were otherwise in good working order and repair). All such replacement parts and accessories shall be deemed to be incorporated immediately into and to constitute an integral portion of the Facility and, as such, shall be subject to the terms of this Loan Agreement. Neither the Issuer nor the Lender shall have any responsibility in any of these matters, or for the making of repairs or additions to the Facility.

(b) The Borrower shall observe and comply with all legal requirements applicable to the ownership, use and operation of the Facility, including the terms and conditions set forth in this Loan Agreement, the Deed of Trust, the Regulatory Agreement and the Tax Agreement. The Borrower shall permit the Lender and its agents, representatives and employees, upon reasonable prior notice to the Borrower, to inspect the Facility and conduct such environmental and engineering studies as the Lender may reasonably require, provided such inspections and studies do not materially interfere with the use and operation of the Facility. Such environmental and engineering studies shall be at the Borrower's expense, provided that the Lender provides the Borrower with evidence of the Lender's reasonable belief that there is an environmental or structural condition at the Facility that could have a material adverse effect on the Lender's security under the Loan Documents.

(c) The Borrower will defend the Property against all claims or demands of all persons (other than the Lender hereunder) claiming the Property or any interest therein, other than claims that constitute Permitted Encumbrances.

Section 7.02. Compliance with Laws and Obligations. The Borrower will comply with the requirements of applicable laws and regulations and material contractual obligations, the noncompliance with which would materially and adversely affect its business or its financial condition. Notwithstanding the prior sentence, nothing in this section shall preclude the Borrower's right to contest in good faith by appropriate proceedings any claim of noncompliance or breach.

Section 7.03. Payment of Taxes and Other Claims. The Borrower will pay or discharge, when due, (a) all taxes, assessments and governmental charges levied or imposed upon it or upon its income or profits, upon any properties belonging to it (including, without limitation, the Property) or upon or against the creation, perfection or continuance of the security interest created pursuant to this Loan Agreement or any of the other Loan Documents, prior to the date on which penalties attach thereto; (b) all federal, state and local taxes required to be withheld by it; and (c) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien or charge upon any properties of the Borrower; provided, that the Borrower shall not be required to pay any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in accordance with the Lien Contest Criteria set forth in Section 8.01 hereof and, as to taxes levied on the Issuer, subject to the provisions of Section 3.04(a). The Borrower will pay, as the same respectively come due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Property, as well as all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Property.

Section 7.04. Insurance; Indemnity.

(a) The Borrower shall, at its own expense, maintain and keep in force insurance of the types and in amounts customarily carried by housing authorities similar to the Borrower, including but not limited to:

(i) fire and property damage, extended coverage (which shall include coverage for tangible personal property which constitutes collateral under the Security Agreement), in an amount at least equal to the lesser of insurable value and outstanding amount of the Loan,

(ii) general liability, in an amount at least equal to \$1,000,000 per occurrence and \$2,000,000 annual aggregate and builders' risk insurance in the amount of \$3,300,000 and insurance accordance with the Agreement to Provide Insurance and the Security Agreement,

(iii) flood, if the Property is located in a flood zone, and

(iv) workers' compensation;

with all such insurance carried with companies, in amounts and with deductible amounts reasonably satisfactory to the Lender, and shall deliver to the Lender from time to time at the Lender's request schedules setting forth all insurance then in effect. Alternatively, upon the written approval of the Lender, the Borrower may insure the Facility under a blanket insurance policy or policies which cover not only the Facility, but also other properties of the Borrower or, upon prior written approval of the Lender, may provide self-insurance acceptable to the Lender. All of the insurance policies required hereunder shall be issued by corporate insurers licensed to do business in the State and rated A or better by A.M. Best Company, and shall be in form acceptable to the Lender.

(b) All certificates of insurance and "blanket" insurance policies shall reference the specific project being covered by name and address and shall name the Lender as loss payee. The insurance shall be evidenced by the original policy or a true and certified copy of the original policy, or in the case of liability insurance, by certificates of insurance. The insurance policies (or true and certified copies thereof) or certificates of all insurance required to be maintained hereunder shall be delivered to the Lender contemporaneously with the Borrower's execution of this Loan Agreement. The Borrower shall use its best efforts to deliver originals of all policies and renewals (or certificates evidencing the same), marked "paid" (or evidence satisfactory to the Lender of the continuing coverage) to the Lender at least 15 days before the expiration of existing policies and, in any event, the Borrower shall deliver originals of such policies or certificates to the Lender at least 5 days before the expiration of existing policies. If the Lender has not received satisfactory evidence of such renewal or substitute insurance in the time frame herein specified, the Lender shall have the right, but not the obligation, to purchase such insurance for the Lender's interest only. Nothing contained in this Section shall require the Lender to incur any expense or take any action hereunder, and inaction by the Lender shall never be considered a waiver of any right accruing to the Lender

under this Section. If any loss shall occur at any time while an Event of Default shall have occurred and be continuing, the Lender shall be entitled to the benefit of all insurance policies held or maintained by the Borrower, to the same extent as if same had been made payable to the Lender and upon foreclosure hereunder, the Lender shall become the owner thereof. The Lender shall have the right, but not the obligation to make premium payments, at the Borrower's expense, to prevent any cancellation, endorsement, alteration or reissuance of any policy of insurance maintained by the Borrower, and such payments shall be accepted by the insurer to prevent same;

(c) The Borrower shall give to the Lender immediate notice of any material loss occurring on or with respect to the Facility. All insurance proceeds for damage to the Facility shall be payable to the Lender and the Issuer as hereinafter provided. The Borrower shall furnish to the Lender, upon request, certificates of insurance evidencing such coverage while the Loan is outstanding.

(d) Any insurance policy carried or maintained pursuant to this Section (other than the workers' compensation policy) shall be so written or endorsed as to make losses payable to the Lender and the Issuer or the Borrower, as their respective interests may appear and naming the Lender as additional insured for liability. The Net Proceeds of the insurance required in this Section shall be applied as provided in Article IX hereof. Each property or liability insurance policy provided for in this Section shall contain a provision to the effect that the insurance company providing such policy shall not either cancel the policy or modify the policy materially and adversely to the interest of the Lender without first giving written notice thereof to the Lender at least 30 days in advance of such cancellation or modification (provided that the foregoing shall not release the Borrower of its obligations to comply with the insurance requirements set forth herein).

(e) As among the Lender, the Issuer and the Borrower, the Borrower assumes all risks and liabilities from any cause whatsoever, whether or not covered by insurance, for loss or damage to the Facility, and for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of the Borrower or of third parties, and whether such property damage be to the Borrower's property or the property of others, except to the extent that any of the foregoing are caused by the gross negligence or willful misconduct of the Lender or the willful misconduct of the Issuer. Whether or not covered by insurance, the Borrower hereby assumes responsibility for and agrees to reimburse the Lender and the Issuer for and will indemnify, defend and hold the Lender and the Issuer and any of their assignees, agents, employees, officers and directors harmless from and against all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature, imposed on, incurred by or asserted against the Lender or the Issuer or their assignees, agents, employees, officers and directors that in any way relate to or arise out of this Loan Agreement or the Loan, the transactions contemplated hereby and thereby and the Facility, including but not limited to, (i) the ownership of the Facility, (ii) the delivery, lease, possession, maintenance, use condition, non-use, return or operation (or lack of operation) of components of the Facility, (iii) the conduct of the Borrower, its officers, employees and agents, (iv) a breach by the Borrower of any of its covenants or obligations hereunder or under any

other Loan Documents, and (v) any claim, loss, cost or expense involving alleged damage to the environment relating to the Facility, including, but not limited to investigation, removal, cleanup and remedial costs, except to the extent that any of the foregoing are caused by the gross negligence or willful misconduct of the Lender or the willful misconduct of the Issuer. All amounts payable by the Borrower pursuant to the immediately preceding sentence shall be paid immediately upon demand of the Issuer or the Lender or their assignees, agents, employees, officers and directors, as the case may be. This provision shall survive the termination of this Loan Agreement for any reason.

Section 7.05. Reporting Requirements. The Borrower will deliver, or cause to be delivered, to the Lender, and, if requested by the Issuer, to the Issuer, each of the following, which shall be in form and detail reasonably acceptable to the Lender and, as to information requested by the Issuer, the Issuer:

(a) from the Guarantor, audited annual financial statements of the Guarantor within 180 days of the end of each fiscal year of the Guarantor, including therein a balance sheet, income statement, statement of cash flows and reconciliation of the Guarantor's net assets, reviewed by independent certified public accountants reasonably acceptable to the Lender and certified, without any qualifications, by such accountants to have been prepared in accordance with GAAP consistently applied;

(b) promptly after the amending thereof, copies of any and all amendments to the Borrower's certificate of organization or Operating Agreement;

(c) promptly upon receipt of knowledge thereof by an Authorized Borrower Representative, notice of the violation by the Borrower or Guarantor of any law, rule or regulation, the violation of which would have a material adverse effect on the financial or operating condition of the Borrower or Guarantor;

(d) promptly upon notice thereof, any termination or cancellation of any insurance policy which the Borrower is required to maintain hereunder, or any uninsured or partially uninsured loss through liability or property damage, or through fire, theft or any other cause affecting the Borrower's property in excess of an aggregate of \$100,000;

(e) immediately upon the Borrower's knowledge thereof, notice in writing of all litigation and of all proceedings before any governmental or regulatory agency affecting the Borrower which seek a monetary recovery against the Borrower or Guarantor in excess of \$100,000;

(f) as promptly as practicable (but in any event not later than 10 Business Days) after an Authorized Borrower Representative obtains knowledge of the occurrence of any event that constitutes a Default or an Event of Default under the Loan Documents, notice of such occurrence, together with a detailed statement by an Authorized Borrower Representative of the steps being taken by the Borrower to cure the effect of such Default or Event of Default;

(g) reserved;

(h) promptly upon the occurrence and nature of any Reportable Event or Prohibited Transaction, each as defined in the Employee Retirement Income Security Act of 1974, as amended or recodified from time to time (“ERISA”), or any funding deficiency with respect to any defined employee pension benefit plan (as defined in ERISA) maintained or contributed to by the Borrower;

(i) promptly upon knowledge thereof, notice of any loss or destruction of or damage to any portion of Facility in excess of \$100,000, of any pending or threatened condemnation affecting the Facility, or of any Material Adverse Change in any portion of the Facility;

(j) promptly upon knowledge thereof, notice of any Material Adverse Change;

(k) immediately following any dissemination, distribution or provision thereof to any Person, a copy of any Material Event Notice disseminated, distributed or provided in satisfaction of or as may be required by the provisions of Rule 15c2-12 promulgated pursuant to the Securities Exchange Act of 1934, as amended (17 C.F.R. Sec. 240 15c2-12), or any successor or similar legal requirement;

(l) copies of all filings made by the Borrower with EMMA promptly after such filings are made; and

(m) from time to time such other information as the Lender or the Issuer may reasonably request, which information shall be provided in the forms commonly prepared by the Borrower, including, without limitation, other information with respect to any collateral required hereby.

Section 7.06. Books and Records; Inspection and Examination. The Borrower shall keep accurate books of record and account for itself separate and apart from those of its affiliates, including its officers, pertaining to the Facility and pertaining to the Borrower’s business and financial condition and such other matters as the Lender and/or the Issuer may from time to time reasonably request. The Borrower shall make true and complete entries in such books of record and account in accordance with GAAP consistently applied. Upon request of the Lender not more than once per calendar year, at any time after the occurrence of an Event of Default or as often as the Lender reasonably deems necessary to determine whether the Borrower has complied with Environmental Laws, the Borrower shall permit any officer, employee, attorney or accountant for the Lender and/or the Issuer or, at the request of the Issuer, a representative of the Internal Revenue Service, to audit, review, make extracts from, or copy any and all organization and financial books, records and properties of the Borrower and to examine and inspect the Facility and/or the Project, and to discuss the affairs of the Borrower with any of its officers, employees or agents at all times during ordinary business hours (a) within 24 hours of a request by the Lender and/or the Issuer, or (b) at any time after the occurrence of an Event of Default.

Section 7.07. Performance by the Lender. If the Borrower at any time is in Default under the Loan Documents (except for the Tax Agreement), immediately upon the occurrence of

such Default, without notice or lapse of time, the Lender may, but need not, perform or observe such covenant on behalf and in the name, place and stead of the Borrower (or, at the Lender's option, in the Lender's name) and may, but need not, take any and all other actions which the Lender may reasonably deem necessary to cure or correct such Default (including, without limitation, the payment of taxes, the satisfaction of security interests, liens or encumbrances, the performance of obligations owed to account debtors or other obligors, the procurement and maintenance of insurance, the execution of assignments, security agreements and financing statements, and the endorsement of instruments). The Borrower shall thereupon pay to the Lender on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by the Lender in connection with or as a result of the performance or observance of such agreements or the taking of such action by the Lender, together with interest thereon from the date expended or incurred at the Default Rate. To facilitate the performance or observance by the Lender of such covenants of the Borrower, the Borrower hereby irrevocably appoints the Lender, or the delegate of the Lender, acting alone, as the attorney in fact of the Borrower, with a limited power of attorney coupled with an interest, with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file in the name and on behalf of the Borrower any and all instruments, documents, assignments, security agreements, financing statements, applications for insurance and other agreements and writings relating to the Property or the Facility required to be obtained, executed, delivered or endorsed by the Borrower under this Loan Agreement.

Notwithstanding anything herein to the contrary, the Issuer shall have the right to enforce the Borrower's covenants, agreements and representations in the Regulatory Agreement and the Tax Agreement against the Borrower pursuant to the terms thereof; provided, however, that the obligation to comply with such covenants, agreements, and representations is exclusively and solely the Borrower's, and the Issuer shall have no responsibility or liability whatsoever to the Borrower, the Lender, or any other person for any failure of the Borrower to comply with such covenants, agreements, or representations or for any decision of the Issuer either to elect to enforce or not to elect to enforce such compliance, nor shall the Issuer have any responsibility to pay for or share in the payment of any expenses the Lender may incur if the Lender chooses to enforce such compliance.

Section 7.08. Preservation of Existence. The Borrower will preserve and maintain its existence, its status as a limited liability company, and all of its rights, privileges and franchises necessary or desirable in the normal conduct of its business; and shall conduct its business in an orderly, efficient and regular manner. The Borrower shall hold itself out to the public as a legal entity separate and distinct from any other entity (including any affiliate thereof). So long as the Issuer Loan remains outstanding, the Borrower shall be qualified to transact business in the State and shall be engaged in business in the State.

Section 7.09. No Liability for Consents or Appointments. Whenever any provision herein provides for the giving of consent or direction by the Issuer, the Issuer shall not be liable to the Borrower or to the Lender for the giving of such consent or direction or for the withholding of such consent or direction. The Issuer shall have no liability for appointments which are required to be made by it under this Loan Agreement or any related documents.

Section 7.10. Non-Liability of the Issuer. The Issuer shall not be obligated to pay the principal (or prepayment premium, if any) of or interest on the Issuer Loan, except from Payments paid by the Borrower to the Lender pursuant to this Loan Agreement. The Issuer Loan does not constitute a debt, liability, or obligation of the State or of any political subdivision of the State or a pledge of the faith and credit of the State or of a political subdivision of the State, and neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of principal of, or the prepayment premium, if any, or interest on, the Issuer Loan. The granting of the Issuer Loan shall not directly or indirectly or contingently obligate the State or any political subdivision thereof to levy or pledge any form of taxation or to make any appropriation for their payment. The Issuer has no taxing power. The Issuer and its officer officers, employees, and agents (individually and collectively) shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Loan Agreement or the Loan, except only to the extent amounts are received for the payment thereof from the Borrower under this Loan Agreement.

The Borrower and the Lender hereby acknowledge that the Issuer's sole source of moneys to repay the Issuer Loan will be provided by the Payments made by the Borrower to the Lender pursuant to this Loan Agreement, and hereby agree that if the Payments to be made hereunder shall ever prove insufficient to pay all principal (or prepayment premium, if any) of and interest (including all gross-ups and other additions to interest hereunder) on the Issuer Loan as the same shall become due (whether by maturity, prepayment, acceleration or otherwise), then upon notice from the Lender, the Borrower shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal (or prepayment premium, if any) or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Borrower, the Issuer or any third party, subject to any right of reimbursement from the Issuer or any such third party, as the case may be, therefor.

Section 7.11. Expenses. The Borrower covenants and agrees to pay and indemnify the Issuer against all reasonable fees, costs and charges, including reasonable fees and expenses of attorneys, accountants, consultants and other experts, incurred in good faith and arising out of or in connection with this Loan Agreement, or the other Loan Documents or the Loan. These obligations and those in Section 7.13 shall remain valid and in effect notwithstanding repayment of the Loan hereunder or termination of this Loan Agreement.

The Borrower covenants and agrees to pay, and to indemnify the Lender against all reasonable costs, charges and expenses, including fees and disbursements of attorneys, accountants, consultants and other experts, incurred by the Lender in good faith in connection with the Loan Documents, in each case, however, only to the extent not arising from or in connection with any failure by the Lender to act as required of it under any such Loan Document.

Section 7.12. Waiver of Personal Liability.

(a) Neither the Issuer nor its members, officers, directors, agents or employees or their successors and assigns shall be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind or any conceivable theory, under, by reason of or in connection with this Loan Agreement or the Issuer Loan, except only to

the extent amounts are received for the payment thereof from the Borrower under this Loan Agreement.

(b) The Borrower hereby acknowledges that the Issuer's sole source of moneys to repay the Issuer Loan will be provided by Payments made by the Borrower under the Borrower Loan pursuant to this Loan Agreement, and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal, prepayment premium, if any, and interest on the Issuer Loan as the same shall become due (whether by maturity, redemption, acceleration or otherwise), the Borrower shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Borrower, the Issuer or any third party, subject to any right of reimbursement from the Issuer or any such third party, as the case may be, therefor but solely, in the case of the Issuer, from the revenues, other than with respect to any deficiency caused by the willful misconduct of the Issuer.

(c) No director, member, officer, agent or employee of the Issuer or any director, officer, member, agent or employee of the Borrower shall be individually or personally liable for the payment of any principal or interest on the Issuer Loan or any other sum, or performance of any covenant, term or condition, hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of this Loan Agreement, but nothing herein contained shall relieve any such member, director, officer, agent or employee from the performance of any official duty provided by law or by this Loan Agreement.

Section 7.13. The Borrower Indemnification of the Issuer. The Borrower covenants and agrees as follows:

(a) to protect, indemnify and save, to the extent permitted by law, the Issuer, and its directors, officers, agents and employees harmless from and against all liability, losses, damages, costs, expenses (including reasonable attorneys' fees), taxes, causes of action, suits, claims, demands and judgments of every conceivable kind, character and nature whatsoever, by or on behalf of any person arising in any manner from the transaction of which this Loan Agreement is a part or arising in any manner in connection with the Project or the Facility or the financing of the Project, including, but not limited to, losses, claims, damages, liabilities or reasonable expenses arising out of, resulting from or in any way connected with (i) the work done on the Project or the Facility or the operation of the Project or the Facility during the term of this Loan Agreement, including, without limitation, any liability for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project or the Facility, (ii) any violation of contract, agreement or restriction relating to the Project or the Facility, (iii) any violation of law, ordinance or regulation affecting the Project or the Facility or any part thereof or the ownership or occupancy or use thereof, (iv) the issuance, execution, delivery or payment of the Loan or the interest thereon and the carrying out of any of the transactions contemplated by, arising from or relating to the Loan Documents and all related documents, (v) any written statements or representations made by any other person or entity with respect to the Borrower, the Project, the Facility,

the Issuer or the Loan, including, but not limited to, statements or representations of facts, any untrue statement or alleged untrue statement of any material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any financial information, or (vi) any declaration of taxability of interest on the Issuer Loan, or allegations that interest on the Issuer Loan is taxable or any regulatory audit or inquiry regarding whether interest on the Issuer Loan is taxable; and

(b) promptly after receipt by an Indemnified Party (as defined below) of notice of the commencement of any action in respect of which indemnification may be sought pursuant to Section 7.13(a), the person in respect of which indemnification may be sought (the "Issuer Indemnified Party") shall promptly notify the person against whom such indemnification may be sought (the "Indemnifying Party") in writing, but the omission to so notify the Indemnifying Party will not (i) relieve the Indemnifying Party from any liability which it may have to any Issuer Indemnified Party under this Section 7.13 other than to the extent of prejudice caused directly or indirectly by such omission, or (ii) affect any rights it may have to participate in and/or assume the defense of any action brought against any Issuer Indemnified Party. In case such action is brought against an Indemnified Party, and such Issuer Indemnified Party notifies the Indemnifying Party of the commencement thereof, the Indemnifying Party will be entitled to participate in and, to the extent that it chooses so to do, to assume the investigation and defense thereof (including the employment of counsel selected by the Issuer Indemnified Party), and the Indemnifying Party shall assume the payment of all fees and expenses relating to such investigation and defense and shall have the right to negotiate and consent to settlement thereof. Any one or more of the Issuer Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, and after notice from the Indemnifying Party to such Issuer Indemnified Party of its election to assume the defense thereof, the fees and expenses of such separate counsel shall be at the expense of the Indemnifying Party if the Issuer Indemnified Party determines that a conflict of interest exists or could develop between such party and the Indemnifying Party in connection with such action and in such event the Indemnifying Party shall pay the fees and expenses of the separate counsel necessary to resolve the conflict. The Indemnifying Party shall not be liable for any settlement of any such action effected without its consent, but, if settled with the consent of the Indemnifying Party or if there be a final judgment for the plaintiff in any such action as to which the Indemnifying Party has received notice in writing as hereinabove required, the Indemnifying Party agrees to indemnify and hold harmless the Indemnified Party from and against any loss or liability by reason of such settlement or judgment to the extent provided in this Section 7.13(b).

Notwithstanding the foregoing, the Borrower shall not be liable for any losses, claims, damages, liabilities or reasonable expenses resulting from the gross negligence or willful misconduct of any Issuer Indemnified Party.

The rights of any persons to indemnity hereunder shall survive the final payment or prepayment of the Loan. The provisions of this Section shall survive the termination of this Loan Agreement.

Section 7.14. The Borrower Indemnification of the Lender. The Borrower covenants and agrees as follows:

(a) to indemnify and hold harmless, to the extent permitted by law, the Lender and Affiliates, their respective incorporators, members, commissioners, directors, officers, agents and employees against all liability, losses, damages, all costs and charges (including reasonable fees and disbursements of attorneys, accountants, consultants and other experts), taxes, causes of action, suits, claims, demands and judgments of every conceivable kind, character and nature whatsoever, by or on behalf of any person arising in any manner from the transaction of which this Loan Agreement is a part or arising in any manner in connection with the Project and/or Facility or the financing of the Project, including, but not limited to, losses, claims, damages, liabilities or reasonable expenses arising out of, resulting from or in any way connected with (i) the work done on the Facility or the operation of the Facility during the term of this Loan Agreement, including, without limitation, any liability for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Facility; (ii) any violation of contract, agreement (including this Loan Agreement, the Regulatory Agreement and the Tax Agreement) or restriction relating to the Facility; (iii) any violation of law, ordinance or regulation affecting the Facility or any part thereof or the ownership or occupancy or use thereof; or (iv) the carrying out of any of the transactions contemplated by this Loan Agreement and all related documents;

(b) promptly after receipt by a Lender Indemnified Person (as defined below) of notice of the commencement of any action in respect of which indemnification may be sought under this Section 7.14, the person in respect of which indemnification may be sought (the “Lender Indemnified Person”) shall promptly notify the Borrower in writing, but the omission to so notify the Borrower will not relieve the Borrower from any liability which it may have to any Lender Indemnified Person under this Section 7.14 other than to the extent of prejudice caused directly or indirectly by such omission nor affect any rights it may have to participate in and/or assume the defense of any action brought against any Lender Indemnified Person. In case such claim or action is brought against the Lender or any Affiliate, or their respective incorporators, members, commissioners, directors, officers, agents or employees, and such Lender Indemnified Person notifies the Borrower of the commencement thereof, the Borrower will be entitled to participate in and, to the extent that it chooses so to do, to assume the investigation and defense thereof (including the employment of counsel selected by the Lender), and the Borrower shall assume the payment of all fees and expenses relating to such investigation and defense and shall have the right to negotiate and consent to settlement thereof. The Lender, Affiliates and their respective incorporators, members, commissioners, directors, officers, agents or employees shall have the right to employ separate counsel in any such action and to participate in the defense thereof, and after notice from the Borrower of its election to assume the defense thereof, the fees and expenses of such separate counsel shall be at the expense of such indemnifying party if the Lender, its Affiliates or their respective incorporators, members, commissioners, directors, officers, agents or employees reasonably determines that a conflict of interest exists between such party and the Borrower in connection with such action. The Borrower shall not be liable for any settlement of any such action effected without its consent, but, if settled with the consent

of the Borrower or if there be a final judgment for the plaintiff in any such action as to which the Borrower has received notice in writing as hereinabove required, the Borrower agrees to indemnify and hold harmless the Lender Indemnified Person from and against any loss or liability by reason of such settlement or judgment to the extent provided in this Section 7.14; and

(c) notwithstanding the previous provisions of this Section 7.14, the Borrower is not liable for or obligated to indemnify the Lender or any of its Affiliate (or any of their respective incorporators, members, commissioners, officers, employees or agents) or other Lender Indemnified Person (as defined in this Section 7.14) harmless against any loss or damage to property or injury or death to any person or any other loss or liability if and to the extent such loss, damage, liability, injury or death results from the gross negligence or willful misconduct of the Lender Indemnified Person seeking such indemnification, or from the breach by the Lender of this Loan Agreement or other Loan Documents to which the Lender is a party.

(d) All indemnifications by the Borrower in this Section 7.14 shall survive (a) the termination of this Loan Agreement, (b) payment of the indebtedness hereunder, (c) foreclosure or deed in lieu thereof, or reconveyance or cancellation of the Deed of Trust, (d) sale or other transfer of the Property by the Borrower, and (e) the exercise of any of the Lender's other rights and remedies under the Loan Documents or at law

Section 7.15. Disclosure Covenants.

(a) If necessary, the Borrower agrees to (i) file this Loan Agreement with EMMA following the Closing Date, with such redactions as the Lender shall require, and (ii) file this Loan Agreement with any rating agencies, as directed by the Lender.

(b) The Borrower and the Lender hereby agree that this Loan Agreement is exempt from the requirements of Paragraph (b)(5)(i) of the Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240.15c2-12) (the "Rule"). The Borrower hereby covenants and agrees that if this Loan Agreement ceases to be exempt under the Rule, the Borrower will enter into an agreement or contract, constituting an undertaking, to provide ongoing disclosure as may be necessary to comply with the Rule as then in effect.

Section 7.16. Lender's Inspector. The Lender shall have the right to retain at the Borrower's expense an inspector (the "Lender's Inspector") to review and advise the Lender with respect to all Plans and Specifications, construction, architectural and other design professional contracts, change orders, governmental permits and approvals, and other matters related to the design, construction, operation and use of the Improvements, to monitor the progress of construction and to review on behalf of the Lender all Draw Requests submitted by the Borrower. The Borrower acknowledges that (i) the Lender's Inspector has been retained by the Lender to act as a consultant, and only as a consultant, to the Lender in connection with the construction of the Improvements, and the Lender's Inspector may be an employee of the Lender, (ii) the Lender's Inspector shall in no event have any power or authority to make any decision or to give any approval or consent or to do any other thing which is binding upon the

Lender, and any such purported decision, approval, consent or act by the Lender's Inspector on behalf of the Lender shall be void and of no force or effect, (iii) the Lender reserves the right to make any and all decisions required to be made by the Lender under this Loan Agreement, in its sole and absolute discretion, and without in any instance being bound or limited in any manner whatsoever by any opinion expressed or not expressed by the Lender's Inspector to the Lender or any other person with respect thereto, and (iv) the Lender reserves the right in its sole and absolute discretion to replace the Lender's Inspector with another inspector at any time and without prior notice to or approval by the Borrower. All inspections by or on behalf of the Lender shall be solely for the benefit of the Lender, and the Borrower shall have no right to claim any loss or damage against the Lender or the Lender's Inspector (whether or not an employee of the Lender) arising from any alleged (i) negligence or failure to perform such inspections, (ii) failure to monitor loan disbursements or the progress or quality of construction, or (iii) failure to otherwise properly administer the construction aspects of the Improvements.

Section 7.17. Reserved.

Section 7.18. Tax Covenants. The Borrower shall comply with the requirements and conditions of the Regulatory Agreement. Without limiting the foregoing and notwithstanding anything to the contrary in this Loan Agreement, the Borrower will not take, or permit to be taken on its behalf, any action which would cause interest on the Issuer Loan to be included in gross income for federal income tax purposes and will take such reasonable action as may be necessary to continue such exclusion from gross income, including:

(a) The Borrower will not use the proceeds of the Loan, or any other funds which may be deemed to be proceeds of the Loan pursuant to Section 148 of the Code, in the manner which will cause the Loan to be an "arbitrage bond" within the meaning of such section, and will comply with the requirements of such Section throughout the term of the Loan;

(b) The Borrower will prepare and file any statements required to be filed by it in order to maintain the exclusion of interest on the Issuer Loan from gross income for federal income tax purposes;

(c) The Borrower will pay to the United States any amount required to be paid by the Issuer or the Borrower pursuant to Section 148(f) of the Code, at the times, in the amounts and at the places required in order to maintain the exclusion of interest on the Issuer Loan from gross income for federal income tax purposes, and the Borrower shall compute, or cause to be computed, such amounts annually so long as required by the Code; and

(d) The Borrower shall use not less than ninety five percent (95%) of the net proceeds of the Loan (within the meaning of Section 142(a) of the Code) to pay Qualified Project Costs.

(e) To satisfy the requirements set forth in subpart (4) of the definition of "program investment" that appears in Section 1.148-1(b) of the Treasury Regulations (which requirements must be met in order for the Loan to qualify as a program

investment within the meaning of that section), neither the Borrower nor any related person will purchase the Issuer Loan in an amount related to the amount of the Borrower Loan;

(f) The Borrower will not make any changes to the Project, or take any other actions or omit to take any actions, the result of which will in any way adversely affect the tax-exempt status of the interest on the Issuer Loan;

(g) If the Borrower becomes aware of any circumstance, event or condition which would result in the interest payable on the Issuer Loan becoming includable in gross income for federal income tax purposes, the Borrower will promptly give written notice of such circumstance, event or condition to the Issuer and the Lender;

(h) The Borrower will apply the full amount of each disbursement from the Loan to pay or to reimburse the Borrower for the payment of Project Costs and, after taking into account any proposed disbursement, (i) at least ninety five percent (95%) of the net proceeds of the Loan (as defined in Section 150 of the Code) will be used to pay Qualified Project Costs to provide a qualified residential rental project (as defined in Section 142(d) of the Code), (ii) less than twenty-five percent (25%) of the net proceeds of the Loan will have been disbursed to pay or to reimburse the Borrower for the cost of acquiring land, (iii) not more than two percent (2%) of the proceeds of the Loan will have been used for Costs of Issuance (as defined in the Regulatory Agreement), and (iv) none of the proceeds of the Loan (as defined for purposes of Section 147(g) of the Code) will be disbursed to provide working capital;

(i) The Borrower will cause all of the residential units in the Project first occupied after the Closing Date to be rented or available for rental on a basis which satisfies the requirements of the Law, the Act, the Code and the Regulatory Agreement;

(j) The Borrower will assure that all leases for the Project entered into after the Closing Date will comply with all applicable laws and the Regulatory Agreement;

(k) In connection with any lease entered into after the Closing Date or grant by the Borrower of the use of the Project, the Borrower will require that the lessee or user of any portion of the Project not use that portion of the Project in any manner which would violate the covenants set forth in this Loan Agreement or the Regulatory Agreement; and

(l) No portion of the proceeds of the Loan shall be used to provide any airplane, skybox or other private luxury box, health club facility, facility primarily used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises, and no portion of the proceeds of the Loan shall be used for an office unless (i) the office is located on the premises of the facilities constituting the Project and (ii) not more than a de minimis amount of the functions to be performed at such office is not related to the day-to-day operations of the Project.

(m) The proceeds of the Borrower Loan shall be deemed allocated on a pro rata basis to the building in the Project and the land on which it is located so that such

building and the land on which it is located will have been financed at least fifty percent (50%) by the proceeds of the Borrower Loan for the purpose of complying with Section 42(h)(4)(B) of the Code; provided, however, the foregoing representation, covenant and warranty is made for the benefit of the Borrower and its members and neither the Issuer nor the Lender shall have any obligation to enforce it nor shall either of them incur any liability to any person, including, without limitation, the Borrower, the members of the Borrower, any other affiliate of the Borrower or any holders or payees of the Borrower Loan for any failure to meet the intent expressed in the foregoing representation, covenant and warranty.

ARTICLE VIII

NEGATIVE COVENANTS OF THE BORROWER

So long as the Borrower Loan shall remain unpaid, the Borrower agrees that:

Section 8.01. Lien. The Borrower shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Property, Facility or other assets of the Borrower (together, “Liens”), other than the rights of the Lender or the Issuer as herein provided and the Permitted Encumbrances. The Borrower shall promptly, at its own expense, take such action as may be necessary duly to discharge or remove any such unpermitted Lien. The Borrower shall reimburse the Lender for any expenses incurred by the Lender to discharge or remove any unpermitted Lien.

“Lien Claims” means all claims (including mechanics liens and claims for labor, services, materials and supplies) that by law have or may become a lien upon any of the Collateral or any other property or assets of the Borrower, or a Lien against funds advanced to or available for advancement to the Borrower (whether or not all conditions with respect to such advancement have been satisfied) pursuant to the Loan Documents, including, without limitation, stop notices and other claims against the Issuer or the Lender pertaining to disbursement of such funds or liability with respect thereto. “Impositions” means all rents, taxes, assessments, premiums, and ground lease rents (if applicable) attributable to the Property.

Notwithstanding anything herein or in any of the other Loan Documents to the contrary, the Borrower shall not be required to pay, discharge or remove any Imposition or Lien Claim so long as the following criteria (the “Lien Contest Criteria”) shall be satisfied as to the same: (i) the Borrower shall contest in good faith the validity, applicability or amount of the Imposition or Lien Claim by an appropriate legal proceeding which operates to prevent the collection of the secured amounts and the sale of the applicable Property, other Collateral, or any portion thereof, and (ii) prior to the date on which such Imposition or Lien Claim would otherwise have become delinquent, the Borrower shall have given the Lender written notice of its intent to contest said Imposition or Lien Claim, and (iii) the Borrower either shall have complied with the Statutory Bond Criteria set forth below or shall have deposited with the Lender (or with a court of competent jurisdiction or other appropriate body approved by the Lender and the Issuer) such additional amounts as are necessary to keep on deposit at all times, an amount equal to at least one hundred twenty five percent (125%) (or such higher amount as may be required by applicable law) of the total of the balance of such Imposition or Lien Claim then remaining

unpaid, plus all interest, penalties, costs and charges having accrued or accumulated thereon, and (iv) in the reasonable judgment of the Lender, no risk of sale, forfeiture or loss of any interest in the Property, other Collateral, or any part thereof within 30 days arises at any time, and (v) such contest does not, in the Lender's reasonable discretion, have a material adverse effect, and (vi) such contest is based on bona fide claims or defenses, and (vii) the Borrower shall prosecute any such contest with due diligence, and (viii) the Borrower shall promptly pay the amount of such Imposition or Lien Claim as finally determined, together with all interest and penalties payable in connection therewith. Anything to the contrary notwithstanding, the Lender shall have full power and authority, but no obligation, to advance funds or to apply any amount deposited with the Lender under this Section to the payment of any unpaid Imposition or Lien Claim at any time if an Event of Default shall occur, or if the Lender reasonably determines that a risk of sale, forfeiture or loss of any interest in the Property, other Collateral or any part thereof within 30 days has arisen. The Borrower shall reimburse the Lender on demand for all such advances, together with interest thereon at the same rate that is then applicable to principal outstanding hereunder. Any surplus retained by the Lender after payment of the Imposition or Lien Claim for which a deposit was made shall be promptly repaid to the Borrower unless an Event of Default shall have occurred, in which case said surplus may be retained by the Lender and applied by the Lender to any of Obligations, as the Lender may determine in its sole discretion. The Statutory Bond Criteria shall be defined as, and Statutory Bond Criteria will be deemed satisfied if, (x) by statute in the jurisdiction where the Property is located, a bond may be given as security for the particular form of Imposition or Lien Claim in question, with the effect that the Property shall be forever released from any Lien securing such Imposition or Lien Claim, and (y) the Borrower shall cause such a bond to be issued, and the Borrower shall comply with all other requirements of law such that the Property shall be forever released from such Lien, and (z) the Borrower shall provide to the Lender such evidence of the foregoing as the Lender may reasonably request.

Section 8.02. Sale of Assets. The Borrower will not sell, lease, assign, transfer or otherwise dispose of all or substantially all of its assets (other than in the ordinary course of business) or the Property and the improvements thereon or of the Facility or any interest therein (whether in one transaction or in a series of transactions), other than Permitted Encumbrances, without the prior written consent of the Lender (which consent will not be unreasonably withheld, conditioned or delayed) and the delivery to the Issuer and the Lender of an opinion of Bond Counsel to the effect that any such sale, lease, assignment, transfer or other disposition will not cause the interest on the Issuer Loan to be included in gross income of the owners thereof. Notwithstanding the previous sentence, the Issuer Loan and the Borrower Loan shall become due and payable upon the sale, assignment, transfer or other disposition of Facility. The Borrower shall provide the Lender with prior written notice of its intention to sell, lease, assign, transfer or otherwise dispose of the Facility or any interest therein and shall agree in writing to remain liable under the Loan Documents. In the event of a sale, assignment or transfer of the Facility to an affiliate of the Borrower (which shall also be subject to the Lender's prior written consent, not be unreasonably withheld, conditioned or delayed), such purchaser, assignee or transferee shall assume in writing the Borrower's obligations under the Loan Documents.

Section 8.03. Consolidation and Merger. The Borrower will not consolidate with or merge into any person, or permit any other person to merge into it, or acquire (in a transaction analogous in purpose or effect to a consolidation or merger) all or substantially all of the assets

of any other person without the prior written consent of the Lender (which consent will not be unreasonably withheld).

Section 8.04. Accounting. The Borrower will not adopt, permit or consent to any material change in accounting principles other than as required or permitted by GAAP or adopt, permit or consent to any change in its fiscal year unless the Borrower provides the Lender restated financial statements in comparative form.

Section 8.05. Transfers. Except as otherwise provided in Section 8.13, the Borrower will not in any manner transfer any Property, other than transfers made in the ordinary course of business, without prior or present receipt of full and adequate consideration; provided, that, the restriction contained in this Section 8.05 shall not prohibit the Borrower from making transfers in furtherance of its charitable purposes, provided that no transfer shall materially and adversely affect the ability of the Borrower to perform its obligations hereunder.

Section 8.06. Other Indebtedness. Other than the Permitted Indebtedness, the Borrower shall not, without the prior written consent of the Lender, incur any additional indebtedness, secured or unsecured, direct or contingent.

Section 8.07. Other Defaults. The Borrower will not permit any breach, default or event of default to occur beyond any applicable cure period under any note, loan agreement, indenture, lease, mortgage, contract for deed, security agreement or other contractual obligation binding upon the Borrower or any judgment, decree, order or determination applicable to the Borrower. Notwithstanding the previous sentence, the Borrower shall have the right to contest in good faith by appropriate proceedings any breach, default or event of default, so long as such contest shall not, and shall not have the potential to, adversely affect the Lender's or the Issuer's interests hereunder or under any of the other Loan Documents.

Section 8.08. Reserved.

Section 8.09. Use of Facility. The Borrower will not install, use, operate or maintain the Project or the Facility improperly, carelessly, in violation of any applicable law or in a manner in violation of this Loan Agreement, the Regulatory Agreement or the Tax Agreement.

Section 8.10. Maintenance of Business. The Borrower shall not change its business activities in any material respect from the business activities conducted by the Borrower as of the date of this Loan Agreement.

Section 8.11. Most Favored Covenant. In the event that the Borrower has previously entered into or shall hereafter enter into or otherwise consent to any agreement or instrument (or any amendment, supplement or modification thereto) (each a "Relevant Agreement") under which any Person undertakes to make loans, to refinance or restructure existing debt or to extend credit or liquidity to the Borrower, which Relevant Agreement (i) provides such Person with a covenant, provision or agreement which is more restrictive, as to the Borrower, or (ii) gives or grants greater rights or remedies to such Person whether as to timing of payment, priority of payment or Lien or otherwise (each, a "Favored Covenant") than, in the case of (i), are undertaken by the Borrower herein or, in the case of (ii), are given or granted to the Lender herein, then each such Favored Covenant shall automatically be deemed to be incorporated into

this Loan Agreement and the Lender shall have the benefits of each such Favored Covenant as if specifically set forth in this Loan Agreement for the duration of such Relevant Agreement. If necessary, the Borrower and the Issuer shall promptly enter into an amendment to this Loan Agreement to include the Favored Covenant; provided that the Lender shall maintain the benefit of such Favored Covenant even if the Borrower and the Issuer fail to provide such amendment; and provided, further, that the Borrower shall pay all costs to the Issuer associated with entering into such amendment. Notwithstanding anything to the contrary contained in this Section, each party hereto agrees that no provision described in this Section shall be deemed incorporated into this Loan Agreement if such incorporation would cause the interest on the Issuer Loan to be includable in gross income for federal tax purposes.

Section 8.12. Tax Exempt Status. The Borrower will not take any action that would cause the interest on the Issuer Loan to become includable in gross income of the recipient for federal income tax purposes under the Code (including, without limitation, intentional acts under Treas. Reg. § 1.148-2(c) or deliberate action within the meaning of Treas. Reg. § 1.141-2(d)), and the Borrower will take and will cause its officers, employees and agents to take all affirmative actions legally within its power necessary to ensure that the interest on the Issuer Loan does not become includable in gross income of the recipient for federal income tax purposes under the Code (including, without limitation, the calculation and payment of any rebate required to preserve such exclusion).

Section 8.13. Changes in Borrower, Operating Agreement, Modification of Documents. Borrower covenants not to agree to, make, or suffer, a Prohibited Transfer without the written consent of Lender. “Prohibited Transfer” means transfer, conveyance, or assignment of: (i) any interest of a managing member, member, or controlling stockholder of the Borrower; or (ii) a controlling interest in any entity that has a controlling interest in the Borrower, provided, however, that it does not in any event mean or include (x) any transfer by a limited investor of its interest in Borrower, (y) any transfer of any interest within a limited investor of Borrower, and (z) any removal and replacement of a managing member of Borrower in accordance with the Operating Agreement. Borrower shall not enter into or allow any modification of the Operating Agreement or to any documents evidencing the Permitted Indebtedness without the prior written consent of Lender which consent shall not be unreasonably withheld, conditioned, or delayed except that Borrower may amend the Operating Agreement without Lender’s consent to memorialize any transfer that is not a Prohibited Transfer.

ARTICLE IX

DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 9.01. Eminent Domain. If all or any portion of the Facility shall be taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Net Proceeds of any eminent domain award shall be applied to the prepayment of the Borrower Loan and the Issuer Loan in accordance with Section 9.02 of this Loan Agreement.

Section 9.02. Application of Net Proceeds.

(a) The Net Proceeds of any insurance award resulting from any damage to or destruction of any portion of the Facility by fire or other casualty, as applicable, of any title insurance award, or of any eminent domain award resulting from any event described in Section 9.01 hereof shall be deposited with the Lender, who shall determine the application of such proceeds in accordance with this Section 9.02. Notwithstanding the previous sentence, if no Event of Default has occurred and is continuing under the Loan Documents, the Lender shall release to the Borrower without further limitations all insurance awards of up to \$50,000 received on behalf of the Borrower in the normal course of business. The Borrower, except as provided below, shall cause the proceeds of such insurance to be utilized for the repair, reconstruction, or replacement of the damaged or destroyed portion of the Facility. Provided that no Default or Event of Default has occurred and is continuing under the Loan Documents, the Lender shall permit withdrawals of the proceeds from time to time upon receiving the written request of the Borrower, stating that the Borrower has expended moneys or incurred liabilities in an amount equal to the amount therein requested to be paid over to it for the purpose of repair, reconstruction or replacement of the Property damaged, destroyed, lost or taken by eminent domain, and specifying the items for which such moneys were expended or such liabilities were incurred. Any balance of the proceeds not required for such repair, reconstruction, or replacement shall be applied by the Lender as provided in Section 4.08 hereof. If an Event of Default has occurred and is continuing hereunder, the Lender may apply any such proceeds to the Borrower's obligations under the Loan Documents in any order of priority elected by the Lender in its sole discretion.

(b) Alternatively, the Borrower, at its option, and if the proceeds of such insurance or eminent domain award, together with any other moneys then available for the purpose are at least sufficient to prepay the Borrower Loan in full pursuant to Section 4.08 hereof, may elect not to repair, reconstruct, or replace the damaged or destroyed portion of the Facility, as applicable, and thereupon shall cause the proceeds to be used for the prepayment of the Borrower Loan in full, but not in part. With the written consent of the Lender, the Borrower may elect not to repair, reconstruct, or replace the damaged, destroyed, lost or taken Property and shall cause such proceeds to prepay the Borrower Loan in part.

(c) There shall be no abatement of Payments during any period in which, by reason of damage or destruction, there is substantial interference with the use and occupancy by the Borrower of the Facility or any portion thereof.

ARTICLE X

ASSIGNMENT, PARTICIPATION, MORTGAGING AND SELLING

Section 10.01. Assignment by the Lender.

(a) *Assignment to an Affiliate Transferee.* The Lender may, at any time, without the necessity of obtaining the consent of the Issuer or the Borrower, sell or

otherwise transfer in whole, but not in part, the Issuer Loan and the right to receive Payments and the prepayment premium, if any, from the Borrower hereunder, to a Person that is (i) an Affiliate that is a Qualified Institutional Buyer, or (ii) a trust or other custodial arrangement established by the Lender or by an Affiliate that is a Qualified Institutional Buyer, the owners of any beneficial interest in which are Qualified Institutional Buyers (each, an “Affiliate Transferee”). From and after the date of such sale or transfer, First National Bank Alaska (and its successors) shall continue to have all of the rights of the Lender hereunder and under the Loan Documents as if no such transfer or sale had occurred; provided, however, that (A) no such sale or transfer referred to in clause (i) or (ii) of this subsection shall in any way affect the obligations of the Lender hereunder, (B) the Borrower and the Issuer shall be required to deal only with the Lender with respect to any matters under this Agreement and (C) in the case of a sale or transfer referred to in clause (i) or (ii) of this subsection, only the Lender shall be entitled to enforce the provisions of this Agreement against the Borrower. Notwithstanding the foregoing, the Issuer Loan may not be transferred if the principal amount is less than \$250,000 without the prior written consent of the Issuer and the Borrower.

(b) *Assignment to a Non-Affiliate Transferee.* The Lender may, at any time, without the necessity of obtaining the consent of the Issuer or the Borrower, sell or otherwise transfer in whole, but not in part, the Issuer Loan and the right to receive Payments and the prepayment premium, if any, from the Borrower hereunder to a transferee who is not an Affiliate Transferee but is a Qualified Institutional Buyer that is a commercial bank having a combined capital and surplus, determined as of the date of any transfer pursuant to this subsection, of not less than \$5,000,000,000 (each, a “Non-Affiliate Transferee”) if (i) written notice of such sale or transfer, including that such sale or transfer is to a Non-Bank Transferee, together with addresses and related information with respect to the Non-Bank Transferee, shall have been given to the Borrower, the Issuer and the Lender (if the Lender is not the Holder) by such selling Holder and Non-Bank Transferee, and (ii) the Non-Bank Transferee shall have delivered to the Borrower, the Issuer and the selling Holder, an investment letter in substantially the form attached hereto as Exhibit B. Notwithstanding the foregoing, the Issuer Loan may not be transferred if the principal amount is less than \$250,000 without the prior written consent of the Issuer and the Borrower.

Upon assignment, the Borrower will reflect in a book entry the assignee designated in the written request of assignment or in a written certification of an Affiliate delivered to the Issuer and the Borrower pursuant to this Section, and shall agree to make all payments to the assignee designated in such written request, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of this Loan Agreement or otherwise) that the Issuer and the Borrower may from time to time have against the Lender or the assignee. The Issuer agrees to execute all documents, including notices of assignment, which may be reasonably requested by the Lender or its assignee to protect their interest in this Loan Agreement. The Lender or assignee shall pay all reasonable expenses of the Issuer, including reasonable fees and expenses of counsel, in connection with such transfer and assignment and the execution of any documents in connection therewith. Upon a Holder’s transfer or assignment of the Issuer Loan and the Borrower Loan, such Holder shall have no further obligation and shall be released from

all liability for any act or omission occurring subsequent to the date of such transfer or assignment.

Section 10.02. No Sale, Assignment or Leasing by the Borrower. This Loan Agreement and the interest of the Borrower in the Facility and the other assets may not be sold, assumed, assigned or encumbered by the Borrower other than Permitted Encumbrances. No agreement or interest therein and no improvement shall be subject to involuntary assignment, lease, transfer or sale or to assignment, lease, transfer or sale by operation of law in any manner whatsoever except as expressly provided in this Loan Agreement and except for Permitted Encumbrances, and any such attempted assignment, lease, transfer or sale shall be void and of no effect and shall, at the option of the Lender, constitute an Event of Default hereunder.

ARTICLE XI

EVENTS OF DEFAULT AND REMEDIES

Section 11.01. Events of Default. The following constitute “Events of Default” under this Loan Agreement:

- (a) failure by the Borrower to pay to the Lender, as assignee of the Issuer, any Payment within 15 days of the due date thereof;
- (b) failure by the Borrower to pay to the Lender, as assignee of the Issuer, any Additional Payment or any other amount required to be paid hereunder or under the Security Agreement (other than Payments) within 15 days of the due date thereof;
- (c) failure by the Borrower to pay, as and when due, any payment required to be paid under any other Loan Document between the Lender or any of its Affiliates and the Borrower, subject to the applicable grace and cure periods set forth in such agreement;
- (d) failure by the Borrower to maintain insurance in accordance with Section 7.04 hereof;
- (e) a Determination of Taxability shall occur; provided, however, that a Determination of Taxability shall not be an Event of Default to the extent the Lender, the Issuer and the Borrower enter into a written amendment to this Loan Agreement pursuant to Section 4.01(b) within 60 days following such Determination of Taxability and such amendment has the effect of curing the Event of Default described in this paragraph (e) as verified by an opinion of Bond Counsel delivered to the Lender and the Issuer;
- (f) except as otherwise specified in this Section 11.01, failure by the Borrower or the Issuer to observe and perform (i) any other covenant, condition or agreement on its part to be observed or performed hereunder, or (ii) under any other Loan Document, for a period of 60 days after written notice is given to the Borrower or the Issuer, as applicable, by the Lender or the Issuer, as applicable, specifying such failure and requesting that it be remedied; provided, however, if such failure is correctable but cannot be corrected within the applicable period and corrective action is instituted by the

Borrower within the applicable period and diligently pursued until corrected, then no Event of Default shall be deemed to have occurred, unless such cure has not been completed within 90 days after such written notice;

(g) failure by the Guarantor to observe and perform any other covenant, condition or agreement on its part to be observed or performed under the Guaranty for a period of 30 days after written notice is given to the Guarantor by the Lender, specifying such failure and requesting that it be remedied; provided, however, if such failure is correctable but cannot be corrected within the applicable period and corrective action is instituted by the Guarantor within the applicable period and diligently pursued until corrected, then no Event of Default shall be deemed to have occurred unless such cure has not been completed within 60 days after such written notice (or such longer period as may be permitted by the Lender in writing);

(h) initiation by the Borrower, by the Guarantor or by others of a proceeding under any Federal or State bankruptcy or insolvency law seeking relief under such laws concerning the indebtedness of the Borrower or Guarantor, as applicable, which proceeding is not dismissed or stayed within 60 days;

(i) The Borrower shall be or become insolvent, or admit in writing its inability to pay its or his debts as they mature, or make an assignment for the benefit of creditors; or the Borrower or a Guarantor shall apply for or consent to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; or such receiver, trustee or similar officer shall be appointed without the application or consent of the Borrower or the applicable Guarantor, as the case may be, or the Borrower or a Guarantor shall institute (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction which proceeding is not dismissed or stayed within 60 days; or any such proceeding shall be instituted (by petition, application or otherwise) against the Borrower or a Guarantor and remains undismissed or unstayed for 60 days; or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against a substantial part of the property of the Borrower or a Guarantor;

(j) the making of any order or the entry of any decree by a court of competent jurisdiction enjoining or prohibiting the Borrower, from performing or satisfying its covenants, obligations or conditions contained herein and such proceedings are not discontinued or such order or decree is not vacated within 30 days after the Borrower becomes aware of the making or granting thereof;

(k) The Borrower is determined by the Lender to (i) have knowingly made any material false or misleading statement or representation in connection with this Loan Agreement; or (ii) the Borrower sells, assigns, leases, or otherwise transfers or encumbers all or any part of its interest in this Loan Agreement, or the Facility other than as permitted by the terms of this Loan Agreement;

(l) the occurrence and declaration of a default or event of default under any instrument, agreement or other document evidencing or relating to any indebtedness or other monetary obligation of the Borrower;

(m) there shall occur any event which the Lender in good faith believes (i) materially and adversely affects the financial condition, or results of operations (financial or otherwise) of the Borrower or (ii) would cause in delay in the construction of the Improvements such that the Improvements are not likely to be placed in service by June 1, 2024;

(n) the sale of the Borrower to, or merger of the Borrower into, any person, or the merger of any other person into the Borrower, or acquisition (in a transaction analogous in purpose or effect to a consolidation or merger) of all or substantially all of the assets of any other person by the Borrower without the prior written consent of the Lender;

(o) any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against the Borrower or its assets in excess of \$250,000 and shall not have been stayed or removed within 60 days;

(p) the occurrence of a Material Adverse Change;

(q) any Event of Default shall occur and be continuing under and as defined in any other Loan Document; or

(r) The occurrence of a breach under the AHAP Contract (or the HAP Contract as defined therein) which could permit the Lender to terminate the payments thereunder, and such breach under the AHAP Contract (or the HAP Contract) continues for 30 days after written notice from the Lender to the Borrower, provided, however, that if, in the Lender's reasonable judgment such breach is not capable of being cured within said 30 day period and is not curable by the payment of money, then the Borrower shall have such additional time as the Lender deems reasonably necessary (but in no event will such additional time exceed 90 days after the initial notice of such default) to cure such failure, provided that (i) Borrower promptly proceeds to commence curing said breach upon obtaining actual knowledge thereof or the receipt of notice of said breach from the Lender, (ii) in the reasonable judgment of the Lender, Borrower thereafter diligently and continuously proceeds to cure said breach so as to cure said breach in the shortest time possible, (iii) such additional time to cure does not impair any rights and/or remedies of the Lender and will not adversely affect the completion of the renovation of the Improvements by the Completion Date, (iv) the Borrower furnishes to the Lender, upon demand of the Lender, such documents and information with respect to Borrower's curing of said breach, as the Lender may reasonably request and (v) such additional time shall not exceed 90 days after the initial notice of such default.

Section 11.02. Remedies on Default. Whenever any Event of Default shall have occurred and be continuing, the Lender shall have the right, at its sole option without any further demand or notice, to take any one or any combination of the following remedial actions insofar

as the same are available to secured parties under the laws of the State from time to time and which are otherwise accorded to the Lender:

(a) by notice to the Borrower, declare the entire unpaid principal amount of the Loan (and the related Obligations) then outstanding, all interest accrued and unpaid thereon and all amounts payable under this Loan Agreement to be forthwith due and payable, whereupon such Loan (and the related Obligations), all such accrued interest and all such amounts shall become and be forthwith due and payable, without presentment, notice of dishonor, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower;

(b) the obligation, if any, of the Lender to extend any further credit under any of the Loan Documents shall immediately cease and terminate;

(c) exercise all rights and remedies legally available to the Lender;

(d) proceed by appropriate court action to enforce performance by the Issuer or the Borrower of the applicable covenants of the Loan Documents or to recover for the breach thereof, including the payment of all amounts due from the Borrower, in which event the Borrower shall pay or repay to the Lender all costs of such action or court action including without limitation, reasonable attorneys' fees; and

(e) take whatever action at law or in equity that may appear necessary or desirable to enforce its rights, in which event the Borrower shall pay or repay to the Lender and the Issuer all costs of such action or court action, including, without limitation, reasonable attorneys' fees.

The Lender shall provide the Issuer with written notice within 5 Business Days of the commencement of such remedies.

All proceeds derived from the exercise of any rights and remedies shall be applied in the following manner:

FIRST, to pay to the Issuer any Issuer Fees and Expenses;

SECOND, to the United States any rebatable arbitrage due or accrued pursuant to Section 148(f)(4) of the Code;

THIRD, to pay (a) to the Lender the amount of all unpaid Payments, if any, which are then due and owing, together with interest at the Default Rate and late charges thereon; and (b) to the Lender any Additional Payments payable to the Lender hereunder;

FOURTH, to pay all proper and reasonable costs and expenses associated with the recovery, repair, storage and sale of the Facility, including reasonable attorneys' fees and expenses; and

FIFTH, to pay the remainder of any such proceeds, purchase moneys or other amounts paid by a buyer of the Facility or other person, to the Borrower.

Notwithstanding any other remedy exercised hereunder, the Borrower shall remain obligated to pay to the Lender and the Issuer, as their interests may appear, any unpaid Payments and Additional Payments. To the extent permitted by applicable law, the Borrower hereby waives any rights now or hereafter conferred by statute or otherwise which might require the Lender to use, sell, lease or otherwise dispose of any portion of the Facility in mitigation of the Lender's damages or which might otherwise limit or modify any of the Lender's rights hereunder.

All of the Borrower's right, title and interest in the Facility and any portion thereof, the possession of which is taken by the Lender upon the occurrence of an Event of Default (including, without limitation, construction, contracts, warranties, guarantees or completion assurances applicable to such Facility) shall pass to the Lender, and the Borrower's rights in such Facility shall terminate immediately upon such repossession.

All rights, powers and remedies of the Lender may be exercised at any time by the Lender, as assignee of the Issuer, and from time to time after the occurrence and continuance of an Event of Default, are cumulative and not exclusive, and shall be in addition to any other rights, powers or remedies provided by law or equity.

The Borrower shall pay or repay to the Lender and the Issuer all costs of such action or court action, including, without limitation, reasonable attorneys' fees.

Notwithstanding the foregoing, Lender shall accept cure of any Default or Event of Default hereunder by the limited investor of Borrower within the same cure period allowed to the Borrower hereunder.

Section 11.03. The Lender's Right to Perform the Obligations. If the Borrower shall fail, refuse or neglect to make any payment or perform any act required by the Loan Documents to which it is a party, then while any Event of Default exists, and without notice to or demand upon the Borrower and without waiving or releasing any other right, remedy or recourse the Lender may have because of such Event of Default, the Lender may (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of the Borrower and interest on such payment shall accumulate from the date of the advance at the Default Rate until such advance is paid, and shall have the right to enter upon the Facility for such purpose and to take all such action thereon and with respect to the Facility as it may deem necessary or appropriate. If the Lender shall elect to pay any sum due with reference to the Facility, the Lender may do so in reliance on any bill, statement or assessment procured from the appropriate governmental authority or other the issuer thereof without inquiring into the accuracy or validity thereof. Similarly, in making any payments to protect the security intended to be created by this Loan Agreement and the Deed of Trust, the Lender shall not be bound to inquire into the validity of any apparent or threatened adverse title, lien, encumbrance, claim or charge before making an advance for the purpose of preventing or removing the same. If any Hazardous Materials affect or threaten to affect the Facility, the Lender may (but shall not be obligated to) give such notices and take such actions as it deems necessary or advisable in order to abate the discharge of any Hazardous Materials or remove the Hazardous Materials. Notwithstanding the previous sentence, the use and storage of reasonable quantities of office supplies, cleaning and maintenance materials and pest control products shall not be deemed to "affect" the Facility in a

manner entitling the Lender to act so long as such use and storage is executed safely and in compliance with applicable law. The Borrower shall indemnify, defend and hold the Lender and the Issuer harmless from and against any and all losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements of any kind or nature whatsoever, including reasonable attorneys' fees, incurred or accruing by reason of any acts performed by the Lender pursuant to the provisions of this Section, except as a result of the Lender's gross negligence or willful misconduct. Anything to the contrary herein or elsewhere notwithstanding, the Lender may cease or suspend any and all performance required of the Lender herein or under any of the other Loan Documents upon and during the continuance of any breach or default, and upon and at any time after the occurrence of any Event of Default.

Section 11.04. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Lender is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lender to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice other than such notice as may be required by this Article XI. All remedies hereby conferred upon or reserved to the Lender shall survive the termination of this Loan Agreement.

ARTICLE XII

MISCELLANEOUS

Section 12.01. Disclaimer of Warranties. NEITHER THE LENDER NOR THE ISSUER MAKE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, COMPLIANCE WITH SPECIFICATIONS, QUALITY OF MATERIALS OR WORKMANSHIP, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, USE OR OPERATION, SAFETY, PATENT, TRADEMARK OR COPYRIGHT INFRINGEMENTS, TITLE OR FITNESS FOR USE OF THE FACILITY, OR ANY COMPONENT THEREOF OR ANY OTHER WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT THERETO. All such risks, as between the Lender, the Issuer and the Borrower, are to be borne by the Borrower. Without limiting the foregoing the Lender and the Issuer shall have no responsibility or liability to the Borrower or any other person with respect to any of the following: (a) any liability, loss or damage caused or alleged to be caused directly or indirectly by the Project, any inadequacy thereof, any deficiency or defect (latent or otherwise) therein, or any other circumstances in connection therewith; (b) the use, operation or performance of the Project or any risks relating thereto; (c) any interruption of service, loss of business or anticipated profits or consequential damages; or (d) the delivery, operation, servicing, maintenance, repair, improvement or replacement of the Facility. If, and so long as, no Default exists under this Loan Agreement, the Borrower shall be, and hereby is, authorized to assert and enforce, at the Borrower's sole cost and expense, from time to time, whatever claims and rights the Borrower or the Lender may have against any prior title holder or possessor of the Facility. In no event shall the Lender or the

Issuer be liable for any loss or damage in connection with or arising out of this Loan Agreement or the Facility.

Section 12.02. Limitations of Liability. In no event, whether as a result of breach of contract, warranty, tort (including negligence or strict liability), indemnity or otherwise, shall the Lender, its assignees, if any, or the Issuer be liable for any special, consequential, incidental or punitive damages including, but not limited to, a loss of profit or revenue, loss of use of the Facility or any associated equipment, service materials or software, damage to associated equipment, service materials or software, cost of capital, cost of substitute equipment, service materials or software, facilities, services or replacement power, down time costs or claims of the Borrower's members for such damages and the Borrower shall indemnify and hold harmless the Lender, its assignees, if any, and the Issuer from any such damages; provided that the indemnity hereunder shall not be applicable to the extent such damages are caused by the gross negligence or willful misconduct of the Lender or the Issuer.

Section 12.03. Additional Payments to the Lender and Issuer. The Borrower shall pay to the Lender and the Issuer the following Additional Payments hereunder, in addition to the Payments payable by the Borrower, in such amounts in each year as shall be required by the Lender and the Issuer in payment of any reasonable costs and expenses, incurred by the Lender and the Issuer in connection with the execution, performance or enforcement of this Loan Agreement, the financing of the Project, including but not limited to payment of all reasonable fees of auditors, financial consultants or attorneys, insurance premiums not otherwise paid hereunder and all other reasonable, direct and necessary administrative costs of the Lender and the Issuer or charges required to be paid by it in order to comply with the terms of, or to enforce its rights under, the Loan Documents. Such Additional Payments shall be billed to the Borrower by the Lender and the Issuer from time to time, together with a statement certifying that the amount so billed has been paid or incurred by the Lender and the Issuer for one or more of the items described, or that such amount is then payable by the Lender or the Issuer for such items. Amounts so billed shall be due and payable by the Borrower within 30 days after receipt of the bill by the Borrower.

Section 12.04. Notices. All notices, certificates, requests, demands and other communications provided for hereunder or under a Draw Request shall be in writing and shall be (a) personally delivered; (b) sent by registered class United States mail; (c) sent by overnight courier of national reputation; or (d) transmitted by facsimile (if also sent by nationally recognized express courier service for delivery on the next Business Day), in each case addressed to the party to whom notice is being given at its address as set forth below and, if facsimile transmitted to that party at its facsimile number set forth below and confirmed by telephone at the telephone number set forth below or, as to each party, at such other address or facsimile number as may hereafter be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section. All such notices, requests, demands and other communications shall be deemed to have been given on (i) the date received if personally delivered; (ii) when deposited in the mail if delivered by mail; (iii) the date sent if sent by overnight courier; or (iv) the date of transmission if delivered by facsimile. If notice to the Borrower of any intended disposition of the Facility or any other intended actions is required by law in a particular instance, such notice shall be deemed commercially reasonable if given (in

the manner specified in this Section) at least 10 calendar days prior to the date of intended disposition or other action.

If to the Borrower: Fairbanks Affordable Housing, LLC
4300 Boniface Parkway
Anchorage, Alaska 99504
Attention: Alaska Corporation for Affordable Housing
Telephone: (907) 330-8401
Facsimile: (907) 338-1683

with a copy to: Wincopin Circle LLLP
c/o Enterprise Community Asset Management, Inc.
70 Corporate Center
11000 Broken Land Parkway, Suite 700
Columbia, Maryland 21044
Telephone: (410) 964-0552
Facsimile: (410) 772-2630
Attn: Asset Management

If to the Issuer: Alaska Housing Finance Corporation
4300 Boniface Parkway
Anchorage, Alaska 99504
Attention: Michael Strand, Chief Financial Officer
Telephone: 907-338-6100
Facsimile: 907-338-9634

If to the Lender: First National Bank Alaska
101 West 36th Avenue, 3rd Floor
Anchorage, Alaska 99503
Attention: Ligia Lutan

Section 12.05. Binding Effect; Time of the Essence. This Loan Agreement shall inure to the benefit of and shall be binding upon the Lender, the Issuer, the Borrower and their respective successors and assigns, if any. Time is of the essence.

Section 12.06. Severability. In the event any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12.07. Amendments. To the extent permitted by law, the terms of this Loan Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the parties hereto, and then such waiver, alteration, modification, supplement or amendment shall be effective only in the specific instance and for the specific purpose given. Notwithstanding the previous sentence, the consent of the Issuer shall not be required for waivers, alternations, modifications, supplements or amendments of or with respect to Section 7.16 or Article VIII (except Sections 8.01, 8.02, 8.09 and 8.12) of this Loan Agreement, together with any defined terms used therein. Prior to the effectiveness of

any waiver, alteration, modification, supplement or amendment, an opinion of Bond Counsel shall be delivered to the Issuer, at the expense of the Borrower, to the effect that such waiver, alteration, modification, amendment or supplement complies with the requirements of this Loan Agreement and that such waiver, alteration, modification, supplement or amendment will not cause interest on the Loan to be included in the gross income of the Lender for federal income tax purposes.

Section 12.08. Execution in Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument and any of the parties hereto may execute this Loan Agreement by signing any such counterpart.

Section 12.09. Applicable Law; Consent to Jurisdiction.

(a) This Loan Agreement shall be governed by and construed in accordance with the laws of the State, excluding the laws relating to the choice of law. Any action arising hereunder shall be filed and maintained in the Third Judicial District of the State of Alaska, unless the Issuer waives this requirement.

(b) Each party hereto consents to and submits to in personam jurisdiction and venue in the State and in the Federal District Courts which are located in the State. Each party asserts that it has purposefully availed itself of the benefits of the laws of the State and waives any objection to in personam jurisdiction on the grounds of minimum contacts, waives any objection to venue, and waives any plea of forum non conveniens. This consent to and submission to jurisdiction is with regard to any action related to this Loan Agreement. Regardless of whether the party's actions took place in the State or elsewhere in the United States, this submission to jurisdiction is nonexclusive, and does not preclude either party from obtaining jurisdiction over the other in any court otherwise having jurisdiction.

Section 12.10. Jury Trial Waiver. TO THE EXTENT PERMITTED BY LAW, THE LENDER AND THE BORROWER HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO JURY TRIAL OF ANY ACTION, PROCEEDING OR HEARING (HEREINAFTER, A "CLAIM") BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS LOAN AGREEMENT, OR ANY OF THE RELATED DOCUMENTS, ANY DEALINGS BETWEEN THE LENDER OR THE BORROWER RELATING TO THE SUBJECT MATTER OF THE TRANSACTIONS CONTEMPLATED BY THIS LOAN AGREEMENT OR ANY RELATED TRANSACTIONS, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED BETWEEN THE LENDER AND THE BORROWER. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT (INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS). THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS LOAN AGREEMENT, ANY RELATED DOCUMENTS, OR TO ANY OTHER DOCUMENTS OR SUPPLEMENTS RELATING TO

THE TRANSACTIONS CONTEMPLATED BY THIS LOAN AGREEMENT OR ANY RELATED TRANSACTIONS. IN THE EVENT OF LITIGATION, THIS LOAN AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

Section 12.11. Captions. The captions or headings in this Loan Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Loan Agreement.

Section 12.12. Entire Agreement. This Loan Agreement, together with the exhibits and attachments hereto and thereto, including the Regulatory Agreement, the Tax Agreement and the Security Agreement, the Assignment of AHAP Contract, constitutes the entire agreement among the Lender, the Issuer and the Borrower. There are no understandings, agreements, representations or warranties, express or implied, not specified herein or therein regarding this Loan Agreement or the Project refinanced hereunder and thereunder. Any terms and conditions of any purchase order or other document submitted by the Borrower in connection with this Loan Agreement which are in addition to or inconsistent with the terms and conditions of this Loan Agreement will not be binding on the Lender and will not apply to this Loan Agreement.

Section 12.13. Waiver. The Lender's or the Issuer's failure to enforce at any time or for any period of time any provision of this Loan Agreement shall not be construed to be a waiver of such provision or of the right of the Lender or the Issuer thereafter to enforce each and every provision. No express or implied waiver by the Lender of any default or remedy of default shall constitute a waiver of any other default or remedy of default or a waiver of any the Lender's rights.

Section 12.14. Survivability. All of the limitations of liability, indemnities and waivers contained in this Loan Agreement shall continue in full force and effect notwithstanding the expiration or early termination of this Loan Agreement and are expressly made for the benefit of, and shall be enforceable by, the Lender and the Issuer, or their successors and assigns.

Section 12.15. Usury.

(a) If the amount of interest payable for any period in accordance with the terms hereof exceeds the amount of interest that would be payable for such period had interest for such period been calculated at the maximum interest rate permitted by applicable law, then interest for such period shall be payable in an amount calculated at the maximum interest rate permitted by applicable law.

(b) Any interest that would have been due and payable for any period but for the operation of subsection (a) above shall accrue and be payable as provided in this subsection (b) and shall, less interest actually paid to the Lender for such period, constitute the "Excess Interest Amount." If there is any accrued and unpaid Excess Interest Amount as of any date, then the principal amount with respect to which interest is payable shall bear interest at the maximum interest rate permitted by applicable law until payment to the Lender of the entire Excess Interest Amount.

(c) Notwithstanding the foregoing, on the date on which no principal amount hereunder remains unpaid, to the extent possible without violating applicable law, the

Borrower shall pay to the Lender a fee equal to any accrued and unpaid Excess Interest Amount.

Section 12.16. Third Party Beneficiary. It is the intention of the parties that any permitted assignee of the Lender hereunder be a third party beneficiary of this Loan Agreement.

Section 12.17. Further Assurance and Corrective Instruments. The parties hereto hereby agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such further acts, instruments, conveyances, transfers and assurances, as any of them reasonably deems necessary or advisable for the implementation, correction, confirmation or perfection of this Loan Agreement or the Tax Agreement and any rights of such party hereunder or thereunder.

Section 12.18. Determination. The Issuer, based solely on the representation of Guarantor, has determined Guarantor is an organization that is not affiliated with or controlled by a for-profit organization.

Section 12.19. Arm's Length Transaction. The Borrower acknowledges and agrees that (i) the advance of the Loan pursuant to this Loan Agreement is the result of an arm's-length commercial transaction between the Borrower and the Lender, (ii) in connection therewith and with the financing discussions, undertakings and procedures leading up to the consummation of such transaction, the Lender is and has been acting solely as a principal and is not acting as the agent or fiduciary of or in any way advising the Borrower, (iii) the Lender has not assumed an advisory or fiduciary responsibility in favor of the Borrower with respect to the financing contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Lender has provided other services or is currently providing other services to the Borrower on other matters) and the Lender has no obligation to the Borrower with respect to the financing contemplated hereby except the obligations expressly set forth in this Loan Agreement and (iv) the Borrower has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

Section 12.20. Anti-Terrorism Laws. Neither the Borrower nor any of its affiliates is in violation of any Laws relating to terrorism or money laundering ("Anti-Terrorism Laws"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "Executive Order"), and the Patriot Act;

(a) Neither the Borrower nor any of its affiliates is any of the following:

(i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(ii) a Person owned or Controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(iii) a Person with which the Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(iv) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order; or

(v) a Person that is named as a “specially designated national and blocked person” on the most current list published by the Office of Foreign Asset Control (“OFAC”) or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list.

(b) Neither the Borrower nor any of its affiliates (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (a)(ii) above, (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

Section 12.21. Discretion as to Security. The Lender may resort to any security granted or assigned to the Lender hereunder, including the Deed of Trust or any other security now existing or hereafter given to secure the payment of the Loan, in whole or in part, and in such portions and in such order as the Lender may determine in its sole discretion, and any such action shall not in any way be considered as a waiver of any rights, benefits, liens or security interests granted by the Borrower to secure the Loan.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed in their respective corporate names by their duly authorized officers or officials all as of the date first written above.

LENDER:

FIRST NATIONAL BANK ALASKA

By _____
Name _____
Title _____

[Signature Page to Loan Agreement (Fairbanks Affordable Housing Project)]

ISSUER:

ALASKA HOUSING FINANCE
CORPORATION

By _____
Bryan D. Butcher
Chief Executive Officer/Executive Director

[Signature Page to Loan Agreement (Fairbanks Affordable Housing Project)]

BORROWER:

FAIRBANKS AFFORDABLE HOUSING,
LLC, an Alaska limited liability company

By: Fairbanks Affordable Housing
Partners MM, LLC,
an Alaska limited liability company,
its Managing Member

By: Alaska Corporation for Affordable
Housing, an Alaska nonprofit
corporation, its Managing Member

By: _____
Name: Bryan Butcher
Title: President

[Signature Page to Loan Agreement (Fairbanks Affordable Housing Project)]

EXHIBIT A
PROPERTY DESCRIPTION

Project Site:

Senior Parcel

Tract F, Block 129, REPLAT PORTIONS OF LOTS 3, 5, AND 7 OF BLOCK 129 TOWNSITE OF FAIRBANKS, according to the official plat thereof, filed January 6, 2022 as Plat Number 2022-1, in the records of the Fairbanks Recording District, Fourth Judicial District, State of Alaska.

Family Parcel

Lot 3, Block 69, BJERREMARK SUBDIVISION, according to the official plat thereof, filed August 28, 1984 as Plat Number 64-5979, in the records of the Fairbanks Recording District, Fourth Judicial District, State of Alaska.

Project Facilities:

Approximately 58 apartment units contained within 11 buildings including 36 one bedroom units, 17 two bedroom units and 5 three bedroom units.

EXHIBIT B
FORM OF INVESTOR LETTER

[Date]

Alaska Housing Finance Corporation
Anchorage, Alaska

Kutak Rock LLP
Omaha, Nebraska

Re: Loan Agreement (Fairbanks Affordable Housing Project), dated as of September 1, 2022, by and among First National Bank Alaska, Alaska Housing Finance Corporation and Fairbanks Affordable Housing, LLC

Ladies and Gentlemen:

The undersigned (the “Investor”) hereby acknowledges it is purchasing \$13,000,000 principal amount of the Issuer Loan (the “Issuer Loan”) made pursuant to a Loan Agreement, dated as of September 1, 2022, by and among First National Bank Alaska, Alaska Housing Finance Corporation and Fairbanks Affordable Housing, LLC. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement.

The undersigned acknowledges that the Issuer Loan is being delivered for the purpose of the Project.

In connection with the sale of the Issuer Loan to the Investor, the Investor hereby makes the following representations upon which you may rely:

1. The Investor has authority and is duly authorized to purchase the Issuer Loan and to execute this letter and any other instruments and documents required to be executed by the Investor in connection with the purchase of the Issuer Loan.

2. The Investor is an Eligible Purchaser as described in Attachment A hereto, and, unless it is a United States government-sponsored enterprise or governmental agency of the United States, a “qualified institutional buyer” under Rule 144A of the Securities Act of 1933, as amended (the “Act”), and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Issuer Loan.

3. The Issuer Loan is being acquired by the Investor for investment and not with a view to, or for resale in connection with, any distribution of the Issuer Loan, and the Investor intends to hold the Issuer Loan solely for its own account for investment purposes for an indefinite period of time, and does not intend at this time to dispose of all or any part of the

Issuer Loan. However, the Investor may sell, transfer or assign the Issuer Loan at any time the Investor deems appropriate, subject to the transfer restrictions set forth in the Loan Agreement, to an Eligible Purchaser. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since a sale of the Issuer Loan prior to maturity may not be possible. Notwithstanding the foregoing, the Issuer Loan may not be transferred if the principal amount is less than \$250,000 without the prior written consent of the Issuer and the Borrower.

4. The Investor understands that the Issuer Loan is not registered under the Act and that such registration is not legally required as of the date hereof; and further understands that the Issuer Loan (a) is not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating service and (d) will be delivered in a form which may not be readily marketable.

5. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals, including its own counsel, concerning the Borrower, the Project and the Issuer Loan and the security therefor so that, as a reasonable investor, the Investor has been able to make our decision to purchase the Issuer Loan. The Investor acknowledges that it has not relied upon any advice, counsel, representation or information of the Issuer in connection with the Investor’s purchase of the Issuer Loan.

6. The Investor acknowledges that the obligations of the Issuer under the Loan Agreement are special, limited obligations payable solely from amounts paid to the Issuer from the Borrower pursuant to the terms of the Loan Agreement and the Issuer shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the Issuer for amounts due under the Loan Agreement. The Investor understands that the Issuer Loan does not constitute a debt, liability, or obligation of the State or of any political subdivision of the State or a pledge of the faith and credit of the State or of a political subdivision of the State, and neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of principal of, or the prepayment premium, if any, or interest on, the Issuer Loan, and that the liability of the Issuer and the State with respect to the Issuer Loan is subject to further limitations as set forth in the Loan Agreement.

7. The Investor agrees to indemnify and hold harmless the Issuer with respect to any claim asserted against the Issuer that arises solely and directly as a result of the Investor’s sale, transfer or other disposition of the Issuer Loan in violation of the provisions hereof, other than any claim that is based upon the willful misconduct of the Issuer.

8. The Investor has made its own inquiry and analysis with respect to the Issuer Loan and the security therefor, and other material factors affecting the security and payment of the Issuer Loan. The Investor is aware that the business of the Borrower involves certain economic and regulatory variables and risks that could adversely affect the security for the Issuer Loan.

9. The Investor agrees that it is bound by and will abide by the provisions of the Loan Agreement and this Investor Letter. The Investor will comply with all applicable federal and state securities laws, rules and regulations in connection with any resale or transfer of the Issuer Loan by the Investor.

10. The Investor acknowledges that the sale of the Issuer Loan to the Investor is made in reliance upon the certifications, representations and warranties herein by the addressees hereto.

11. The Investor hereby waives any and all claims, actions, or causes of action which the Investor may have from and after the date hereof against the Issuer and its respective members, officers, agents, and employees, growing out of any action (other than willful misconduct) which the Issuer took or could have taken in connection with the authorization, execution, delivery, and sale of the Issuer Loan or the purchase of the Issuer Loan by the undersigned or in connection with any statements or representations which induced the undersigned to purchase the Issuer Loan.

12. The interpretation of the provisions hereof shall be governed and construed in accordance with Alaska law without regard to principles of conflicts of laws.

Very truly yours,

ELIGIBLE PURCHASER DEFINITION

An Eligible Purchaser is either:

(A) a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933, as in effect on the date hereof, consisting of any of the following entities, acting for its own account or the accounts of other qualified institutional buyers, that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with the entity and is:

(1) Any insurance company as defined in Section 2(13) of the Securities Act of 1933, as amended;

NOTE: A purchase by an insurance company for one or more of its separate accounts, as defined by Section 2(a)(37) of the Investment Company Act of 1940 (the “Investment Company Act”), which are neither registered under Section 8 of the Investment Company Act nor required to be so registered, shall be deemed to be a purchase for the account of such insurance company.

(2) Any bank as defined in Section 3(a)(2) of the Securities Act of 1933, as amended, any savings and loan association or other institution as referenced in Section 3(a)(5)(A) of the Securities Act of 1933, as amended, any savings bank or any trust company; or

(3) A wholly owned subsidiary or combination of the entities in (A)(1) and (A)(2); or

(B) A United States government-sponsored enterprise or governmental agency of the United States.

In determining the aggregate amount of securities owned and invested on a discretionary basis by an entity, the following instruments and interests shall be excluded: bank deposit notes and certificates of deposit; loan participations; repurchase agreements; securities owned but subject to a repurchase agreement; and currency, interest rate and commodity swaps.

The aggregate value of securities owned and invested on a discretionary basis by an entity shall be the cost of such securities, except where the entity reports its securities holdings in its financial statements on the basis of their market value, and no current information with respect to the cost of those securities has been published. In the latter event, the securities may be valued at market for purposes of this section.

In determining the aggregate amount of securities owned by an entity and invested on a discretionary basis, securities owned by subsidiaries of the entity that are consolidated with the entity in its financial statements prepared in accordance with generally accepted accounting principles may be included if the investments of such subsidiaries are managed under the

direction of the entity, except that, unless the entity is a reporting company under Section 13 or 15(d) of the Securities Exchange Act of 1934, securities owned by such subsidiaries may not be included if the entity itself is a majority-owned subsidiary that would be included in the consolidated financial statements of another enterprise.

EXHIBIT C

FORM OF OPINION OF COUNSEL TO THE BORROWER AND GUARANTOR

SEE TRANSCRIPT

EXHIBIT D

LIST OF PERMITTED INDEBTEDNESS

“Permitted Indebtedness” shall mean the following:

1. that certain Promissory Note, dated September 13, 2022, made by the Borrower to Alaska Housing Finance Corporation in the original principal amount of \$13,000,000, as assigned to First National Bank of Alaska;
2. that certain Promissory Note, dated September 14, 2022, made by the Borrower to Alaska Corporation for Affordable Housing in the original principal amount of \$13,691,032; and
3. that certain Deferred Development Fee Note, dated September 14, 2022, made by the Borrower to Alaska Corporation for Affordable Housing in the original principal amount of up to \$1,559,569.

EXHIBIT E

EXCEPTIONS TO TITLE POLICY

At the date hereof, items to be considered and exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

NONE

EXHIBIT F
FORM OF PROJECT FUND DRAW REQUEST
PROJECT FUND DRAW REQUEST NO. [] PURSUANT TO
LOAN AGREEMENT

by and among

FIRST NATIONAL BANK ALASKA,
as Lender

ALASKA HOUSING FINANCE CORPORATION,
as Issuer

and

FAIRBANKS AFFORDABLE HOUSING, LLC
as Borrower

Dated as of _____, 20__

This Project Fund Draw Request (this “Draw Request”) is made pursuant to the Section 4.03 of the Loan Agreement identified above (the “Loan Agreement”). Defined terms used but not otherwise defined herein shall have the meaning set forth in the Loan Agreement.

Section 1. The Borrower hereby requests a draw from the Loan in the amount of \$_____, all subject to the provisions of the Loan Agreement for the Project Costs.

Section 2. The undersigned authorized representative, on behalf of the Borrower, hereby identifies the Project Costs, as set forth in Schedule I hereto, pertaining to this Draw Request. Attached hereto are invoice(s), contract(s) and, if applicable, evidence of payment relating to such Project Costs.

Section 3. The Borrower hereby certifies that obligations in amounts stated in this Draw Request are a proper charge against the Project Fund.

Section 4. The Borrower hereby represents, covenants and warrants that (a) all of its representations and warranties contained in the Loan Agreement or the Tax Regulatory Agreement were true and accurate as of the date made, remain true and accurate as of the date of this certificate and are hereby reaffirmed; and (b) no event has occurred and is continuing or would result from the loan of Borrower Loan Proceeds pursuant to this Draw Request which constitutes a Default, an Event of Default or a Determination of Taxability.

Section 5. The Borrower hereby represents, covenants and warrants that (a) all work performed to date is in substantial accordance with the Plans and Specifications; (b) all licenses and permits required by any Governmental Authority for the Improvements as then completed

have been obtained; and (c) the Improvements as then completed do not violate, and, if further completed in accordance with the Plans and Specifications, will not violate, any applicable law, ordinance, rule or regulation.

Section 6. The Borrower hereby certifies that all conditions precedent to the disbursement of Borrower Loan Proceeds pursuant to the Construction Loan Agreement have been satisfied.

Submitted on _____, 20__ by:

BORROWER:

FAIRBANKS AFFORDABLE HOUSING,
LLC, an Alaska limited liability company

By: Fairbanks Affordable Housing
Partners MM, LLC,
an Alaska limited liability company,
its Managing Member

By: Alaska Corporation for Affordable
Housing, an Alaska nonprofit
corporation, its Managing Member

By: _____
Name: Bryan Butcher
Title: President

Approved as of _____, 20__ by:

THE LENDER:

FIRST NATIONAL BANK ALASKA

By _____
[Name, Title]

SCHEDULE I
TO DRAW REQUEST NO. _____
PROJECT COSTS

To	Amount	Purpose
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EXHIBIT G

AGGREGATE PRINCIPAL AMOUNT OF LOAN OUTSTANDING

Date	Draw Request No. __	Amount (\$) of Draw (Request)	Aggregate Amount of Loan Outstanding
Initial Draw Date Disbursement	NA	\$50,001.00	\$50,001.00
TOTAL			\$50,001.00

LOAN AGREEMENT

(Fairbanks Affordable Housing Project)

among

FIRST NATIONAL BANK ALASKA,
as Lender

and

ALASKA HOUSING FINANCE CORPORATION,
as Issuer

and

FAIRBANKS AFFORDABLE HOUSING, LLC,
as Borrower

dated as of [] 1, 2024

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LOAN AGREEMENT

This Loan Agreement, dated as of [] 1, 2024 (the “Loan Agreement”), among **First National Bank Alaska**, a national banking association (the “Lender”), **Alaska Housing Finance Corporation**, a public corporation and government instrumentality of the State of Alaska, as Issuer (the “Issuer”), and **Fairbanks Affordable Housing, LLC**, an Alaska limited liability company (the “Borrower”).

W I T N E S S E T H :

WHEREAS, the Issuer was established for the purpose, among other things, of assisting in the acquisition and development of land and the construction, rehabilitation, financing, management, maintenance, sale, and rental of dwelling units for persons of lower and moderate income in Alaska pursuant to the provisions of Chapters 55 and 56 of Title 18, Alaska Statutes, as amended (the “Act”); and

WHEREAS, the Borrower has previously made a loan to the Borrower in the amount of \$13,000,000 to finance the Project (as further described and defined herein, the “Project”) pursuant to a Loan Agreement dated September 1, 2022 (the “2022 Loan Agreement”) and now the Borrower desires to have an additional loan to provide additional funding for the Project on the terms and conditions set forth below; and

WHEREAS, the Issuer has determined that the financing of the Project is in furtherance of the purposes of the Issuer set forth above; and

WHEREAS, in order to finance the costs of Project, the Issuer intends to incur indebtedness to the Lender (as further described and defined herein, the “2022-1 Issuer Loan”), the interest with respect to which shall be excluded from gross income of the Holder (as defined herein) for federal income tax purposes pursuant to 26 U.S.C. 103, as amended to the date hereof (provided, however, that the Lender understands and agrees that the 2022-1 Issuer Loan shall not be a “qualified tax-exempt obligation” for purposes of 26 U.S.C. 265, as amended to the date hereof) and shall be exempt from State taxation, except for transfer, estate, and inheritance taxes; and

WHEREAS, the Issuer intends to lend the proceeds of the 2022-1 Issuer Loan to the Borrower (as further described and defined herein, the “Borrower Loan”); and

WHEREAS, for and in consideration of the Issuer making the Borrower Loan, the Borrower agrees, among other things, to pay when and as due, the principal of, and the premium, if any, and interest on, the Borrower Loan and to pay, when and as due, all other Additional Payments (as defined herein); and

WHEREAS, the Issuer will assign the payments due under the Borrower Loan pursuant to this Loan Agreement (except any payments due to the Issuer pursuant to Reserved Issuer Rights) to the Lender; and

WHEREAS, the Borrower shall make Payments (as defined herein, the “Payments”) directly to the Lender as assignee of the Issuer; and

WHEREAS, the Issuer, the Lender, and the Borrower have duly authorized the execution and delivery of this Loan Agreement; and

WHEREAS, the Issuer's obligations and liabilities under this Loan Agreement, including the 2022-1 Issuer Loan, (1) are revenue obligations of the Issuer and are not general obligations of the Issuer and (2) are payable solely from the Payments and other security described in Sections 4.04 and 4.05 herein; and

WHEREAS, the obligations and liabilities of the Issuer under this Loan Agreement, including the 2022-1 Issuer Loan, do not constitute a debt, liability, or obligation of the State or of any political subdivision of the State or a pledge of the faith and credit of the State or of a political subdivision of the State; the obligations and liabilities of the Issuer under this Loan Agreement, including the 2022-1 Issuer Loan, are payable solely from the Payments and other security described in Sections 4.04 and 4.05 herein;

NOW, THEREFORE, in consideration of the payments to be made hereunder and the mutual covenants contained herein, the parties agree as follows:

ARTICLE I

DEFINITIONS

As used in this Loan Agreement, the terms defined in the foregoing recitals have the meanings given therein, and the following terms used herein have the meanings indicated below unless the context clearly requires otherwise.

“Accountant” means an independent certified public accountant or a firm of independent certified public accountants, selected by the Borrower and satisfactory to the Lender.

“Act” means Chapters 55 and 56 of Title 18, Alaska Statutes.

“Additional Payments” means the amounts, other than Payments, payable by the Borrower pursuant to the provisions of this Loan Agreement, including, without limitation, the Issuer Fees and Expenses, the Lender Fees, amounts pursuant to Section 12.03 hereof, indemnity payments and reimbursement of advances due hereunder.

“Affiliate” means an affiliate of the Lender or any related entity, 100% of whose common stock is directly or indirectly owned by the Lender.

“Affiliated Party” means a member of the Borrower, a person whose relationship with the Borrower would result in a disallowance of losses under Section 267 or 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).

“Agreement to Provide Insurance” means the Agreement to Provide Insurance, dated as of the Closing Date, by and between the Borrower and the Issuer.

“Assignment Agreement” means the Assignment Agreement dated as of September 13, 2022, as it may be amended, between the Issuer and the Lender.

“Assignment of Construction Contracts” means the Assignment of Construction Contracts, dated as of the Closing Date, by and between Borrower and Lender.

“Authorized Borrower Representative” means Bryan Butcher, President of the Guarantor, the President of Alaska Corporation for Affordable Housing, the Managing Member of Fairbanks Affordable Housing Partners MM, LLC, the Managing Member of Borrower under the Operating Agreement.

“Bond Counsel” means the attorney(s) or firm(s) of attorneys selected by the Issuer as its bond counsel.

“Borrower” means (a) Fairbanks Affordable Housing, LLC, an Alaska limited liability company; (b) any surviving, resulting or transferee entity thereof permitted pursuant to the terms of this Loan Agreement; and (c) except where the context requires otherwise, any assignee or assignees of the Borrower permitted pursuant to the terms of this Loan Agreement.

“Borrower Loan” means the loan of proceeds from the 2022-1 Issuer Loan by the Issuer to the Borrower pursuant to this Loan Agreement.

“Borrower Loan Proceeds” means an amount not to exceed \$2,000,000 to be paid or provided by the Issuer to the Borrower as the Borrower Loan.

“Business Day” means any day which is not one of the following: (a) a Saturday, Sunday or legal holiday as set forth by the Federal Reserve Bank of San Francisco; (b) any other day on which banks in Fairbanks, Alaska, New York, New York or San Francisco, California are authorized or required to be closed by the appropriate regulatory authorities; or (c) a day on which the New York Stock Exchange is authorized or required to be closed.

“Change in Law” means the occurrence, after the date of this Loan Agreement regardless of the date enacted, adopted or issued, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any governmental authority, (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any governmental authority, (d) all rules, guidelines or directives under, or issued in connection with, the Dodd-Frank Wall Street Reform and Consumer Protection Act, and (e) all rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case pursuant to Basel III.

“Closing Date” means [], 2024.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Collateral” means, collectively, the Property (as defined in the Deed of Trust) and the Collateral (as defined in the Security Agreement).

“*Completion Date*” means the date of the completion of the construction and equipping of the Project.

“*Completion Notice*” means a certificate stating that the Improvements are complete and that no further Draw Requests will be submitted.

“*Construction Loan Agreement*” means the Construction Loan Agreement dated as of the date hereof between Borrower and Lender.

“*Contractor*” means, collectively or severally, as the context thereof shall suggest or require the general contractor and any other person or entity with whom the Borrower contracts for the construction of the Improvements or any portion thereof.

“*Deed of Trust*” means the Construction Deed of Trust, dated as of September 13, 2022, as amended, by the Borrower to Fidelity Title Agency of Alaska for the benefit of the Issuer.

“*Default*” means an event that, with giving of notice or passage of time or both, would constitute an Event of Default as provided in Article XI hereof.

“*Default Rate*” means the rate set forth in the Promissory Note as the rate of interest after default but not to exceed the lesser of 8% or the highest rate permitted by law.

“*Determination of Taxability*” means any determination, decision, decree or advisement by the Commissioner of Internal Revenue, or any District Director of Internal Revenue or any court of competent jurisdiction, or an opinion obtained by the Lender, of Bond Counsel, that an Event of Taxability has occurred. A Determination of Taxability also shall be deemed to have occurred on the first to occur of the following:

- (a) the date when the Borrower files any statement, supplemental statement, or other tax schedule, return or document, which discloses that an Event of Taxability has occurred;

- (b) the effective date of any federal legislation enacted or federal rule or regulation promulgated after the date of this Loan Agreement that causes an Event of Taxability; or

- (c) the date of the sale or lease of the Facility or the date of any other deliberate action with respect to the Facility within the meaning of Treas. Reg. § 1.141-2(d) if, on or prior to either such date, the Lender has not received an unqualified opinion of Bond Counsel to the effect that such action will not cause interest on the 2022-1 Issuer Loan to become includable in the gross income of the recipient for purposes of federal income taxation;

“*Draw Request*” means a Project Fund Draw Request made by the Borrower substantially in the form attached hereto as Exhibit F.

“*EMMA*” means the Municipal Securities Rulemaking Board’s Electronic Municipal Access System or any service or services established by the Municipal Securities Rulemaking Board (or any of its successors) as a successor to the Electronic Municipal Access System.

“*Environmental Laws*” means any federal, state or local law (whether imposed by statute, or administrative or judicial order, or common law), now or hereafter enacted, governing health, safety, industrial hygiene, the environment or natural resources, or Hazardous Materials, including, such laws governing or regulating the use, generation, storage, removal, recovery, treatment, handling, transport, disposal, control, discharge of, or exposure to, Hazardous Materials.

“*Event of Indirect Taxability*” means the enactment of any federal legislation, or the promulgation of any federal rule or regulation, after the date of this Loan Agreement, that has the effect (no matter how accomplished or implemented) of causing all or any portion of the interest on the 2022-1 Issuer Loan to be taken into account under any provision of the Code in such manner as to cause an increase in the federal income tax liability of the Lender.

“*Event of Taxability*” means: (a) the application of the proceeds of the 2022-1 Issuer Loan, or other amounts treated as “gross proceeds” of the Loan, in such manner that the 2022-1 Issuer Loan becomes an “arbitrage bond” within the meaning of Code Sections 103(b)(2) and 148, with the result that interest on the 2022-1 Issuer Loan is or becomes subject to federal income taxation of the Holder of the 2022-1 Issuer Loan; or (b) if as a result of any act, failure to act, or use of the proceeds of any portion of the 2022-1 Issuer Loan or the Project or any misrepresentation or inaccuracy in any of the representations, warranties or covenants contained in this Loan Agreement or the enactment of any federal legislation or the promulgation of any federal rule or regulation after the date of this Loan Agreement, all or any portion of the interest on the 2022-1 Issuer Loan becomes subject to federal income taxation.

“*Facility*” means collectively (a) all buildings, structures and other Improvements situated, placed or constructed on the Land; and (b) all materials, supplies, equipment, apparatus and other items of personal property owned by the Borrower and attached to, installed in or used in connection with the Land, including (without limitation) water, gas, electrical, storm and sanitary sewer facilities and all other utilities whether or not situated in easements.

“*GAAP*” means generally accepted accounting principles in the United States of America set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States of America, that are applicable to the circumstances as of the date of determination, consistently applied.

“*Gross-Up Rate*” means, with respect to the Loan, an interest rate equal to 4.50% per annum plus a rate sufficient such that the total interest to be paid on any payment date would, after such interest was reduced by the amount of any federal, state and local income tax (including any interest or penalties) actually imposed thereon, equal the amount of interest due with respect to the Loan.

“*Guarantor*” means Alaska Corporation for Affordable Housing, an Alaska nonprofit corporation, and its successors and assigns.

“*Guaranty Agreement*” means, collectively or individually, as the content may imply, each Guaranty Agreement, described as the Commercial Guaranty dated as of September 13, 2022, as it may be amended, by Guarantor in favor of Lender.

“*Hazardous Materials*” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, materials, contaminants, chemicals, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“*Holder*” means either the Lender or a Qualified Institutional Buyer to which the Loan is assigned.

“*Improvements*” means the capital improvements to be financed in part with a portion of the proceeds of the Borrower Loan and consist of a low income housing project of 58 residential units and other ancillary facilities located at the Property.

“*Inducement Date*” means [January 31, 2022 for up to \$12,000,000 and June 28, 2022 for up to \$15,000,000].

“*Initial Draw Date*” means [], 2024, the date of the initial draw.

“*Issuer Fees and Expenses*” means the fees and expenses described in Section 3.04 hereof.

“*Land*” means the real property located in the City of Fairbanks, Alaska, and as more particularly described on Exhibit A attached hereto, together with any greater estate therein as hereafter may be acquired by the Borrower, known as Fairbanks Affordable Housing, Fairbanks, Alaska.

“*Lender*” means (a) First National Bank Alaska; (b) any surviving, resulting or transferee corporation of First National Bank Alaska; and (c) if this Loan Agreement and the 2022-1 Issuer Loan have been assigned by the Lender pursuant to Section 10.01 hereof, such assignee shall be considered the Lender with respect to this Loan Agreement and the 2022-1 Issuer Loan, subject to Section 10.01.

“*Lender’s Counsel*” means Fenimore, Kay, Harrison & Ford, LLP.

“*Lender Fees*” means, with respect to the Loan Agreement, the fee payable to the Lender for the Lender’s services in connection with the preparation, review and execution of this Loan Agreement, as further defined in Section 12.03.

“*Lien*” shall have the meaning set forth in Section 8.01 hereof.

“*Lien Claims*” shall have the meaning set forth in Section 8.01 hereof.

“*Limited Investor*” means Wincopin Circle LLLP, a Maryland limited liability limited partnership, and its successors and assigns.

“*Loan*” means, collectively, the 2022-1 Issuer Loan and the Borrower Loan, each in an aggregate principal amount not to exceed \$13,000,000.

“*Loan Documents*” means, collectively, this Loan Agreement, the Promissory Note, the Deed of Trust, the Construction Loan Agreement, the Security Agreement, the Assignment Agreement, the Assignment of Construction Contracts, the Guaranty Agreement, Regulatory Agreement and the Tax Agreement.

“*Loan Agreement*” means, collectively, this Loan Agreement and the Draw Requests, including the Exhibits hereto, as any of the same may be supplemented or amended from time to time in accordance with the terms hereof.

“*Managing Member*” means Fairbanks Affordable Housing Partners MM, LLC, an Alaska limited liability company, the managing member of the Borrower.

“*Material Adverse Change*” means the occurrence of any event or change which in the reasonable discretion of the Lender results in a material and adverse change in the business, assets, liabilities, condition (financial or otherwise), operations or prospects of the Borrower since June 30, 2023, or which in the sole reasonable discretion of the Lender materially and adversely affects (a) the enforceability of this Loan Agreement or any related document, (b) the ability of the Borrower to perform its obligations hereunder or thereunder or (c) the rights of or benefits or remedies available to the Lender under this Loan Agreement or any related documents.

“*Maturity Date*” means March 14, 2025, which date shall be deemed to be the maturity date with respect to the Lender’s commitment hereunder, unless the Loan is extended at the option of the Lender pursuant to Section 4.08(e).

“*Net Proceeds*” means any insurance proceeds or condemnation award paid with respect to the Facility, to the extent remaining after payment therefrom of all expenses incurred in the collection thereof.

“*Obligation*” means Payments and Additional Payments payable by the Borrower pursuant to the provisions of this Loan Agreement.

“*Operating Agreement*” means the First Amended and Restated Operating Agreement of Borrower dated as of September 14, 2022, as it may be amended.

“*Patriot Act*” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107 56 (signed into law October 26, 2001).

“*Payments*” means payments of principal, interest and prepayment charges with respect to the Loan (excluding, Additional Payments, including, without limitation, the Issuer Fees and Expenses and the Lender Fees payable to the Lender and the Issuer hereunder) payable by the Borrower pursuant to the provisions of this Loan Agreement. Payments shall be payable by the

Borrower directly to the Lender as assignee of the Issuer, in the amounts and at the times as set forth in this Loan Agreement.

“Permitted Encumbrances” means (a) Liens and security interests securing indebtedness owed by the Borrower to the Issuer and/or the Lender including the Deed of Trust and the Security Agreement; (b) Liens arising by reason of good faith deposits in connection with tenders, leases of real estate, bids or contracts (other than contracts for the payment of borrowed money); (c) any Lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable the Borrower to maintain self insurance or to participate in any funds established to cover any insurance risks or in connection with workers’ compensation, unemployment insurance, pensions or profit sharing plans or other social security plans or programs, or to share in the privileges or benefits required for corporations participating in such arrangements; (d) Liens arising by reason of good faith deposits made by or to the Borrower in the ordinary course of business (for other than borrowed money), deposits by the Borrower to secure public or statutory obligations or deposits to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges; (e) attachment or judgment liens not constituting a default hereunder or under the Deed of Trust, or any attachment or judgment lien against the Borrower so long as such judgment is being contested in accordance with the Lien Contest Criteria set forth in Section 8.01 hereof; (f) any claim against the Borrower which does not include any prejudgment right to attachment to, or prejudgment lien rights against, the Collateral or other assets of the Borrower, so long as such claim is being contested in good faith and with due diligence, without regard to the Lien Contest Criteria set forth in Section 8.01 hereof; (g) rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law affecting the Property, to: (1) terminate such right, power, franchise, grant, license, or permit, provided, that the exercise of such right would not materially impair the use of such Property in the ordinary course by the Borrower or materially and adversely affect the value thereof, or (2) purchase, condemn appropriate or recapture, or designate a purchaser of, the Property or any portion thereof; (h) Liens for taxes, assessments, or similar charges either not yet due or being contested in accordance with the Lien Contest Criteria set forth in Section 8.01 hereof; (i) Liens of materialmen, mechanics, warehousemen, or carriers, or other like Liens arising in the ordinary course of business and securing obligations which are not yet delinquent; or which are being contested in accordance with the Lien Contest Criteria set forth in Section 8.01 hereof; (j) easements, rights of way, servitudes, restrictions, oil, gas, or other mineral reservations and other minor defects, encumbrances, and irregularities in the title to the Property which do not materially impair the use of such Property in the ordinary course by the Borrower or materially and adversely affect the value thereof; (k) rights reserved to or vested in any municipality or public authority to control or regulate the Property or to use such Property in any manner, which rights do not materially impair the use of such Property or materially and adversely affect the value thereof, to the extent that it affects title to the Property; (l) Liens on property received by the Borrower through gifts, grants or bequests, such Liens being due to restrictions on such gifts, grants or bequests or the income thereon, so long as the fair market value of any such property is greater than the amount of the indebtedness secured by the Lien on such property; (m) Liens to secure indebtedness permitted by Section 8.06 of this Loan Agreement, so long as such Liens are subordinate to the Liens securing the Loan in priority and right of payment; (n) the exceptions to

coverage of the Title Policy as approved by the Lender and attached hereto as Exhibit E; (o) use or license agreements which are immaterial with respect to use of portions of the Facility for purposes consistent with the Borrower's purpose of providing housing for low and moderate income tenants; and (p) any Liens approved in writing by the Lender.

"Permitted Indebtedness" means the List of Permitted Indebtedness attached hereto as Exhibit D.

"Person" means any legal entity as the context may require.

"Phase I Environmental Report" means the Phase I Environmental Site Assessment, by Environmental Management, Inc., dated May 3, 2022 and Design Alaska, dated January 20, 2022.

"Plans and Specifications" means the Borrower's plans and specifications for the Improvements, as amended from time to time, which include a construction budget for the Improvements and an allocation of the sources and uses of funds for the Improvements.

"Prime Rate" means, for any date of determination, the rate of interest per annum most recently established by First National Bank Alaska in its sole discretion as its "prime rate." The parties hereto acknowledge that the rate announced by First National Bank Alaska as its prime rate is an index or base rate and shall not necessarily be publicly announced or be its lowest or best rate charged to its customers or other banks. If at any time (a) First National Bank Alaska ceases to exist or (b) First National Bank Alaska ceases to establish or publish a prime rate from which the Prime Rate is then determined, the applicable variable rate from which the Prime Rate is determined thereafter shall be instead the prime rate reported in The Wall Street Journal (or the average prime rate if a high and a low prime rate are therein reported). Each change in the Prime Rate shall be effective without notice as of the opening of business on the day such change in the Prime Rate occurs.

"Prior Interest Payment" means a payment of interest on the Borrower Loan made on or prior to the date of any Determination of Taxability that becomes includible in the gross income of the Holder of the 2022-1 Issuer Loan for purposes of federal income taxation as a result of the Determination of Taxability.

"Project" means the acquisition, construction, rehabilitations, renovation, furnishing and equipping of the Improvements.

"Project Costs" means the cost of the Project and, subject to the limitations set forth in the Tax Agreement and the Regulatory Agreement, the costs of issuing the Loan incurred by the Borrower.

"Project Fund" means that fund established pursuant to Section 3.02 hereof.

"Promissory Note" means the Promissory Note dated as of the Closing Date, executed by the Borrower.

"Property" means collectively, the Land and the Facility.

“*Qualified Institutional Buyer*” shall have the meaning ascribed thereto in the attachment to Exhibit B.

“*Qualified Project Costs*” means the Project Costs (excluding issuance costs) incurred not earlier than the date 60 days prior to the Inducement Date which either constitute land or property of a character subject to the allowance for depreciation under Section 167 of the Code, or are chargeable to a capital account with respect to the Project for federal income tax and financial accounting purposes, or would be so chargeable either with a proper election by the Borrower or but for the proper election by the Borrower to deduct those amounts; provided, however, that only such portion of the interest accrued on the Bond during the construction of the Project shall constitute Qualified Project Costs as bear the same ratio to all such interest or fees, as applicable, as the Qualified Project Costs bear to all Project Costs; and provided further that interest accruing on or after the Completion Date shall not be Qualified Project Costs; and provided finally that if any portion of the Project is being constructed by the Borrower or an Affiliated Party (whether as a general contractor or a subcontractor), “Qualified Project Costs” shall include only (a) the actual out of pocket costs incurred by the Borrower or such Affiliated Party in constructing the Project (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Borrower or such Affiliated Party (but excluding any profit component) and (c) any overhead expenses incurred by the Borrower or such Affiliated Party which are directly attributable to the work performed on the Project, and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the construction of the Project or payments received by such Affiliated Party due to early completion of the Project (or any portion thereof). Qualified Project Costs do not include Costs of Issuance. Notwithstanding anything herein to the contrary, no Project Costs relating to the acquisition of the Project or any assets relating thereto (including, without limitation, rights and interests with respect to development of the Project) shall constitute “Qualified Project Costs” unless, at the time Bond proceeds are expended to pay such costs, the Borrower and the seller of such assets are not “related parties” as such term is defined in Section 1.150 1(b) of the Regulations.

“*Regulatory Agreement*” means that certain Regulatory Agreement, dated as of [] 1, 2024.

“*Repayment Date*” means the date of repayment pursuant to Section 4.08(e), which is March 14, 2025.

“*Reserved Issuer Rights*” means the Issuer’s rights to the Issuer Fees and Expenses, indemnification, notices, opinions, certifications, information, inspections and consents pursuant to this Loan Agreement, the Regulatory Agreement and the Tax Agreement.

“*Security Agreement*” means the Commercial Security Agreement of even date by and between the Borrower and the Issuer.

“*State*” means the State of Alaska.

“*Statutory Bond Criteria*” has the meaning set forth in Section 8.01 hereof.

“*Tax Agreement*” means the Tax Agreement executed and delivered by the Issuer and the Borrower, together with any supplements or certificates related thereto.

“*Title Insurer*” means Fidelity Title Agency of Alaska, LLC.

“*Title Policy*” means an ALTA (or equivalent) mortgagee policy of title insurance with coverage in an amount equal to the principal amount of the Loan, with reinsurance and endorsements as the Lender may require, containing no exceptions to title (other than Permitted Encumbrances) which are unacceptable to the Lender, and insuring that the Deed of Trust is a first-priority lien on the Property.

“*2022-1 Issuer Loan*” means the loan to the Issuer from the Lender made pursuant to this Loan Agreement; for purposes of description of the 2022-1 Issuer Loan in an IRS Form 8038 relating thereto or any other document pertaining to the 2022-1 Issuer Loan, the Issuer may refer to the 2022-1 Issuer Loan as the Alaska Housing Finance Corporation Revenue Bond, 2022-1 (Fairbanks Affordable Housing Project).

“*2022-1 Issuer Loan Proceeds*” means an amount not to exceed \$2,000,000 to be paid or provided by the Lender to the Issuer as the 2022-1 Issuer Loan.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE ISSUER AND THE BORROWER

Section 2.01. Representations, Warranties and Covenants of the Issuer. The Issuer represents, warrants and covenants for the benefit of the Lender and the Borrower that as of the Closing Date:

(a) The Issuer is a public corporation and government instrumentality of the State and is duly authorized to enter into this Loan Agreement and to perform its obligations under this Loan Agreement.

(b) To the best knowledge of the Issuer, all requirements have been met and procedures have occurred in order to authorize the execution and delivery of this Loan Agreement by the Issuer. To the best knowledge of the Issuer, the Issuer has taken all necessary action and has complied with all provisions of the law required to make this Loan Agreement a valid and binding limited obligation of the Issuer, and this Loan Agreement is a valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, except to the extent limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors’ rights generally, by the application of equitable principles regardless of whether enforcement is sought in a proceeding at law or in equity, or by public policy.

(c) This Loan Agreement has been duly authorized, executed and delivered by the Issuer. Nothing in this Loan Agreement shall be construed as requiring the Issuer to provide any financing for the Project other than the proceeds of the 2022-1 Issuer Loan.

(d) To the best knowledge of the Issuer, there is no action, suit, proceeding, inquiry or investigation by or before any court, governmental agency or public board or body pending or threatened against the Issuer which (i) affects or seeks to prohibit, restrain or enjoin the origination of the Loan or the lending of the proceeds of the 2022-1 Issuer Loan to the Borrower, or the execution and delivery of this Loan Agreement or the Tax Agreement; (ii) affects or questions the validity or enforceability of this Loan Agreement; or (iii) questions the tax-exempt status of interest of the 2022-1 Issuer Loan.

(e) The Issuer hereby incorporates by reference the certifications made by it in the Closing Certificate of the Issuer delivered on, and dated as of, the Closing Date.

Section 2.02. Representations, Warranties and Covenants of the Borrower. The Borrower represents, warrants and covenants, for the benefit of the Lender and the Issuer that (such representations, warranties and covenants to remain operative and in full effect regardless of any investigations by or on behalf of the Issuer and regardless of the results of any such investigations):

(a) The Borrower is a limited liability company duly organized and in good standing under the laws of the State, has full legal right, power and authority to enter into the Loan Documents, and to carry out all of its obligations under and consummate all transactions contemplated by the Loan Documents, and by proper organizational action has duly authorized the execution, delivery and performance of the Loan Documents by the Borrower.

(b) As of the Closing Date, the officer of the Borrower executing the Loan Documents is duly and properly in office and fully authorized to execute the same.

(c) The Loan Documents have been duly authorized, executed and delivered by the Borrower.

(d) The Loan Documents constitute the legal, valid and binding agreements of the Borrower enforceable against the Borrower by the Lender in accordance with their terms, and any rights of the Issuer and obligations of the Borrower to the Issuer that are not assigned to the Lender constitute the legal, valid, and binding agreements of the Borrower enforceable against the Borrower by the Issuer in accordance with their terms, except, in each case, as enforcement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles regardless of whether enforcement is sought in a proceeding at law or in equity and by public policy.

(e) The execution and delivery of the Loan Documents, the consummation of the transactions contemplated by the Loan Documents and the fulfillment of or compliance with the terms and conditions of the Loan Documents, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under the certificate of organization of the Borrower, its operating agreement, any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties

are otherwise subject or bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Loan Documents, or the financial condition, assets, properties or operations of the Borrower.

(f) No consent or approval of any trustee or holder of any indebtedness of the Borrower or any guarantor of indebtedness of or other provider of credit or liquidity of the Borrower, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except with respect to any state securities or “blue sky” laws) is necessary in connection with the execution and delivery of the Loan Documents, or the consummation of any transaction contemplated by the Loan Documents, or the fulfillment of or compliance with the terms and conditions of the Loan Documents, except as have been obtained or made and as are in full force and effect.

(g) Except as previously disclosed to the Lender and the Issuer, there is no action, suit, proceeding, inquiry or investigation, before or by any court or federal, state, municipal or other governmental authority, pending, or to the knowledge of the Borrower, after reasonable investigation, threatened, against or affecting the Borrower or the assets, properties or operations of the Borrower which, if determined adversely to the Borrower or its interests, would have a material adverse effect upon the consummation of the transactions contemplated by, or the validity of, the Loan Documents, or upon the financial condition, assets, properties or operations of the Borrower, and the Borrower is not in default (and no event has occurred and is continuing which with the giving of notice or the passage of time or both could constitute a default) with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Loan Documents, or the financial condition, assets, properties or operations of the Borrower. All tax returns (federal, state and local) required to be filed by or on behalf of the Borrower have been filed, and all taxes shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Borrower in good faith, have been paid or adequate reserves have been made for the payment thereof which reserves, if any, are reflected in the audited financial statements described therein. The Borrower enjoys the peaceful and undisturbed possession of all of the premises upon which it is operating its facilities.

(h) No written information, exhibit or report furnished to the Lender by the Borrower in connection with the negotiation of the Loan Documents contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

(i) Reserved.

(j) The Borrower has good and marketable title to the Property, in each case free and clear from all encumbrances other than Permitted Encumbrances.

(k) Reserved.

(l) Except as disclosed in the Phase I Environmental Report, the Borrower complies in all material respects with all applicable Environmental Laws.

(m) Except as disclosed in the Phase I Environmental Report, to the best of the Borrower's knowledge, neither the Borrower nor the Facility are the subject of a federal, state or local investigation evaluating whether any remedial action is needed to respond to any alleged violation of or condition regulated by Environmental Laws or to respond to a release of any Hazardous Materials into the environment.

(n) As of the Closing Date, the Borrower does not have any material contingent liability in connection with any release of any Hazardous Materials into the environment.

(o) Reserved.

(p) Reserved.

(q) No Event of Default or Default under Section 11.01 of this Loan Agreement has occurred and is continuing.

(r) The Borrower is not in default under and is not violating any provision of its certificate of organization or operating agreement or, to the knowledge of the Borrower after due inquiry, any material provision of any material indenture, mortgage, lien, administrative regulations, order, judgment, decree or other instrument or restriction of any kind or character to which it is a party or by which it is bound or to which it or any of its assets is subject.

(s) The Borrower acknowledges, represents and warrants that it understands the nature and structure of the transactions relating to the Loan; that it is familiar with the provisions of all of the documents and instruments relating to such financing to which the Borrower is a party or of which it is a beneficiary; that it understands the risks inherent in such transactions; and that it has not relied on the Issuer for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by this Loan Agreement or otherwise relied on the Issuer for any advice or otherwise.

(t) All material certificates, approvals, permits and authorizations of applicable local governmental agencies, and agencies of the State and the federal government have been or will be obtained with respect to the acquisition of the Property and the construction and installation of the Project and operation of the Facility, and the Project has been acquired, constructed and installed and the Facility will be operated pursuant to and in accordance with such certificates, approvals, permits and authorizations.

(u) No portion of the Facility financed with the proceeds of the 2022-1 Issuer Loan includes any property used or to be used for sectarian instruction or study, as a place

for devotional activities or religious worship, or in connection with any part of the program of a school or department of divinity for any religious denomination.

(v) All financial and other information provided to the Lender by or on behalf of the Borrower and Guarantor in connection with this Loan Agreement is true and correct in all material respects and, as to projections, valuations or pro forma financial statements, present a good faith opinion as to such projections, valuations and pro forma condition and results.

(w) The Borrower is currently in compliance, and in the future will comply, with all applicable nondiscrimination laws.

ARTICLE III

ISSUANCE OF LOAN; APPLICATION OF PROCEEDS

Section 3.01. Loan to Finance the Project.

(a) The Lender hereby agrees to loan up to \$2,000,000 to the Issuer and the Issuer hereby agrees, subject to the limitations set forth herein, to borrow up to such amount from the Lender and to lend the 2022-1 Issuer Loan Proceeds to the Borrower for the purposes of financing the Project. The Loan is non-revolving. Any portion of the Loan repaid may not be reborrowed.

(b) The Borrower shall design, acquire, rehabilitate, construct, improve and equip the Improvements with all reasonable dispatch, substantially in accordance with the Plans and Specifications. The Borrower shall (a) pay when due all fees, costs and expenses incurred in connection with the foregoing from funds made available therefor in accordance with this Loan Agreement, or otherwise, unless any such fees, costs or expenses are being contested by the Borrower in good faith and by appropriate proceedings; (b) as the Borrower deems reasonably appropriate and in its best interests, ask, demand, sue for, levy, recover and receive all those sums of money, debts and other demands whatsoever which may be due, owing and payable under the terms of any contract, order, receipt, writing and instruction in connection with the design, construction and equipping of the Improvements; and (c) as the Borrower deems reasonably appropriate and in its best interests, enforce the provisions of any contract, agreement, obligation, bond or other performance security with respect thereto. The Borrower may revise the Plans and Specifications from time to time, provided that no revision shall be made which would change the purposes of the Improvements in a way that would adversely affect the tax-exempt status of interest on the 2022-1 Issuer Loan or which would change the purposes of the Improvements to purposes that are not permitted by the Act or by the resolution of the Issuer's Board of Directors authorizing the Issuer to enter into this Loan Agreement. Upon the completion of the Improvements, the Borrower shall provide the Lender with a Completion Notice.

(c) Upon fulfillment of the conditions precedent set forth in Section 5.01 hereof, the Lender shall disburse the 2022-1 Issuer Loan Proceeds in the amount of at least

\$50,001 to the Title Insurer. The Title Insurer shall then disburse the portion of the 2022-1 Issuer Loan Proceeds it receives on the Initial Draw Date in accordance with the escrow instructions provided to the Title Insurer by the Lender and the Borrower.

(d) Subject to the terms and conditions in Sections 4.03 and Article V hereof, the Lender shall disburse the 2022-1 Issuer Loan Proceeds from time to time into the Project Fund pursuant to Draw Requests. The aggregate principal amount of the Loan outstanding under this Loan Agreement is set forth in Exhibit G hereto, as such Exhibit G may be amended from time to time pursuant to Section 5.02(b) hereof.

(e) The Issuer's obligation to repay the 2022-1 Issuer Loan and the Borrower's obligation to repay the Borrower Loan shall commence, and interest shall begin to accrue, on the Initial Draw Date.

Section 3.02. Establishment and Application of Project Fund. The Borrower shall establish and maintain a subaccount designated as the "Project Fund" within its account maintained at First National Bank Alaska (Routing [125200060 Account #31576051]). The Borrower shall maintain a separate record of the Project Fund on its books and shall account for all deposits and withdrawals from the Project Fund in accordance with the Borrower's accounting procedures. The Lender shall deposit the 2022-1 Issuer Loan Proceeds into the Project Fund to be used and withdrawn by the Borrower as the Borrower Loan pursuant to a Draw Request to pay Project Costs. No moneys in the Project Fund may be used to pay Additional Payments. Amounts in the Project Fund may be invested in Permitted Investments as directed by the Borrower.

Section 3.03. Term. The term of this Loan Agreement shall commence on the Closing Date and shall terminate upon the earliest to occur of any of the following events:

(a) so long as no Event of Default has occurred and is continuing hereunder, the payment by the Borrower of all Payments with respect to the Borrower Loan, any rebate payments and any other payments required to be paid by the Borrower hereunder;

(b) so long as no Event of Default has occurred and is continuing hereunder, the prepayment pursuant to the terms herein of the entire outstanding principal amount, accrued interest and other amounts due hereunder; or

(c) the Lender's election to terminate this Loan Agreement under Article XI due to an Event of Default hereunder.

Section 3.04. Costs and Expenses of the Issuer. The Borrower shall pay to the Issuer the following "Issuer Fees and Expenses":

(a) All taxes and assessments of any type or character charged to the Issuer affecting the amount available to the Issuer from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding any taxes based upon the capital or income of the Issuer; provided, however, that the Borrower shall have the right to protest any such taxes or assessments and to require the Issuer, at the

Borrower's expense, to protest and contest any such taxes or assessments assessed or levied upon them and that the Borrower shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would materially adversely affect the rights or interests of the Issuer, notwithstanding the provisions of Section 8.01;

(b) The reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Issuer to prepare audits, financial statements or opinions or provide such other services as are required in connection with the Loan Documents and the Loan;

(c) Fees and expenses of the Issuer in connection with the Loan, the Loan Documents, or any other documents contemplated by such Loan Documents, including, without limitation, (i) the Issuer's fee payable on the Closing Date of \$50,000 for the first \$5,000,000 issue amount plus 0.50% of the issue amount in excess of \$5,000,000 which shall be an initial fee of \$90,000; (ii) fees and expenses incurred by Bond Counsel or other counsel to the Issuer in connection with the Loan; (iii) any litigation which may at any time be instituted involving such Loan, the Loan Documents and any other documents contemplated by the Loan Documents for which the Borrower may be liable to indemnify the Issuer pursuant to Section 7.13 hereof; (iv) an annual administrative fee, paid in arrears on each anniversary date after origination and within 30 days after the date of which the 2022-1 Issuer Loan is paid off in full, in the amount of \$5,000 or 0.1% of the highest amount outstanding in the calculation period, which is the anniversary date of the date the Loan is made by the Issuer (whichever is greater) and (v) Lender's counsel fee; and

(d) Such amounts as may be necessary to satisfy the rebate requirements in accordance with the Tax Agreement and to pay the cost of calculation of such rebate requirements when required by the Code and the Tax Agreement.

The Issuer shall bill the Issuer Fees and Expenses, other than the Issuer's fee, set forth in (c)(i) and other than any amounts required by (d) above, to the Borrower from time to time, together with a statement of the Issuer certifying, if applicable, that the amount billed has been incurred or paid by the Issuer for one or more of the above items. After such a demand, the Borrower shall pay such amounts so billed within 30 days after receipt of the bill by the Borrower. The obligation of the Borrower to make payments to the Issuer as set forth in this Section 3.04 shall survive any termination of this Loan Agreement. The obligation of the Borrower to pay the annual administrative fee described in (c)(iv) of this Loan Agreement shall survive any termination of this Loan Agreement and shall continue for so long as the 2022-1 Issuer Loan shall remain in effect. The Borrower shall, in all events, be liable for, and shall pay to Issuer, the foregoing Issuer fee regardless of whether the Issuer makes the Loan. From this Issuer fee, the Issuer will pay customary expenses and Bond Counsel fees and expenses up to a maximum of \$12,500. Fees and expenses incurred by the Issuer or Bond Counsel in excess of this amount are the responsibility of the Borrower, and the Borrower shall pay after the Closing Date within 30 days after receipt of the bill, as described above. The Borrower's liability to pay the Issuer pursuant to the terms of this Section 3.04 shall survive the termination of this Loan Agreement.

Section 3.05. Limited Obligations of the Issuer; Ability of the Issuer to Incur Debt.

(a) The 2022-1 Issuer Loan is a limited obligation of the Issuer and is not a general obligation of the Issuer. The 2022-1 Issuer Loan shall be payable solely from the Payments provided therefor. The Issuer shall not be obligated to pay the principal of the 2022-1 Issuer Loan or the prepayment premium, if any, or interest thereon, except from the Payments provided therefor hereunder. The 2022-1 Issuer Loan does not constitute a debt, liability, or obligation of the State or of any political subdivision of the State or a pledge of the faith and credit of the State or of a political subdivision of the State, and neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of principal of, or the prepayment premium, if any, or interest on, the 2022-1 Issuer Loan. The granting of the 2022-1 Issuer Loan shall not directly or indirectly or contingently obligate the State or any political subdivision thereof to levy or pledge any form of taxation or to make any appropriation for their payment. The Issuer has no taxing power.

(b) Nothing in this Loan Agreement is intended, or may be construed, to limit the ability of the Issuer to incur debt. The Issuer may incur debt at any time and without limitation as to security, including the pledging of the general credit of the Issuer or any specific security; provided, however, that the Issuer may not pledge as security for any other such debt any security that is specifically pledged as security for the 2022-1 Issuer Loan under this Loan Agreement.

Section 3.06. Invalidity of the Borrower Loan. If at any time the Borrower Loan is declared to be invalid or unenforceable for any reason, the Borrower Loan will be deemed to be a direct loan from the Lender to the Borrower. All references herein to “Borrower Loan” and “2022-1 Issuer Loan” shall instead refer to the “Loan,” a direct Loan from the Lender to the Borrower. In such an event, the Lender and the Borrower acknowledge that interest payments with respect to the Loan shall not be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code or State of Alaska income taxation, the Loan shall bear interest at the Gross-Up Rate and the Issuer thereupon shall be fully released from each and every obligation and liability of the Issuer under this Loan Agreement with the same effect as if the Issuer had never signed this Loan Agreement.

Section 3.07. Conditions Precedent to Construction Draws. Other than the disbursement of 2022-1 Issuer Loan Proceeds on the Initial Draw Date, the Lender’s agreement to disburse funds to the Project Fund shall be subject to the further conditions precedent set forth in Sections 5.03 and 5.04 of this Loan Agreement and that Borrower shall have met the conditions and requirements set forth in the Construction Loan Agreement with respect to disbursement of funds to the Project Fund. Upon receipt of a Draw Request to pay for Project Costs from the Borrower and the approval thereof by the Lender, the Lender shall disburse to, or for the account of, the Borrower, Borrower Loan Proceeds to pay Project Costs in accordance with the Draw Request.

ARTICLE IV

REPAYMENT OF THE LOAN

Section 4.01. Interest.

(a) The principal amount of the Loan hereunder outstanding from time to time shall bear interest (computed on the basis of a year of 360 days and the actual number of days elapsed) at the fixed rate of 4.00% per year. Interest shall accrue on the aggregate principal balance of the Loan from the Initial Draw Date, which is [], [2024] to the Maturity Date or earlier prepayment as provided herein, and shall be payable monthly on the fifteenth calendar day of each month, commencing [], [2024], by the Borrower in arrears on or prior to such date and upon earlier demand in accordance with the terms hereof or prepayment in accordance with Section 4.08 hereof.

(b) Upon the occurrence of a Determination of Taxability, the Borrower shall pay to the Lender, as assignee of the Issuer, future interest payments calculated at the Gross-Up Rate. The Lender's calculation of the Gross-Up Rate shall be conclusive absent manifest error. In addition, the Borrower shall make immediately, upon demand of the Lender, a payment to the Lender sufficient to reimburse the Lender and supplement Prior Interest Payments to equal the Gross-Up Rate, and such obligation shall survive the termination of this Loan Agreement.

(c) Upon the occurrence of an Event of Indirect Taxability, the Lender shall have the option, upon notice to the Borrower and the Issuer, to (i) adjust the Loan Rate with respect to the 2022-1 Issuer Loan so as to provide the Lender with a yield on the 2022-1 Issuer Loan, after taking into account the increase in the Lender's federal income tax liability as a result of such Event of Indirect Taxability, that is equivalent to the yield on the 2022-1 Issuer Loan immediately before such Event of Indirect Taxability, or (ii) to require the Borrower to reimburse the Lender for the increase, if any, in its federal income tax liability caused by such Event of Indirect Taxability. Any change to the Loan Rate with respect to the 2022-1 Issuer Loan shall also be concurrently applicable to the Borrower Loan. Any such change in the Loan Rate shall be subject to the condition that, on or prior to the effective date of such change, the Lender shall have reviewed the calculations of the Lender resulting in the adjusted Loan Rate and the Lender and the Issuer shall have received an opinion of Bond Counsel to the effect that such change complies with the requirements of this Loan Agreement and will not, in and of itself, cause interest with respect to the 2022-1 Issuer Loan to be included in the gross income of the Lender for federal income tax purposes.

Section 4.02. Payments. Subject to Section 3.05 hereof, the Issuer shall pay the principal of, prepayment premium, if any, and interest (including any adjustments to interest described in Section 4.01 or elsewhere herein) on the 2022-1 Issuer Loan, but only out of Payments made by the Borrower therefor. The Borrower shall pay to the Lender, as assignee of the Issuer, Payments in the amounts and at such times as set forth Section 4.01, Section 4.08 and Section 4.10 hereof.

Section 4.03. Draws. Until March 14, 2025, the Borrower and the Lender, without the consent of the Issuer, may from time to time, but no more often than once per calendar month, increase the amount of the Loan outstanding by executing Draw Requests substantially in the form set forth in Exhibit F hereto (or in such other form approved by the Lender) in accordance with Sections 5.02 through 5.06 hereof. Each Draw Request shall reasonably identify the Project Costs that will be paid with (or for which the Borrower will be reimbursed by) such Draw Request. Draw Requests shall be numbered consecutively beginning with “1.” No single Draw Request may provide for an advance of less than \$50,001 (other than the final Draw Request, which may be for a lesser amount). The maximum aggregate amount of the 2022-1 Issuer Loan provided for in all Draw Requests (including the initial draw on the Initial Draw Date) shall be less than or equal to \$2,000,000. An advance fee of \$10.00 will be paid by the Borrower for each advance.

Section 4.04. Security for the Loan. As security for the repayment of the 2022-1 Issuer Loan, the Issuer hereby assigns to the Lender all of its right, title and interest in this Loan Agreement (except for the Reserved Issuer Rights), including the Issuer’s rights (a) to receive Payments with respect to the Borrower Loan (and hereby directs the Borrower to make such Payments directly to, or at the direction of, the Lender), (b) to collect the Payments and any other payments due to the Issuer hereunder the receipt of which is not part of Reserved Issuer Rights, and to sue in any court for such Payments or other payments, (c) to exercise all rights hereunder with respect to the Project and the Facility, and (d) to withdraw or settle any claims, suits or proceedings pertaining to or arising out of this Loan Agreement and the Borrower Loan upon any terms (other than any claims related to Reserved Issuer Rights). Such assignment by the Issuer to the Lender shall be an absolute assignment without recourse to the Issuer. Such Payments and other payments the receipt of which is not part of Reserved Issuer Rights shall be made by the Borrower directly to the Lender, as the Issuer’s assignee, without the requirement of notice or demand, at such place as the Lender may from time to time designate in writing, and shall be credited against the Issuer’s payment obligations under the 2022-1 Issuer Loan. No provision, covenant or agreement contained in this Loan Agreement or any obligation herein imposed on the Issuer, or the breach thereof, shall constitute or give rise to or impose upon the Issuer a pecuniary liability, a charge upon its general credit or a pledge of its revenues. In making the agreements, provisions and covenants set forth in this Loan Agreement, the Issuer has not obligated itself except with respect to the application of the Payments to be paid by the Borrower hereunder. All amounts required to be paid by the Borrower hereunder shall be paid in lawful money of the United States of America in immediately available funds. No recourse shall be had by the Lender or the Borrower for any claim based on this Loan Agreement against any director, officer, employee or agent of the Issuer alleging personal liability on the part of such person.

Section 4.05. Further Security.

(a) On or prior to the Initial Draw Date, the Borrower shall, at its expense, record, or cause the recordation of, the Deed of Trust, and any and all amendments thereto in the Recorder’s Office in the Fairbanks Recording District. Within 10 days after request for any confirmation of any filing required by this Section, the Borrower shall deliver to the Lender, as assignee of the Issuer, the signed documents requested or evidence satisfactory to the Lender to the effect that such filing has been duly accomplished. The Borrower hereby authorizes the Lender to file such financing statements (and all

amendments or continuations thereto) as may be necessary to perfect the Lender's security in a form satisfactory to the Lender.

The Issuer, the Borrower and the Lender agree that the Deed of Trust, Security Agreement and UCC-1 financing statement may be amended or terminated at any time with the prior written consent of the Lender. The consent of the Issuer shall not be required for any such amendment or termination.

(b) To further secure the payment obligations of the Borrower hereunder, the Borrower has executed the Security Agreement.

(c) As additional security for the 2022-1 Issuer Loan, the Issuer has made a complete assignment to the Lender of all of the Issuer's rights, title, interest and obligations in, to and under the Deed of Trust and the Security Agreement, pursuant to the Assignment Agreement, except for the Reserved Issuer Rights. The Borrower hereby consents to such assignment, as well as the assignment by the Issuer set forth in this Section 4.05.

(d) To further secure the Borrower's obligations under this Agreement, the Borrower shall, at its sole expense, execute and deliver to the Lender (and where required, duly record) the Assignment of Agreement to Enter into a Housing Assistance Payments Contract, dated as of the date hereof ("Assignment of AHAP Contract").

Section 4.06. Payment on Non-Business Days. Whenever any payment to be made hereunder shall be stated to be due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day.

Section 4.07. The Borrower Payments to Be Unconditional. The obligations of the Borrower to make Payments required under this Loan Agreement and to make other payments hereunder and to perform and observe the covenants and agreements contained herein shall be absolute and unconditional in all events, without abatement, diminution, deduction, setoff or defense for any reason, including (without limitation), (a) any damage to, destruction of, or any condemnation or similar taking of the Facility; (b) any restriction or prevention of or interference with any use of the Property; (c) any title defect or encumbrance or any eviction from the Property by superior title or otherwise; (d) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation, or other like proceeding relating to the Lender or the Borrower, or any action taken with respect to the Loan Documents by any trustee or receiver of the Lender or the Borrower, or by any court, in any such proceeding; (e) any claim which the Borrower has or might have against the Lender; (f) any other occurrence whatsoever, whether similar or dissimilar to the foregoing, whether or not the Borrower shall have notice or knowledge of any of the foregoing, (g) any failure of the Facility to be delivered or installed, any defects, malfunctions, breakdowns or infirmities in the Project or Facility or any accident, condemnation, destruction or unforeseen circumstances. Notwithstanding any dispute between the Borrower and any of the Issuer, the Lender or any other person, the Borrower shall make all Payments when due and shall not withhold any Payments pending final resolution of such dispute, nor shall the Borrower assert any right of setoff or counterclaim against its obligation to make such payments required under this Loan Agreement. Except to the extent prohibited by law, the Borrower waives

all rights now or hereafter conferred by statute or otherwise to any setoff, abatement, suspension, deferment, diminution or reduction of the Obligations.

Section 4.08. Prepayments.

(a) The Issuer shall, solely to the extent funds are received by the Lender from the Borrower for such purpose, prepay the 2022-1 Issuer Loan and the Borrower may prepay the Borrower Loan in whole or in part on any interest payment date, in advance of the required Payments set forth in Section 4.10 hereof by paying the outstanding principal amount of the Loan (or the portion thereof being prepaid), accrued interest to the prepayment date, and any outstanding and unpaid Additional Payments due under this Loan Agreement; provided, however, that after any partial prepayment, the remaining outstanding principal amount of the Loan shall not be less than \$100,000. The Borrower shall provide the Lender written notice of any such prepayment at least 15 days in advance thereof. Upon any prepayment in part of the Loan, the prepayment shall be applied first to interest accrued thereon and any outstanding and unpaid Additional Payments, and next to the principal component of the Loan in the inverse order of maturity.

(b) The Issuer shall prepay the 2022-1 Issuer Loan solely to the extent that the Borrower shall prepay the Borrower Loan in whole or in part at any time from insurance or condemnation proceeds pursuant to Article IX hereof by paying some or all of the outstanding principal amount of the Loan, accrued interest to the prepayment date, and any outstanding and unpaid Additional Payments due under this Loan Agreement.

(c) The Issuer shall, solely to the extent funds are received from the Borrower, prepay the 2022-1 Issuer Loan and the Borrower shall prepay the Borrower Loan in full immediately upon demand therefor of the Lender to the Issuer after the occurrence of an Event of Default by paying the outstanding principal amount of the Loan, accrued interest to the prepayment date, and any outstanding and unpaid Additional Payments due under this Loan Agreement.

(d) Reserved.

(e) On the Repayment Date, the Issuer shall, to the extent funds are received from the Borrower, repay the 2022-1 Issuer Loan in full and the Borrower shall repay the Borrower Loan in full, together with all unpaid and accrued interest on the Loan to the Repayment Date, any Additional Payments then due in accordance with this Loan Agreement and all other amounts payable in accordance with this Loan Agreement.

Section 4.09. Restrictions on Transfer of Loan. Notwithstanding any other provision hereof, the Borrower Loan is nontransferable, except in connection with the transfer of the 2022-1 Issuer Loan. The 2022-1 Issuer Loan may be transferred, assigned and reassigned by the Lender without the consent of the Issuer or the Borrower, but solely in accordance with Section 10.01 hereof.

Section 4.10. Repayment. The Borrower shall make payments of interest only until March 14, 2025 pursuant to monthly statements or invoices provided by the Lender, and shall repay the full principal amount of the Loan on the earlier of (i) the Repayment Date or (ii) within

30 days of receipt of a certificate or occupancy for the Facilities; *provided, however*, that Borrower shall make partial principal payments hereunder in the amount of any capital contribution by the Limited Investor of Borrower into the Borrower at time of such contribution, at the time and in such amounts as set forth in the Operating Agreement.

Section 4.11. Late Charge. If the Borrower fails to make any Payment and such failure results in the untimely payment of principal and interest on the Loan, or if the Borrower fails to make any Additional Payment when due, in each case, taking into account any grace period allowed for such Additional Payment or Payment, and such payment is more than 10 days late, the Borrower shall pay a late charge equal to 5% of the payment past due after the 15th day of each month or \$500.00, which ever is less. Upon default under the Promissory Note, including failure to pay upon final maturity, the interest rate on the Promissory Note shall be increased by 3%. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

Section 4.12. Reserved.

Section 4.13. Increased Costs. If the Lender determines that any Change in Law shall: (i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by the Lender; (ii) subject the Lender to any tax of any kind whatsoever with respect to this Loan Agreement; or (iii) impose on the Lender or the London interbank market any other condition, cost or expense affecting this Loan Agreement or the Loans; and the result of any of the foregoing shall be to increase the cost to the Lender of making or maintaining the Loan, to reduce the amount of any sum received or receivable by the Lender under this Loan Agreement (whether of principal, interest or any other amount), or to reduce the rate or return on the Lender's capital or on the capital of the Lender's holding company as a consequence of this Loan Agreement or the Loan to the level below which the Lender or the Lender's holding company would have achieved but for such Change in Law (taking into consideration the Lender's policies and the policies of the Lender's holding company with respect to capital adequacy) then, upon request of the Lender, the Borrower will pay to the Lender within 30 days of written demand (together with a calculation of such amount in reasonable detail) such additional amount or amounts as will compensate the Lender for such additional costs incurred or reduction suffered.

ARTICLE V

CONDITIONS PRECEDENT

Section 5.01. Conditions Precedent to Loan Agreement. The Lender's agreement to enter into this Loan Agreement and provide the financing contemplated hereby shall be subject to the condition precedent that the Lender shall have received or waived the requirement for, all of the following, each in form and substance satisfactory to the Lender:

- (a) this Loan Agreement, properly executed on behalf of the Issuer, the Borrower and the Lender, and, if applicable, each of the Exhibits hereto properly completed;

- (b) the Tax Agreement, properly executed on behalf of the Borrower and the Issuer;
- (c) the Security Agreement, properly executed on behalf of the Borrower;
- (d) the Deed of Trust in recordable form for recordation in the Recorder's Office in the Fairbanks Recording District, Fourth Judicial District, State of Alaska;
- (e) the Guaranty Agreement, properly executed by the parties thereto;
- (f) a certificate of the Managing Member of the Borrower certifying as to (i) the resolution of the Managing Member, and its members, as applicable, authorizing the execution, delivery and performance of Loan Documents and any related documents on behalf of Borrower, (ii) Operating Agreement, (iii) the Operating Agreement of the Managing Member, and (iv) the signatures of the officers of the Managing Member authorized to execute and deliver Loan Documents and other instruments, agreements and certificates on behalf of the Borrower;
- (g) a certificate of the Guarantor, certifying as to (i) the resolutions of the Board of Directors Guarantor, (ii) the organizational documents of the Guarantor, and (iii) the signatures of the officers or agents of the Guarantor authorized to execute and deliver the Guaranty and other instruments, agreements and certificates on behalf of the Guarantor;
- (h) a payment and performance bond for construction of the Facility, in form and substance reasonably acceptable to the Lender;
- (i) [Reserved];
- (j) confirmation from the Issuer that the Project has received a reservation of tax credits with respect to the Project;
- (k) currently certified copies of the certificate of organization of the Borrower;
- (l) a certificate of good standing issued as to the Borrower by the Alaska Department of Commerce, Community, and Economic Development dated not more than 30 days prior to the Closing Date;
- (m) the Assignment of Construction Contracts executed by Borrower and Lender and acknowledged by the Architect and the Contractor;
- (n) a resolution adopted by the Issuer authorizing the Borrower Loan and the 2022-1 Issuer Loan and the transactions contemplated hereunder;
- (o) a closing certificate of the Issuer in a form acceptable to the Lender's Counsel;
- (p) UCC-1 financing statement(s) as required by the Lender to perfect the security interests of the Issuer and assignment to the Lender;

(q) current searches of appropriate filing offices showing that (i) no state or federal tax liens have been filed and remain in effect against the Borrower, and (ii) no financing statements have been filed and remain in effect against the Borrower relating to the Facility except for those which constitute Permitted Encumbrances;

(r) a completed and executed Form 8038 or evidence of filing thereof with the Department of the Treasury, Internal Revenue Service Center;

(s) an opinion of counsel to the Borrower and Guarantor, addressed to the Lender, Lender's counsel and the Issuer, opining on the matters contained in Exhibit C attached hereto in a form approved by the Lender and the Issuer;

(t) an opinion of Bond Counsel, addressed to the Issuer and the Lender, in form and substance acceptable to the Issuer and the Lender;

(u) certificates of the insurance required under Section 7.04 of this Loan Agreement containing the Lender's loss payable clause or endorsement in favor of the Lender;

(v) evidence of payment of the Issuer's issuance fee and the fees of Bond Counsel;

(w) evidence of payment of the Lender's costs and the fees of the Lender's Counsel on the Closing Date (including the Lender's origination fee in the amount of \$65,000);

(x) an investor letter of representation executed by the Lender, in the form attached hereto as Exhibit B;

(y) the Title Policy or evidence satisfactory to the Lender in its sole discretion of the Title Insurer's irrevocable commitment to issue the Title Policy immediately upon closing;

(z) Docket Search of U.S. Bankruptcy Court and United States District Court for the State of Alaska;

(aa) the Regulatory Agreement, properly executed by the parties thereto; and

(bb) the Construction Loan Agreement, properly executed by the parties thereto; and

(cc) any other documents or items required by the Lender or the Issuer.

Section 5.02. Conditions Precedent to Making of the Borrower Loan. The Issuer's agreement to enter into the Loan Agreement and to provide the financing to the Borrower contemplated hereby shall be subject to the condition precedent that the Issuer shall have received the items listed in Section 5.01 (other than those items to be provided by the Issuer), in form and substance satisfactory to the Issuer.

Section 5.03. [Reserved]

Section 5.04. Conditions Precedent to Each Subsequent Draw Request. Other than the initial disbursement of 2022-1 Issuer Loan Proceeds on the Initial Draw Date, the Lender's agreement to disburse the 2022-1 Issuer Loan Proceeds shall be subject to the condition precedent that the Lender shall have received or waived the requirement for all of the following for each Draw Request, each in form and substance satisfactory to the Lender:

- (a) an updated Exhibit G to this Loan Agreement, as applicable;
- (b) a fully executed Draw Request substantially in the form attached hereto as Exhibit F, with all appropriate supporting documents attached thereto;
- (c) all of the requirements set forth in the Construction Loan Agreement with respect to the amounts and items set forth in the Draw Request have been met;
- (d) payment of the Additional Payments, commissions and expenses required by Section 12.03 hereof;
- (e) copies of fully executed applications for payments submitted by the Contractor, and at the Lender's option, from the "Major Subcontractors" (defined for purposes of this section and elsewhere herein as subcontractors performing work in excess of \$250,000), on AIA Document 702 and 703, with all supporting documentations required thereby;
- (f) The representations and warranties contained herein and in each of the other Loan Documents shall be true on and as of the date of the signing of this Loan Agreement and on the date of each extension of credit by the Lender pursuant hereto, with the same effect as though such representations and warranties had been made on and as of each such date, and on each such date, no Event of Default as defined herein, and no condition, event or act which with the giving of notice or the passage of time or both would constitute such an Event of Default, shall have occurred and be continuing or shall exist; and
- (g) such other information and documents as the Lender may reasonably require related to such disbursement request.

Section 5.05. Limitations to Disbursement. Notwithstanding anything to the contrary contained in this Loan Agreement, other than the initial disbursement of 2022-1 Issuer Loan Proceeds on the Initial Draw Date, the Lender need not make any further disbursements pursuant to a Draw Request or allow any withdrawal from the Project Fund at any time if:

- (a) the Facility or Improvements are materially damaged by fire or other casualty and not fully repaired and restored, unless the Lender actually receives insurance proceeds or a cash deposit from the Borrower sufficient in the Lender's judgment to pay for the complete repair or replacement of the Improvements in a timely manner;
- (b) The Lender reasonably believes that withholding disbursement in whole or in part is required by applicable mechanics' lien or stop notice laws (unless the Borrower

has obtained a bond reasonably satisfactory to the Lender sufficient to allow the Lender to make such disbursement in accordance with Alaska law);

(c) The Borrower has not obtained or is not in compliance with all required governmental approvals, including without limitation all necessary building permits, or has not complied with all applicable regulations, laws, ordinances (including without limitation environmental and subdivision map requirements and conditions of approval) to permit the construction of the Improvements according to the Plans and Specifications;

(d) The Borrower fails timely to proceed with completion of construction of the Improvements substantially in accordance with the Plans and Specifications approved by the Lender; or

(e) an Event of Default has occurred under this Loan Agreement, any of the other Loan Documents, any other agreement between the Lender and the Borrower, or the Borrower is in default under any other agreement regarding the development of the Facilities or the Improvements, including without limitation, any subdivision agreement, improvement agreement, or development agreement.

ARTICLE VI

SECURITY

Section 6.01. Change in Name or Corporate Structure of the Borrower; Change in Location of the Borrower's Principal Place of Business. The Borrower's chief executive office is located at the address set forth in Section 12.04 hereof, and all of the Borrower's records relating to its business are kept at such location. The Borrower hereby agrees to provide written notice to the Lender and the Issuer of any change or proposed change in its name, corporate structure, state of its incorporation or organization, place of business or chief executive office, or tax identification number at least 30 days in advance of the date that such change or proposed change is planned to take effect.

Section 6.02. Security Interest. The Borrower hereby authorizes the Lender to file any financing statement (and any amendments or continuations to any financing statement) necessary to perfect the security interest granted in this Loan Agreement under the laws of the State. Pursuant to AS 18.56.120, the pledge by the Issuer of the Payments for the repayment of the principal of, and the premium, if any, and interest on, the 2022-1 Issuer Loan is valid and binding from the date of this Loan Agreement, and the Payments are immediately subject to the lien of the pledge without physical delivery or further act. Such lien is valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the Issuer, irrespective of whether those parties have notice of the lien of the pledge. The Issuer represents that it has not made any pledge of the Payments prior to the date of this Loan Agreement.

Section 6.03. Assignment of Insurance. As additional security for the payment and performance of the Borrower's obligations under this Loan Agreement, the Borrower hereby assigns to the Lender, as assignee of the Issuer, any and all moneys (including, without limitation, proceeds of insurance) due or to become due under, and all other rights of the Borrower with

respect to, any and all policies of insurance now or at any time hereafter covering the Facility or any evidence thereof or any business records or valuable papers pertaining thereto, and the Borrower hereby directs the Issuer of any such policy to pay all such moneys directly to the Lender. The Borrower hereby assigns to the Lender, as assignee of the Issuer, any and all moneys due or to become due with respect to any condemnation proceeding affecting all or any portion of the Facility. At any time, whether before or after the occurrence of any Event of Default, the Lender may (but need not), in the Lender's name or in the Borrower's name, execute and deliver proof of claim, receive all such moneys, endorse checks and other instruments representing payment of such moneys, and adjust, litigate, compromise or release any claim against the issuer of any such policy or party in any condemnation proceeding.

ARTICLE VII

AFFIRMATIVE COVENANTS OF THE BORROWER AND TAX COVENANTS

Section 7.01. Maintenance of Facility.

(a) The Borrower shall, at its own expense (including, without limitation, the Borrower's use of any proceeds of the Loan in accordance with the terms hereof), maintain, preserve and keep the Facility in good repair, working order and condition, and shall from time to time make all repairs and replacements necessary to keep the Facility in such condition, and in compliance with state and federal laws, ordinary wear, tear and depreciation excepted. In the event that any parts or accessories forming part of any item or items of Facility become worn out, lost, destroyed, damaged beyond repair or otherwise rendered unfit for use, the Borrower, at its own expense and expeditiously, will replace or cause the replacement of such parts or accessories by replacement parts or accessories free and clear of all Liens and encumbrances (other than Permitted Encumbrances) and with a value and utility at least equal to that of the parts or accessories being replaced (assuming that such replaced parts and accessories were otherwise in good working order and repair). All such replacement parts and accessories shall be deemed to be incorporated immediately into and to constitute an integral portion of the Facility and, as such, shall be subject to the terms of this Loan Agreement. Neither the Issuer nor the Lender shall have any responsibility in any of these matters, or for the making of repairs or additions to the Facility.

(b) The Borrower shall observe and comply with all legal requirements applicable to the ownership, use and operation of the Facility, including the terms and conditions set forth in this Loan Agreement, the Deed of Trust, the Regulatory Agreement and the Tax Agreement. The Borrower shall permit the Lender and its agents, representatives and employees, upon reasonable prior notice to the Borrower, to inspect the Facility and conduct such environmental and engineering studies as the Lender may reasonably require, provided such inspections and studies do not materially interfere with the use and operation of the Facility. Such environmental and engineering studies shall be at the Borrower's expense, provided that the Lender provides the Borrower with evidence of the Lender's reasonable belief that there is an environmental or structural condition at

the Facility that could have a material adverse effect on the Lender's security under the Loan Documents.

(c) The Borrower will defend the Property against all claims or demands of all persons (other than the Lender hereunder) claiming the Property or any interest therein, other than claims that constitute Permitted Encumbrances.

Section 7.02. Compliance with Laws and Obligations. The Borrower will comply with the requirements of applicable laws and regulations and material contractual obligations, the noncompliance with which would materially and adversely affect its business or its financial condition. Notwithstanding the prior sentence, nothing in this section shall preclude the Borrower's right to contest in good faith by appropriate proceedings any claim of noncompliance or breach.

Section 7.03. Payment of Taxes and Other Claims. The Borrower will pay or discharge, when due, (a) all taxes, assessments and governmental charges levied or imposed upon it or upon its income or profits, upon any properties belonging to it (including, without limitation, the Property) or upon or against the creation, perfection or continuance of the security interest created pursuant to this Loan Agreement or any of the other Loan Documents, prior to the date on which penalties attach thereto; (b) all federal, state and local taxes required to be withheld by it; and (c) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien or charge upon any properties of the Borrower; provided, that the Borrower shall not be required to pay any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in accordance with the Lien Contest Criteria set forth in Section 8.01 hereof and, as to taxes levied on the Issuer, subject to the provisions of Section 3.04(a). The Borrower will pay, as the same respectively come due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Property, as well as all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Property.

Section 7.04. Insurance; Indemnity.

(a) The Borrower shall, at its own expense, maintain and keep in force insurance of the types and in amounts customarily carried by housing authorities similar to the Borrower, including but not limited to:

(i) fire and property damage, extended coverage (which shall include coverage for tangible personal property which constitutes collateral under the Security Agreement), in an amount at least equal to the lesser of insurable value and outstanding amount of the Loan,

(ii) general liability, in an amount at least equal to \$1,000,000 per occurrence and \$2,000,000 annual aggregate and builders' risk insurance in the amount of \$3,300,000 and insurance accordance with the Agreement to Provide Insurance and the Security Agreement,

(iii) flood, if the Property is located in a flood zone, and

(iv) workers' compensation;

with all such insurance carried with companies, in amounts and with deductible amounts reasonably satisfactory to the Lender, and shall deliver to the Lender from time to time at the Lender's request schedules setting forth all insurance then in effect. Alternatively, upon the written approval of the Lender, the Borrower may insure the Facility under a blanket insurance policy or policies which cover not only the Facility, but also other properties of the Borrower or, upon prior written approval of the Lender, may provide self-insurance acceptable to the Lender. All of the insurance policies required hereunder shall be issued by corporate insurers licensed to do business in the State and rated A or better by A.M. Best Company, and shall be in form acceptable to the Lender.

(b) All certificates of insurance and "blanket" insurance policies shall reference the specific project being covered by name and address and shall name the Lender as loss payee. The insurance shall be evidenced by the original policy or a true and certified copy of the original policy, or in the case of liability insurance, by certificates of insurance. The insurance policies (or true and certified copies thereof) or certificates of all insurance required to be maintained hereunder shall be delivered to the Lender contemporaneously with the Borrower's execution of this Loan Agreement. The Borrower shall use its best efforts to deliver originals of all policies and renewals (or certificates evidencing the same), marked "paid" (or evidence satisfactory to the Lender of the continuing coverage) to the Lender at least 15 days before the expiration of existing policies and, in any event, the Borrower shall deliver originals of such policies or certificates to the Lender at least 5 days before the expiration of existing policies. If the Lender has not received satisfactory evidence of such renewal or substitute insurance in the time frame herein specified, the Lender shall have the right, but not the obligation, to purchase such insurance for the Lender's interest only. Nothing contained in this Section shall require the Lender to incur any expense or take any action hereunder, and inaction by the Lender shall never be considered a waiver of any right accruing to the Lender under this Section. If any loss shall occur at any time while an Event of Default shall have occurred and be continuing, the Lender shall be entitled to the benefit of all insurance policies held or maintained by the Borrower, to the same extent as if same had been made payable to the Lender and upon foreclosure hereunder, the Lender shall become the owner thereof. The Lender shall have the right, but not the obligation to make premium payments, at the Borrower's expense, to prevent any cancellation, endorsement, alteration or reissuance of any policy of insurance maintained by the Borrower, and such payments shall be accepted by the insurer to prevent same;

(c) The Borrower shall give to the Lender immediate notice of any material loss occurring on or with respect to the Facility. All insurance proceeds for damage to the Facility shall be payable to the Lender and the Issuer as hereinafter provided. The Borrower shall furnish to the Lender, upon request, certificates of insurance evidencing such coverage while the Loan is outstanding.

(d) Any insurance policy carried or maintained pursuant to this Section (other than the workers' compensation policy) shall be so written or endorsed as to make losses payable to the Lender and the Issuer or the Borrower, as their respective interests may

appear and naming the Lender as additional insured for liability. The Net Proceeds of the insurance required in this Section shall be applied as provided in Article IX hereof. Each property or liability insurance policy provided for in this Section shall contain a provision to the effect that the insurance company providing such policy shall not either cancel the policy or modify the policy materially and adversely to the interest of the Lender without first giving written notice thereof to the Lender at least 30 days in advance of such cancellation or modification (provided that the foregoing shall not release the Borrower of its obligations to comply with the insurance requirements set forth herein).

(e) As among the Lender, the Issuer and the Borrower, the Borrower assumes all risks and liabilities from any cause whatsoever, whether or not covered by insurance, for loss or damage to the Facility, and for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of the Borrower or of third parties, and whether such property damage be to the Borrower's property or the property of others, except to the extent that any of the foregoing are caused by the gross negligence or willful misconduct of the Lender or the willful misconduct of the Issuer. Whether or not covered by insurance, the Borrower hereby assumes responsibility for and agrees to reimburse the Lender and the Issuer for and will indemnify, defend and hold the Lender and the Issuer and any of their assignees, agents, employees, officers and directors harmless from and against all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature, imposed on, incurred by or asserted against the Lender or the Issuer or their assignees, agents, employees, officers and directors that in any way relate to or arise out of this Loan Agreement or the Loan, the transactions contemplated hereby and thereby and the Facility, including but not limited to, (i) the ownership of the Facility, (ii) the delivery, lease, possession, maintenance, use condition, non-use, return or operation (or lack of operation) of components of the Facility, (iii) the conduct of the Borrower, its officers, employees and agents, (iv) a breach by the Borrower of any of its covenants or obligations hereunder or under any other Loan Documents, and (v) any claim, loss, cost or expense involving alleged damage to the environment relating to the Facility, including, but not limited to investigation, removal, cleanup and remedial costs, except to the extent that any of the foregoing are caused by the gross negligence or willful misconduct of the Lender or the willful misconduct of the Issuer. All amounts payable by the Borrower pursuant to the immediately preceding sentence shall be paid immediately upon demand of the Issuer or the Lender or their assignees, agents, employees, officers and directors, as the case may be. This provision shall survive the termination of this Loan Agreement for any reason.

Section 7.05. Reporting Requirements. The Borrower will deliver, or cause to be delivered, to the Lender, and, if requested by the Issuer, to the Issuer, each of the following, which shall be in form and detail reasonably acceptable to the Lender and, as to information requested by the Issuer, the Issuer:

(a) from the Guarantor, audited annual financial statements of the Guarantor within 180 days of the end of each fiscal year of the Guarantor, including therein a balance sheet, income statement, statement of cash flows and reconciliation of the Guarantor's net assets, reviewed by independent certified public accountants reasonably acceptable to the

Lender and certified, without any qualifications, by such accountants to have been prepared in accordance with GAAP consistently applied;

(b) promptly after the amending thereof, copies of any and all amendments to the Borrower's certificate of organization or Operating Agreement;

(c) promptly upon receipt of knowledge thereof by an Authorized Borrower Representative, notice of the violation by the Borrower or Guarantor of any law, rule or regulation, the violation of which would have a material adverse effect on the financial or operating condition of the Borrower or Guarantor;

(d) promptly upon notice thereof, any termination or cancellation of any insurance policy which the Borrower is required to maintain hereunder, or any uninsured or partially uninsured loss through liability or property damage, or through fire, theft or any other cause affecting the Borrower's property in excess of an aggregate of \$100,000;

(e) immediately upon the Borrower's knowledge thereof, notice in writing of all litigation and of all proceedings before any governmental or regulatory agency affecting the Borrower which seek a monetary recovery against the Borrower or Guarantor in excess of \$100,000;

(f) as promptly as practicable (but in any event not later than 10 Business Days) after an Authorized Borrower Representative obtains knowledge of the occurrence of any event that constitutes a Default or an Event of Default under the Loan Documents, notice of such occurrence, together with a detailed statement by an Authorized Borrower Representative of the steps being taken by the Borrower to cure the effect of such Default or Event of Default;

(g) reserved;

(h) promptly upon the occurrence and nature of any Reportable Event or Prohibited Transaction, each as defined in the Employee Retirement Income Security Act of 1974, as amended or recodified from time to time ("ERISA"), or any funding deficiency with respect to any defined employee pension benefit plan (as defined in ERISA) maintained or contributed to by the Borrower;

(i) promptly upon knowledge thereof, notice of any loss or destruction of or damage to any portion of Facility in excess of \$100,000, of any pending or threatened condemnation affecting the Facility, or of any Material Adverse Change in any portion of the Facility;

(j) promptly upon knowledge thereof, notice of any Material Adverse Change;

(k) immediately following any dissemination, distribution or provision thereof to any Person, a copy of any Material Event Notice disseminated, distributed or provided in satisfaction of or as may be required by the provisions of Rule 15c2-12 promulgated pursuant to the Securities Exchange Act of 1934, as amended (17 C.F.R. Sec. 240 15c2-12), or any successor or similar legal requirement;

(l) copies of all filings made by the Borrower with EMMA promptly after such filings are made; and

(m) from time to time such other information as the Lender or the Issuer may reasonably request, which information shall be provided in the forms commonly prepared by the Borrower, including, without limitation, other information with respect to any collateral required hereby.

Section 7.06. Books and Records; Inspection and Examination. The Borrower shall keep accurate books of record and account for itself separate and apart from those of its affiliates, including its officers, pertaining to the Facility and pertaining to the Borrower's business and financial condition and such other matters as the Lender and/or the Issuer may from time to time reasonably request. The Borrower shall make true and complete entries in such books of record and account in accordance with GAAP consistently applied. Upon request of the Lender not more than once per calendar year, at any time after the occurrence of an Event of Default or as often as the Lender reasonably deems necessary to determine whether the Borrower has complied with Environmental Laws, the Borrower shall permit any officer, employee, attorney or accountant for the Lender and/or the Issuer or, at the request of the Issuer, a representative of the Internal Revenue Service, to audit, review, make extracts from, or copy any and all organization and financial books, records and properties of the Borrower and to examine and inspect the Facility and/or the Project, and to discuss the affairs of the Borrower with any of its officers, employees or agents at all times during ordinary business hours (a) within 24 hours of a request by the Lender and/or the Issuer, or (b) at any time after the occurrence of an Event of Default.

Section 7.07. Performance by the Lender. If the Borrower at any time is in Default under the Loan Documents (except for the Tax Agreement), immediately upon the occurrence of such Default, without notice or lapse of time, the Lender may, but need not, perform or observe such covenant on behalf and in the name, place and stead of the Borrower (or, at the Lender's option, in the Lender's name) and may, but need not, take any and all other actions which the Lender may reasonably deem necessary to cure or correct such Default (including, without limitation, the payment of taxes, the satisfaction of security interests, liens or encumbrances, the performance of obligations owed to account debtors or other obligors, the procurement and maintenance of insurance, the execution of assignments, security agreements and financing statements, and the endorsement of instruments). The Borrower shall thereupon pay to the Lender on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by the Lender in connection with or as a result of the performance or observance of such agreements or the taking of such action by the Lender, together with interest thereon from the date expended or incurred at the Default Rate. To facilitate the performance or observance by the Lender of such covenants of the Borrower, the Borrower hereby irrevocably appoints the Lender, or the delegate of the Lender, acting alone, as the attorney in fact of the Borrower, with a limited power of attorney coupled with an interest, with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file in the name and on behalf of the Borrower any and all instruments, documents, assignments, security agreements, financing statements, applications for insurance and other agreements and writings relating to the Property or the Facility required to be obtained, executed, delivered or endorsed by the Borrower under this Loan Agreement.

Notwithstanding anything herein to the contrary, the Issuer shall have the right to enforce the Borrower's covenants, agreements and representations in the Regulatory Agreement and the Tax Agreement against the Borrower pursuant to the terms thereof; provided, however, that the obligation to comply with such covenants, agreements, and representations is exclusively and solely the Borrower's, and the Issuer shall have no responsibility or liability whatsoever to the Borrower, the Lender, or any other person for any failure of the Borrower to comply with such covenants, agreements, or representations or for any decision of the Issuer either to elect to enforce or not to elect to enforce such compliance, nor shall the Issuer have any responsibility to pay for or share in the payment of any expenses the Lender may incur if the Lender chooses to enforce such compliance.

Section 7.08. Preservation of Existence. The Borrower will preserve and maintain its existence, its status as a limited liability company, and all of its rights, privileges and franchises necessary or desirable in the normal conduct of its business; and shall conduct its business in an orderly, efficient and regular manner. The Borrower shall hold itself out to the public as a legal entity separate and distinct from any other entity (including any affiliate thereof). So long as the 2022-1 Issuer Loan remains outstanding, the Borrower shall be qualified to transact business in the State and shall be engaged in business in the State.

Section 7.09. No Liability for Consents or Appointments. Whenever any provision herein provides for the giving of consent or direction by the Issuer, the Issuer shall not be liable to the Borrower or to the Lender for the giving of such consent or direction or for the withholding of such consent or direction. The Issuer shall have no liability for appointments which are required to be made by it under this Loan Agreement or any related documents.

Section 7.10. Non-Liability of the Issuer. The Issuer shall not be obligated to pay the principal (or prepayment premium, if any) of or interest on the 2022-1 Issuer Loan, except from Payments paid by the Borrower to the Lender pursuant to this Loan Agreement. The 2022-1 Issuer Loan does not constitute a debt, liability, or obligation of the State or of any political subdivision of the State or a pledge of the faith and credit of the State or of a political subdivision of the State, and neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of principal of, or the prepayment premium, if any, or interest on, the 2022-1 Issuer Loan. The granting of the 2022-1 Issuer Loan shall not directly or indirectly or contingently obligate the State or any political subdivision thereof to levy or pledge any form of taxation or to make any appropriation for their payment. The Issuer has no taxing power. The Issuer and its officer officers, employees, and agents (individually and collectively) shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Loan Agreement or the Loan, except only to the extent amounts are received for the payment thereof from the Borrower under this Loan Agreement.

The Borrower and the Lender hereby acknowledge that the Issuer's sole source of moneys to repay the 2022-1 Issuer Loan will be provided by the Payments made by the Borrower to the Lender pursuant to this Loan Agreement, and hereby agree that if the Payments to be made hereunder shall ever prove insufficient to pay all principal (or prepayment premium, if any) of and interest (including all gross-ups and other additions to interest hereunder) on the 2022-1 Issuer Loan as the same shall become due (whether by maturity, prepayment, acceleration or otherwise), then upon

notice from the Lender, the Borrower shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal (or prepayment premium, if any) or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Borrower, the Issuer or any third party, subject to any right of reimbursement from the Issuer or any such third party, as the case may be, therefor.

Section 7.11. Expenses. The Borrower covenants and agrees to pay and indemnify the Issuer against all reasonable fees, costs and charges, including reasonable fees and expenses of attorneys, accountants, consultants and other experts, incurred in good faith and arising out of or in connection with this Loan Agreement, or the other Loan Documents or the Loan. These obligations and those in Section 7.13 shall remain valid and in effect notwithstanding repayment of the Loan hereunder or termination of this Loan Agreement.

The Borrower covenants and agrees to pay, and to indemnify the Lender against all reasonable costs, charges and expenses, including fees and disbursements of attorneys, accountants, consultants and other experts, incurred by the Lender in good faith in connection with the Loan Documents, in each case, however, only to the extent not arising from or in connection with any failure by the Lender to act as required of it under any such Loan Document.

Section 7.12. Waiver of Personal Liability.

(a) Neither the Issuer nor its members, officers, directors, agents or employees or their successors and assigns shall be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind or any conceivable theory, under, by reason of or in connection with this Loan Agreement or the 2022-1 Issuer Loan, except only to the extent amounts are received for the payment thereof from the Borrower under this Loan Agreement.

(b) The Borrower hereby acknowledges that the Issuer's sole source of moneys to repay the 2022-1 Issuer Loan will be provided by Payments made by the Borrower under the Borrower Loan pursuant to this Loan Agreement, and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal, prepayment premium, if any, and interest on the 2022-1 Issuer Loan as the same shall become due (whether by maturity, redemption, acceleration or otherwise), the Borrower shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Borrower, the Issuer or any third party, subject to any right of reimbursement from the Issuer or any such third party, as the case may be, therefor but solely, in the case of the Issuer, from the revenues, other than with respect to any deficiency caused by the willful misconduct of the Issuer.

(c) No director, member, officer, agent or employee of the Issuer or any director, officer, member, agent or employee of the Borrower shall be individually or personally liable for the payment of any principal or interest on the 2022-1 Issuer Loan or any other sum, or performance of any covenant, term or condition, hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of this

Loan Agreement, but nothing herein contained shall relieve any such member, director, officer, agent or employee from the performance of any official duty provided by law or by this Loan Agreement.

Section 7.13. The Borrower Indemnification of the Issuer. The Borrower covenants and agrees as follows:

(a) to protect, indemnify and save, to the extent permitted by law, the Issuer, and its directors, officers, agents and employees harmless from and against all liability, losses, damages, costs, expenses (including reasonable attorneys' fees), taxes, causes of action, suits, claims, demands and judgments of every conceivable kind, character and nature whatsoever, by or on behalf of any person arising in any manner from the transaction of which this Loan Agreement is a part or arising in any manner in connection with the Project or the Facility or the financing of the Project, including, but not limited to, losses, claims, damages, liabilities or reasonable expenses arising out of, resulting from or in any way connected with (i) the work done on the Project or the Facility or the operation of the Project or the Facility during the term of this Loan Agreement, including, without limitation, any liability for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project or the Facility, (ii) any violation of contract, agreement or restriction relating to the Project or the Facility, (iii) any violation of law, ordinance or regulation affecting the Project or the Facility or any part thereof or the ownership or occupancy or use thereof, (iv) the issuance, execution, delivery or payment of the Loan or the interest thereon and the carrying out of any of the transactions contemplated by, arising from or relating to the Loan Documents and all related documents, (v) any written statements or representations made by any other person or entity with respect to the Borrower, the Project, the Facility, the Issuer or the Loan, including, but not limited to, statements or representations of facts, any untrue statement or alleged untrue statement of any material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any financial information, or (vi) any declaration of taxability of interest on the 2022-1 Issuer Loan, or allegations that interest on the 2022-1 Issuer Loan is taxable or any regulatory audit or inquiry regarding whether interest on the 2022-1 Issuer Loan is taxable; and

(b) promptly after receipt by an Indemnified Party (as defined below) of notice of the commencement of any action in respect of which indemnification may be sought pursuant to Section 7.13(a), the person in respect of which indemnification may be sought (the "Issuer Indemnified Party") shall promptly notify the person against whom such indemnification may be sought (the "Indemnifying Party") in writing, but the omission to so notify the Indemnifying Party will not (i) relieve the Indemnifying Party from any liability which it may have to any Issuer Indemnified Party under this Section 7.13 other than to the extent of prejudice caused directly or indirectly by such omission, or (ii) affect any rights it may have to participate in and/or assume the defense of any action brought against any Issuer Indemnified Party. In case such action is brought against an Indemnified Party, and such Issuer Indemnified Party notifies the Indemnifying Party of the commencement thereof, the Indemnifying Party will be entitled to participate in and, to the extent that it chooses so to do, to assume the investigation and defense thereof (including the employment of counsel selected by the Issuer Indemnified Party), and the Indemnifying

Party shall assume the payment of all fees and expenses relating to such investigation and defense and shall have the right to negotiate and consent to settlement thereof. Any one or more of the Issuer Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, and after notice from the Indemnifying Party to such Issuer Indemnified Party of its election to assume the defense thereof, the fees and expenses of such separate counsel shall be at the expense of the Indemnifying Party if the Issuer Indemnified Party determines that a conflict of interest exists or could develop between such party and the Indemnifying Party in connection with such action and in such event the Indemnifying Party shall pay the fees and expenses of the separate counsel necessary to resolve the conflict. The Indemnifying Party shall not be liable for any settlement of any such action effected without its consent, but, if settled with the consent of the Indemnifying Party or if there be a final judgment for the plaintiff in any such action as to which the Indemnifying Party has received notice in writing as hereinabove required, the Indemnifying Party agrees to indemnify and hold harmless the Indemnified Party from and against any loss or liability by reason of such settlement or judgment to the extent provided in this Section 7.13(b).

Notwithstanding the foregoing, the Borrower shall not be liable for any losses, claims, damages, liabilities or reasonable expenses resulting from the gross negligence or willful misconduct of any Issuer Indemnified Party.

The rights of any persons to indemnity hereunder shall survive the final payment or prepayment of the Loan. The provisions of this Section shall survive the termination of this Loan Agreement.

Section 7.14. The Borrower Indemnification of the Lender. The Borrower covenants and agrees as follows:

(a) to indemnify and hold harmless, to the extent permitted by law, the Lender and Affiliates, their respective incorporators, members, commissioners, directors, officers, agents and employees against all liability, losses, damages, all costs and charges (including reasonable fees and disbursements of attorneys, accountants, consultants and other experts), taxes, causes of action, suits, claims, demands and judgments of every conceivable kind, character and nature whatsoever, by or on behalf of any person arising in any manner from the transaction of which this Loan Agreement is a part or arising in any manner in connection with the Project and/or Facility or the financing of the Project, including, but not limited to, losses, claims, damages, liabilities or reasonable expenses arising out of, resulting from or in any way connected with (i) the work done on the Facility or the operation of the Facility during the term of this Loan Agreement, including, without limitation, any liability for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Facility; (ii) any violation of contract, agreement (including this Loan Agreement, the Regulatory Agreement and the Tax Agreement) or restriction relating to the Facility; (iii) any violation of law, ordinance or regulation affecting the Facility or any part thereof or the ownership or occupancy or use thereof; or (iv) the carrying out of any of the transactions contemplated by this Loan Agreement and all related documents;

(b) promptly after receipt by a Lender Indemnified Person (as defined below) of notice of the commencement of any action in respect of which indemnification may be sought under this Section 7.14, the person in respect of which indemnification may be sought (the "Lender Indemnified Person") shall promptly notify the Borrower in writing, but the omission to so notify the Borrower will not relieve the Borrower from any liability which it may have to any Lender Indemnified Person under this Section 7.14 other than to the extent of prejudice caused directly or indirectly by such omission nor affect any rights it may have to participate in and/or assume the defense of any action brought against any Lender Indemnified Person. In case such claim or action is brought against the Lender or any Affiliate, or their respective incorporators, members, commissioners, directors, officers, agents or employees, and such Lender Indemnified Person notifies the Borrower of the commencement thereof, the Borrower will be entitled to participate in and, to the extent that it chooses so to do, to assume the investigation and defense thereof (including the employment of counsel selected by the Lender), and the Borrower shall assume the payment of all fees and expenses relating to such investigation and defense and shall have the right to negotiate and consent to settlement thereof. The Lender, Affiliates and their respective incorporators, members, commissioners, directors, officers, agents or employees shall have the right to employ separate counsel in any such action and to participate in the defense thereof, and after notice from the Borrower of its election to assume the defense thereof, the fees and expenses of such separate counsel shall be at the expense of such indemnifying party if the Lender, its Affiliates or their respective incorporators, members, commissioners, directors, officers, agents or employees reasonably determines that a conflict of interest exists between such party and the Borrower in connection with such action. The Borrower shall not be liable for any settlement of any such action effected without its consent, but, if settled with the consent of the Borrower or if there be a final judgment for the plaintiff in any such action as to which the Borrower has received notice in writing as hereinabove required, the Borrower agrees to indemnify and hold harmless the Lender Indemnified Person from and against any loss or liability by reason of such settlement or judgment to the extent provided in this Section 7.14; and

(c) notwithstanding the previous provisions of this Section 7.14, the Borrower is not liable for or obligated to indemnify the Lender or any of its Affiliate (or any of their respective incorporators, members, commissioners, officers, employees or agents) or other Lender Indemnified Person (as defined in this Section 7.14) harmless against any loss or damage to property or injury or death to any person or any other loss or liability if and to the extent such loss, damage, liability, injury or death results from the gross negligence or willful misconduct of the Lender Indemnified Person seeking such indemnification, or from the breach by the Lender of this Loan Agreement or other Loan Documents to which the Lender is a party.

(d) All indemnifications by the Borrower in this Section 7.14 shall survive (a) the termination of this Loan Agreement, (b) payment of the indebtedness hereunder, (c) foreclosure or deed in lieu thereof, or reconveyance or cancellation of the Deed of Trust, (d) sale or other transfer of the Property by the Borrower, and (e) the exercise of any of the Lender's other rights and remedies under the Loan Documents or at law.

Section 7.15. Disclosure Covenants.

(a) If necessary, the Borrower agrees to (i) file this Loan Agreement with EMMA following the Closing Date, with such redactions as the Lender shall require, and (ii) file this Loan Agreement with any rating agencies, as directed by the Lender.

(b) The Borrower and the Lender hereby agree that this Loan Agreement is exempt from the requirements of Paragraph (b)(5)(i) of the Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240.15c2-12) (the “Rule”). The Borrower hereby covenants and agrees that if this Loan Agreement ceases to be exempt under the Rule, the Borrower will enter into an agreement or contract, constituting an undertaking, to provide ongoing disclosure as may be necessary to comply with the Rule as then in effect.

Section 7.16. Lender’s Inspector. The Lender shall have the right to retain at the Borrower’s expense an inspector (the “Lender’s Inspector”) to review and advise the Lender with respect to all Plans and Specifications, construction, architectural and other design professional contracts, change orders, governmental permits and approvals, and other matters related to the design, construction, operation and use of the Improvements, to monitor the progress of construction and to review on behalf of the Lender all Draw Requests submitted by the Borrower. The Borrower acknowledges that (i) the Lender’s Inspector has been retained by the Lender to act as a consultant, and only as a consultant, to the Lender in connection with the construction of the Improvements, and the Lender’s Inspector may be an employee of the Lender, (ii) the Lender’s Inspector shall in no event have any power or authority to make any decision or to give any approval or consent or to do any other thing which is binding upon the Lender, and any such purported decision, approval, consent or act by the Lender’s Inspector on behalf of the Lender shall be void and of no force or effect, (iii) the Lender reserves the right to make any and all decisions required to be made by the Lender under this Loan Agreement, in its sole and absolute discretion, and without in any instance being bound or limited in any manner whatsoever by any opinion expressed or not expressed by the Lender’s Inspector to the Lender or any other person with respect thereto, and (iv) the Lender reserves the right in its sole and absolute discretion to replace the Lender’s Inspector with another inspector at any time and without prior notice to or approval by the Borrower. All inspections by or on behalf of the Lender shall be solely for the benefit of the Lender, and the Borrower shall have no right to claim any loss or damage against the Lender or the Lender’s Inspector (whether or not an employee of the Lender) arising from any alleged (i) negligence or failure to perform such inspections, (ii) failure to monitor loan disbursements or the progress or quality of construction, or (iii) failure to otherwise properly administer the construction aspects of the Improvements.

Section 7.17. Reserved.

Section 7.18. Tax Covenants. The Borrower shall comply with the requirements and conditions of the Regulatory Agreement. Without limiting the foregoing and notwithstanding anything to the contrary in this Loan Agreement, the Borrower will not take, or permit to be taken on its behalf, any action which would cause interest on the 2022-1 Issuer Loan to be included in gross income for federal income tax purposes and will take such reasonable action as may be necessary to continue such exclusion from gross income, including:

(a) The Borrower will not use the proceeds of the Loan, or any other funds which may be deemed to be proceeds of the Loan pursuant to Section 148 of the Code, in the manner which will cause the Loan to be an “arbitrage bond” within the meaning of such section, and will comply with the requirements of such Section throughout the term of the Loan;

(b) The Borrower will prepare and file any statements required to be filed by it in order to maintain the exclusion of interest on the 2022-1 Issuer Loan from gross income for federal income tax purposes;

(c) The Borrower will pay to the United States any amount required to be paid by the Issuer or the Borrower pursuant to Section 148(f) of the Code, at the times, in the amounts and at the places required in order to maintain the exclusion of interest on the 2022-1 Issuer Loan from gross income for federal income tax purposes, and the Borrower shall compute, or cause to be computed, such amounts annually so long as required by the Code; and

(d) The Borrower shall use not less than ninety five percent (95%) of the net proceeds of the Loan (within the meaning of Section 142(a) of the Code) to pay Qualified Project Costs.

(e) To satisfy the requirements set forth in subpart (4) of the definition of “program investment” that appears in Section 1.148-1(b) of the Treasury Regulations (which requirements must be met in order for the Loan to qualify as a program investment within the meaning of that section), neither the Borrower nor any related person will purchase the 2022-1 Issuer Loan in an amount related to the amount of the Borrower Loan;

(f) The Borrower will not make any changes to the Project, or take any other actions or omit to take any actions, the result of which will in any way adversely affect the tax-exempt status of the interest on the 2022-1 Issuer Loan;

(g) If the Borrower becomes aware of any circumstance, event or condition which would result in the interest payable on the 2022-1 Issuer Loan becoming includable in gross income for federal income tax purposes, the Borrower will promptly give written notice of such circumstance, event or condition to the Issuer and the Lender;

(h) The Borrower will apply the full amount of each disbursement from the Loan to pay or to reimburse the Borrower for the payment of Project Costs and, after taking into account any proposed disbursement, (i) at least ninety five percent (95%) of the net proceeds of the Loan (as defined in Section 150 of the Code) will be used to pay Qualified Project Costs to provide a qualified residential rental project (as defined in Section 142(d) of the Code), (ii) less than twenty-five percent (25%) of the net proceeds of the Loan will have been disbursed to pay or to reimburse the Borrower for the cost of acquiring land, (iii) not more than two percent (2%) of the proceeds of the Loan will have been used for Costs of Issuance (as defined in the Regulatory Agreement), and (iv) none of the proceeds of the Loan (as defined for purposes of Section 147(g) of the Code) will be disbursed to provide working capital;

(i) The Borrower will cause all of the residential units in the Project first occupied after the Closing Date to be rented or available for rental on a basis which satisfies the requirements of the Law, the Act, the Code and the Regulatory Agreement;

(j) The Borrower will assure that all leases for the Project entered into after the Closing Date will comply with all applicable laws and the Regulatory Agreement;

(k) In connection with any lease entered into after the Closing Date or grant by the Borrower of the use of the Project, the Borrower will require that the lessee or user of any portion of the Project not use that portion of the Project in any manner which would violate the covenants set forth in this Loan Agreement or the Regulatory Agreement; and

(l) No portion of the proceeds of the Loan shall be used to provide any airplane, skybox or other private luxury box, health club facility, facility primarily used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises, and no portion of the proceeds of the Loan shall be used for an office unless (i) the office is located on the premises of the facilities constituting the Project and (ii) not more than a de minimis amount of the functions to be performed at such office is not related to the day-to-day operations of the Project.

(m) The proceeds of the Borrower Loan shall be deemed allocated on a pro rata basis to the building in the Project and the land on which it is located so that such building and the land on which it is located will have been financed at least fifty percent (50%) by the proceeds of the Borrower Loan for the purpose of complying with Section 42(h)(4)(B) of the Code; provided, however, the foregoing representation, covenant and warranty is made for the benefit of the Borrower and its members and neither the Issuer nor the Lender shall have any obligation to enforce it nor shall either of them incur any liability to any person, including, without limitation, the Borrower, the members of the Borrower, any other affiliate of the Borrower or any holders or payees of the Borrower Loan for any failure to meet the intent expressed in the foregoing representation, covenant and warranty.

ARTICLE VIII

NEGATIVE COVENANTS OF THE BORROWER

So long as the Borrower Loan shall remain unpaid, the Borrower agrees that:

Section 8.01. Lien. The Borrower shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Property, Facility or other assets of the Borrower (together, “Liens”), other than the rights of the Lender or the Issuer as herein provided and the Permitted Encumbrances. The Borrower shall promptly, at its own expense, take such action as may be necessary duly to discharge or remove any such unpermitted Lien. The Borrower shall reimburse the Lender for any expenses incurred by the Lender to discharge or remove any unpermitted Lien.

“Lien Claims” means all claims (including mechanics liens and claims for labor, services, materials and supplies) that by law have or may become a lien upon any of the Collateral or any other property or assets of the Borrower, or a Lien against funds advanced to or available for

advancement to the Borrower (whether or not all conditions with respect to such advancement have been satisfied) pursuant to the Loan Documents, including, without limitation, stop notices and other claims against the Issuer or the Lender pertaining to disbursement of such funds or liability with respect thereto. "Impositions" means all rents, taxes, assessments, premiums, and ground lease rents (if applicable) attributable to the Property.

Notwithstanding anything herein or in any of the other Loan Documents to the contrary, the Borrower shall not be required to pay, discharge or remove any Imposition or Lien Claim so long as the following criteria (the "Lien Contest Criteria") shall be satisfied as to the same: (i) the Borrower shall contest in good faith the validity, applicability or amount of the Imposition or Lien Claim by an appropriate legal proceeding which operates to prevent the collection of the secured amounts and the sale of the applicable Property, other Collateral, or any portion thereof, and (ii) prior to the date on which such Imposition or Lien Claim would otherwise have become delinquent, the Borrower shall have given the Lender written notice of its intent to contest said Imposition or Lien Claim, and (iii) the Borrower either shall have complied with the Statutory Bond Criteria set forth below or shall have deposited with the Lender (or with a court of competent jurisdiction or other appropriate body approved by the Lender and the Issuer) such additional amounts as are necessary to keep on deposit at all times, an amount equal to at least one hundred twenty five percent (125%) (or such higher amount as may be required by applicable law) of the total of the balance of such Imposition or Lien Claim then remaining unpaid, plus all interest, penalties, costs and charges having accrued or accumulated thereon, and (iv) in the reasonable judgment of the Lender, no risk of sale, forfeiture or loss of any interest in the Property, other Collateral, or any part thereof within 30 days arises at any time, and (v) such contest does not, in the Lender's reasonable discretion, have a material adverse effect, and (vi) such contest is based on bona fide claims or defenses, and (vii) the Borrower shall prosecute any such contest with due diligence, and (viii) the Borrower shall promptly pay the amount of such Imposition or Lien Claim as finally determined, together with all interest and penalties payable in connection therewith. Anything to the contrary notwithstanding, the Lender shall have full power and authority, but no obligation, to advance funds or to apply any amount deposited with the Lender under this Section to the payment of any unpaid Imposition or Lien Claim at any time if an Event of Default shall occur, or if the Lender reasonably determines that a risk of sale, forfeiture or loss of any interest in the Property, other Collateral or any part thereof within 30 days has arisen. The Borrower shall reimburse the Lender on demand for all such advances, together with interest thereon at the same rate that is then applicable to principal outstanding hereunder. Any surplus retained by the Lender after payment of the Imposition or Lien Claim for which a deposit was made shall be promptly repaid to the Borrower unless an Event of Default shall have occurred, in which case said surplus may be retained by the Lender and applied by the Lender to any of Obligations, as the Lender may determine in its sole discretion. The Statutory Bond Criteria shall be defined as, and Statutory Bond Criteria will be deemed satisfied if, (x) by statute in the jurisdiction where the Property is located, a bond may be given as security for the particular form of Imposition or Lien Claim in question, with the effect that the Property shall be forever released from any Lien securing such Imposition or Lien Claim, and (y) the Borrower shall cause such a bond to be issued, and the Borrower shall comply with all other requirements of law such that the Property shall be forever released from such Lien, and (z) the Borrower shall provide to the Lender such evidence of the foregoing as the Lender may reasonably request.

Section 8.02. Sale of Assets. The Borrower will not sell, lease, assign, transfer or otherwise dispose of all or substantially all of its assets (other than in the ordinary course of business) or the Property and the improvements thereon or of the Facility or any interest therein (whether in one transaction or in a series of transactions), other than Permitted Encumbrances, without the prior written consent of the Lender (which consent will not be unreasonably withheld, conditioned or delayed) and the delivery to the Issuer and the Lender of an opinion of Bond Counsel to the effect that any such sale, lease, assignment, transfer or other disposition will not cause the interest on the 2022-1 Issuer Loan to be included in gross income of the owners thereof. Notwithstanding the previous sentence, the 2022-1 Issuer Loan and the Borrower Loan shall become due and payable upon the sale, assignment, transfer or other disposition of Facility. The Borrower shall provide the Lender with prior written notice of its intention to sell, lease, assign, transfer or otherwise dispose of the Facility or any interest therein and shall agree in writing to remain liable under the Loan Documents. In the event of a sale, assignment or transfer of the Facility to an affiliate of the Borrower (which shall also be subject to the Lender's prior written consent, not be unreasonably withheld, conditioned or delayed), such purchaser, assignee or transferee shall assume in writing the Borrower's obligations under the Loan Documents.

Section 8.03. Consolidation and Merger. The Borrower will not consolidate with or merge into any person, or permit any other person to merge into it, or acquire (in a transaction analogous in purpose or effect to a consolidation or merger) all or substantially all of the assets of any other person without the prior written consent of the Lender (which consent will not be unreasonably withheld).

Section 8.04. Accounting. The Borrower will not adopt, permit or consent to any material change in accounting principles other than as required or permitted by GAAP or adopt, permit or consent to any change in its fiscal year unless the Borrower provides the Lender restated financial statements in comparative form.

Section 8.05. Transfers. Except as otherwise provided in Section 8.13, the Borrower will not in any manner transfer any Property, other than transfers made in the ordinary course of business, without prior or present receipt of full and adequate consideration; provided, that, the restriction contained in this Section 8.05 shall not prohibit the Borrower from making transfers in furtherance of its charitable purposes, provided that no transfer shall materially and adversely affect the ability of the Borrower to perform its obligations hereunder.

Section 8.06. Other Indebtedness. Other than the Permitted Indebtedness, the Borrower shall not, without the prior written consent of the Lender, incur any additional indebtedness, secured or unsecured, direct or contingent.

Section 8.07. Other Defaults. The Borrower will not permit any breach, default or event of default to occur beyond any applicable cure period under any note, loan agreement, indenture, lease, mortgage, contract for deed, security agreement or other contractual obligation binding upon the Borrower or any judgment, decree, order or determination applicable to the Borrower. Notwithstanding the previous sentence, the Borrower shall have the right to contest in good faith by appropriate proceedings any breach, default or event of default, so long as such contest shall not, and shall not have the potential to, adversely affect the Lender's or the Issuer's interests hereunder or under any of the other Loan Documents.

Section 8.08. Reserved.

Section 8.09. Use of Facility. The Borrower will not install, use, operate or maintain the Project or the Facility improperly, carelessly, in violation of any applicable law or in a manner in violation of this Loan Agreement, the Regulatory Agreement or the Tax Agreement.

Section 8.10. Maintenance of Business. The Borrower shall not change its business activities in any material respect from the business activities conducted by the Borrower as of the date of this Loan Agreement.

Section 8.11. Most Favored Covenant. In the event that the Borrower has previously entered into or shall hereafter enter into or otherwise consent to any agreement or instrument (or any amendment, supplement or modification thereto) (each a “Relevant Agreement”) under which any Person undertakes to make loans, to refinance or restructure existing debt or to extend credit or liquidity to the Borrower, which Relevant Agreement (i) provides such Person with a covenant, provision or agreement which is more restrictive, as to the Borrower, or (ii) gives or grants greater rights or remedies to such Person whether as to timing of payment, priority of payment or Lien or otherwise (each, a “Favored Covenant”) than, in the case of (i), are undertaken by the Borrower herein or, in the case of (ii), are given or granted to the Lender herein, then each such Favored Covenant shall automatically be deemed to be incorporated into this Loan Agreement and the Lender shall have the benefits of each such Favored Covenant as if specifically set forth in this Loan Agreement for the duration of such Relevant Agreement. If necessary, the Borrower and the Issuer shall promptly enter into an amendment to this Loan Agreement to include the Favored Covenant; provided that the Lender shall maintain the benefit of such Favored Covenant even if the Borrower and the Issuer fail to provide such amendment; and provided, further, that the Borrower shall pay all costs to the Issuer associated with entering into such amendment. Notwithstanding anything to the contrary contained in this Section, each party hereto agrees that no provision described in this Section shall be deemed incorporated into this Loan Agreement if such incorporation would cause the interest on the 2022-1 Issuer Loan to be includable in gross income for federal tax purposes.

Section 8.12. Tax Exempt Status. The Borrower will not take any action that would cause the interest on the 2022-1 Issuer Loan to become includable in gross income of the recipient for federal income tax purposes under the Code (including, without limitation, intentional acts under Treas. Reg. § 1.148-2(c) or deliberate action within the meaning of Treas. Reg. § 1.141-2(d)), and the Borrower will take and will cause its officers, employees and agents to take all affirmative actions legally within its power necessary to ensure that the interest on the 2022-1 Issuer Loan does not become includable in gross income of the recipient for federal income tax purposes under the Code (including, without limitation, the calculation and payment of any rebate required to preserve such exclusion).

Section 8.13. Changes in Borrower, Operating Agreement, Modification of Documents. Borrower covenants not to agree to, make, or suffer, a Prohibited Transfer without the written consent of Lender. “Prohibited Transfer” means transfer, conveyance, or assignment of: (i) any interest of a managing member, member, or controlling stockholder of the Borrower; or (ii) a controlling interest in any entity that has a controlling interest in the Borrower, provided, however, that it does not in any event mean or include (x) any transfer by a limited investor of its

interest in Borrower, (y) any transfer of any interest within a limited investor of Borrower, and (z) any removal and replacement of a managing member of Borrower in accordance with the Operating Agreement. Borrower shall not enter into or allow any modification of the Operating Agreement or to any documents evidencing the Permitted Indebtedness without the prior written consent of Lender which consent shall not be unreasonably withheld, conditioned, or delayed except that Borrower may amend the Operating Agreement without Lender's consent to memorialize any transfer that is not a Prohibited Transfer.

ARTICLE IX

DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 9.01. Eminent Domain. If all or any portion of the Facility shall be taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Net Proceeds of any eminent domain award shall be applied to the prepayment of the Borrower Loan and the 2022-1 Issuer Loan in accordance with Section 9.02 of this Loan Agreement.

Section 9.02. Application of Net Proceeds.

(a) The Net Proceeds of any insurance award resulting from any damage to or destruction of any portion of the Facility by fire or other casualty, as applicable, of any title insurance award, or of any eminent domain award resulting from any event described in Section 9.01 hereof shall be deposited with the Lender, who shall determine the application of such proceeds in accordance with this Section 9.02. Notwithstanding the previous sentence, if no Event of Default has occurred and is continuing under the Loan Documents, the Lender shall release to the Borrower without further limitations all insurance awards of up to \$50,000 received on behalf of the Borrower in the normal course of business. The Borrower, except as provided below, shall cause the proceeds of such insurance to be utilized for the repair, reconstruction, or replacement of the damaged or destroyed portion of the Facility. Provided that no Default or Event of Default has occurred and is continuing under the Loan Documents, the Lender shall permit withdrawals of the proceeds from time to time upon receiving the written request of the Borrower, stating that the Borrower has expended moneys or incurred liabilities in an amount equal to the amount therein requested to be paid over to it for the purpose of repair, reconstruction or replacement of the Property damaged, destroyed, lost or taken by eminent domain, and specifying the items for which such moneys were expended or such liabilities were incurred. Any balance of the proceeds not required for such repair, reconstruction, or replacement shall be applied by the Lender as provided in Section 4.08 hereof. If an Event of Default has occurred and is continuing hereunder, the Lender may apply any such proceeds to the Borrower's obligations under the Loan Documents in any order of priority elected by the Lender in its sole discretion.

(b) Alternatively, the Borrower, at its option, and if the proceeds of such insurance or eminent domain award, together with any other moneys then available for the purpose are at least sufficient to prepay the Borrower Loan in full pursuant to Section 4.08 hereof, may elect not to repair, reconstruct, or replace the damaged or destroyed portion of

the Facility, as applicable, and thereupon shall cause the proceeds to be used for the prepayment of the Borrower Loan in full, but not in part. With the written consent of the Lender, the Borrower may elect not to repair, reconstruct, or replace the damaged, destroyed, lost or taken Property and shall cause such proceeds to prepay the Borrower Loan in part.

(c) There shall be no abatement of Payments during any period in which, by reason of damage or destruction, there is substantial interference with the use and occupancy by the Borrower of the Facility or any portion thereof.

ARTICLE X

ASSIGNMENT, PARTICIPATION, MORTGAGING AND SELLING

Section 10.01. Assignment by the Lender.

(a) *Assignment to an Affiliate Transferee.* The Lender may, at any time, without the necessity of obtaining the consent of the Issuer or the Borrower, sell or otherwise transfer in whole, but not in part, the 2022-1 Issuer Loan and the right to receive Payments and the prepayment premium, if any, from the Borrower hereunder, to a Person that is (i) an Affiliate that is a Qualified Institutional Buyer, or (ii) a trust or other custodial arrangement established by the Lender or by an Affiliate that is a Qualified Institutional Buyer, the owners of any beneficial interest in which are Qualified Institutional Buyers (each, an “Affiliate Transferee”). From and after the date of such sale or transfer, First National Bank Alaska (and its successors) shall continue to have all of the rights of the Lender hereunder and under the Loan Documents as if no such transfer or sale had occurred; provided, however, that (A) no such sale or transfer referred to in clause (i) or (ii) of this subsection shall in any way affect the obligations of the Lender hereunder, (B) the Borrower and the Issuer shall be required to deal only with the Lender with respect to any matters under this Agreement and (C) in the case of a sale or transfer referred to in clause (i) or (ii) of this subsection, only the Lender shall be entitled to enforce the provisions of this Agreement against the Borrower. Notwithstanding the foregoing, the 2022-1 Issuer Loan may not be transferred if the principal amount is less than \$250,000 without the prior written consent of the Issuer and the Borrower.

(b) *Assignment to a Non-Affiliate Transferee.* The Lender may, at any time, without the necessity of obtaining the consent of the Issuer or the Borrower, sell or otherwise transfer in whole, but not in part, the 2022-1 Issuer Loan and the right to receive Payments and the prepayment premium, if any, from the Borrower hereunder to a transferee who is not an Affiliate Transferee but is a Qualified Institutional Buyer that is a commercial bank having a combined capital and surplus, determined as of the date of any transfer pursuant to this subsection, of not less than \$5,000,000,000 (each, a “Non-Affiliate Transferee”) if (i) written notice of such sale or transfer, including that such sale or transfer is to a Non-Bank Transferee, together with addresses and related information with respect to the Non-Bank Transferee, shall have been given to the Borrower, the Issuer and the Lender (if the Lender is not the Holder) by such selling Holder and Non-Bank Transferee, and (ii) the Non-Bank Transferee shall have delivered to the Borrower, the Issuer and the

selling Holder, an investment letter in substantially the form attached hereto as Exhibit B. Notwithstanding the foregoing, the 2022-1 Issuer Loan may not be transferred if the principal amount is less than \$250,000 without the prior written consent of the Issuer and the Borrower.

Upon assignment, the Borrower will reflect in a book entry the assignee designated in the written request of assignment or in a written certification of an Affiliate delivered to the Issuer and the Borrower pursuant to this Section, and shall agree to make all payments to the assignee designated in such written request, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of this Loan Agreement or otherwise) that the Issuer and the Borrower may from time to time have against the Lender or the assignee. The Issuer agrees to execute all documents, including notices of assignment, which may be reasonably requested by the Lender or its assignee to protect their interest in this Loan Agreement. The Lender or assignee shall pay all reasonable expenses of the Issuer, including reasonable fees and expenses of counsel, in connection with such transfer and assignment and the execution of any documents in connection therewith. Upon a Holder's transfer or assignment of the 2022-1 Issuer Loan and the Borrower Loan, such Holder shall have no further obligation and shall be released from all liability for any act or omission occurring subsequent to the date of such transfer or assignment.

Section 10.02. No Sale, Assignment or Leasing by the Borrower. This Loan Agreement and the interest of the Borrower in the Facility and the other assets may not be sold, assumed, assigned or encumbered by the Borrower other than Permitted Encumbrances. No agreement or interest therein and no improvement shall be subject to involuntary assignment, lease, transfer or sale or to assignment, lease, transfer or sale by operation of law in any manner whatsoever except as expressly provided in this Loan Agreement and except for Permitted Encumbrances, and any such attempted assignment, lease, transfer or sale shall be void and of no effect and shall, at the option of the Lender, constitute an Event of Default hereunder.

ARTICLE XI

EVENTS OF DEFAULT AND REMEDIES

Section 11.01. Events of Default. The following constitute "Events of Default" under this Loan Agreement:

- (a) failure by the Borrower to pay to the Lender, as assignee of the Issuer, any Payment within 15 days of the due date thereof;
- (b) failure by the Borrower to pay to the Lender, as assignee of the Issuer, any Additional Payment or any other amount required to be paid hereunder or under the Security Agreement (other than Payments) within 15 days of the due date thereof;
- (c) failure by the Borrower to pay, as and when due, any payment required to be paid under any other Loan Document between the Lender or any of its Affiliates and the Borrower, subject to the applicable grace and cure periods set forth in such agreement;
- (d) failure by the Borrower to maintain insurance in accordance with Section 7.04 hereof;

(e) a Determination of Taxability shall occur; provided, however, that a Determination of Taxability shall not be an Event of Default to the extent the Lender, the Issuer and the Borrower enter into a written amendment to this Loan Agreement pursuant to Section 4.01(b) within 60 days following such Determination of Taxability and such amendment has the effect of curing the Event of Default described in this paragraph (e) as verified by an opinion of Bond Counsel delivered to the Lender and the Issuer;

(f) except as otherwise specified in this Section 11.01, failure by the Borrower or the Issuer to observe and perform (i) any other covenant, condition or agreement on its part to be observed or performed hereunder, or (ii) under any other Loan Document, for a period of 60 days after written notice is given to the Borrower or the Issuer, as applicable, by the Lender or the Issuer, as applicable, specifying such failure and requesting that it be remedied; provided, however, if such failure is correctable but cannot be corrected within the applicable period and corrective action is instituted by the Borrower within the applicable period and diligently pursued until corrected, then no Event of Default shall be deemed to have occurred, unless such cure has not been completed within 90 days after such written notice;

(g) failure by the Guarantor to observe and perform any other covenant, condition or agreement on its part to be observed or performed under the Guaranty for a period of 30 days after written notice is given to the Guarantor by the Lender, specifying such failure and requesting that it be remedied; provided, however, if such failure is correctable but cannot be corrected within the applicable period and corrective action is instituted by the Guarantor within the applicable period and diligently pursued until corrected, then no Event of Default shall be deemed to have occurred unless such cure has not been completed within 60 days after such written notice (or such longer period as may be permitted by the Lender in writing);

(h) initiation by the Borrower, by the Guarantor or by others of a proceeding under any Federal or State bankruptcy or insolvency law seeking relief under such laws concerning the indebtedness of the Borrower or Guarantor, as applicable, which proceeding is not dismissed or stayed within 60 days;

(i) The Borrower shall be or become insolvent, or admit in writing its inability to pay its or his debts as they mature, or make an assignment for the benefit of creditors; or the Borrower or a Guarantor shall apply for or consent to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; or such receiver, trustee or similar officer shall be appointed without the application or consent of the Borrower or the applicable Guarantor, as the case may be, or the Borrower or a Guarantor shall institute (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction which proceeding is not dismissed or stayed within 60 days; or any such proceeding shall be instituted (by petition, application or otherwise) against the Borrower or a Guarantor and remains undismissed or unstayed for 60 days; or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against a substantial part of the property of the Borrower or a Guarantor;

(j) the making of any order or the entry of any decree by a court of competent jurisdiction enjoining or prohibiting the Borrower, from performing or satisfying its covenants, obligations or conditions contained herein and such proceedings are not discontinued or such order or decree is not vacated within 30 days after the Borrower becomes aware of the making or granting thereof;

(k) The Borrower is determined by the Lender to (i) have knowingly made any material false or misleading statement or representation in connection with this Loan Agreement; or (ii) the Borrower sells, assigns, leases, or otherwise transfers or encumbers all or any part of its interest in this Loan Agreement, or the Facility other than as permitted by the terms of this Loan Agreement;

(l) the occurrence and declaration of a default or event of default under any instrument, agreement or other document evidencing or relating to any indebtedness or other monetary obligation of the Borrower;

(m) there shall occur any event which the Lender in good faith believes (i) materially and adversely affects the financial condition, or results of operations (financial or otherwise) of the Borrower or (ii) would cause in delay in the construction of the Improvements such that the Improvements are not likely to be placed in service by [], [2024];

(n) the sale of the Borrower to, or merger of the Borrower into, any person, or the merger of any other person into the Borrower, or acquisition (in a transaction analogous in purpose or effect to a consolidation or merger) of all or substantially all of the assets of any other person by the Borrower without the prior written consent of the Lender;

(o) any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against the Borrower or its assets in excess of \$250,000 and shall not have been stayed or removed within 60 days;

(p) the occurrence of a Material Adverse Change;

(q) any Event of Default shall occur and be continuing under and as defined in any other Loan Document; or

(r) The occurrence of a breach under the AHAP Contract (or the HAP Contract as defined therein) which could permit the Lender to terminate the payments thereunder, and such breach under the AHAP Contract (or the HAP Contract) continues for 30 days after written notice from the Lender to the Borrower, provided, however, that if, in the Lender's reasonable judgment such breach is not capable of being cured within said 30 day period and is not curable by the payment of money, then the Borrower shall have such additional time as the Lender deems reasonably necessary (but in no event will such additional time exceed 90 days after the initial notice of such default) to cure such failure, provided that (i) Borrower promptly proceeds to commence curing said breach upon obtaining actual knowledge thereof or the receipt of notice of said breach from the Lender, (ii) in the reasonable judgment of the Lender, Borrower thereafter diligently and continuously proceeds to cure said breach so as to cure said breach in the shortest time

possible, (iii) such additional time to cure does not impair any rights and/or remedies of the Lender and will not adversely affect the completion of the renovation of the Improvements by the Completion Date, (iv) the Borrower furnishes to the Lender, upon demand of the Lender, such documents and information with respect to Borrower's curing of said breach, as the Lender may reasonably request and (v) such additional time shall not exceed 90 days after the initial notice of such default.

Section 11.02. Remedies on Default. Whenever any Event of Default shall have occurred and be continuing, the Lender shall have the right, at its sole option without any further demand or notice, to take any one or any combination of the following remedial actions insofar as the same are available to secured parties under the laws of the State from time to time and which are otherwise accorded to the Lender:

(a) by notice to the Borrower, declare the entire unpaid principal amount of the Loan (and the related Obligations) then outstanding, all interest accrued and unpaid thereon and all amounts payable under this Loan Agreement to be forthwith due and payable, whereupon such Loan (and the related Obligations), all such accrued interest and all such amounts shall become and be forthwith due and payable, without presentment, notice of dishonor, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower;

(b) the obligation, if any, of the Lender to extend any further credit under any of the Loan Documents shall immediately cease and terminate;

(c) exercise all rights and remedies legally available to the Lender;

(d) proceed by appropriate court action to enforce performance by the Issuer or the Borrower of the applicable covenants of the Loan Documents or to recover for the breach thereof, including the payment of all amounts due from the Borrower, in which event the Borrower shall pay or repay to the Lender all costs of such action or court action including without limitation, reasonable attorneys' fees; and

(e) take whatever action at law or in equity that may appear necessary or desirable to enforce its rights, in which event the Borrower shall pay or repay to the Lender and the Issuer all costs of such action or court action, including, without limitation, reasonable attorneys' fees.

The Lender shall provide the Issuer with written notice within 5 Business Days of the commencement of such remedies.

All proceeds derived from the exercise of any rights and remedies shall be applied in the following manner:

FIRST, to pay to the Issuer any Issuer Fees and Expenses;

SECOND, to the United States any rebatable arbitrage due or accrued pursuant to Section 148(f)(4) of the Code;

THIRD, to pay (a) to the Lender the amount of all unpaid Payments, if any, which are then due and owing, together with interest at the Default Rate and late charges thereon; and (b) to the Lender any Additional Payments payable to the Lender hereunder;

FOURTH, to pay all proper and reasonable costs and expenses associated with the recovery, repair, storage and sale of the Facility, including reasonable attorneys' fees and expenses; and

FIFTH, to pay the remainder of any such proceeds, purchase moneys or other amounts paid by a buyer of the Facility or other person, to the Borrower.

Notwithstanding any other remedy exercised hereunder, the Borrower shall remain obligated to pay to the Lender and the Issuer, as their interests may appear, any unpaid Payments and Additional Payments. To the extent permitted by applicable law, the Borrower hereby waives any rights now or hereafter conferred by statute or otherwise which might require the Lender to use, sell, lease or otherwise dispose of any portion of the Facility in mitigation of the Lender's damages or which might otherwise limit or modify any of the Lender's rights hereunder.

All of the Borrower's right, title and interest in the Facility and any portion thereof, the possession of which is taken by the Lender upon the occurrence of an Event of Default (including, without limitation, construction, contracts, warranties, guarantees or completion assurances applicable to such Facility) shall pass to the Lender, and the Borrower's rights in such Facility shall terminate immediately upon such repossession.

All rights, powers and remedies of the Lender may be exercised at any time by the Lender, as assignee of the Issuer, and from time to time after the occurrence and continuance of an Event of Default, are cumulative and not exclusive, and shall be in addition to any other rights, powers or remedies provided by law or equity.

The Borrower shall pay or repay to the Lender and the Issuer all costs of such action or court action, including, without limitation, reasonable attorneys' fees.

Notwithstanding the foregoing, Lender shall accept cure of any Default or Event of Default hereunder by the limited investor of Borrower within the same cure period allowed to the Borrower hereunder.

Section 11.03. The Lender's Right to Perform the Obligations. If the Borrower shall fail, refuse or neglect to make any payment or perform any act required by the Loan Documents to which it is a party, then while any Event of Default exists, and without notice to or demand upon the Borrower and without waiving or releasing any other right, remedy or recourse the Lender may have because of such Event of Default, the Lender may (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of the Borrower and interest on such payment shall accumulate from the date of the advance at the Default Rate until such advance is paid, and shall have the right to enter upon the Facility for such purpose and to take all such action thereon and with respect to the Facility as it may deem necessary or appropriate. If the Lender shall elect to pay any sum due with reference to the Facility, the Lender may do so in reliance on any bill, statement or assessment procured from the appropriate governmental authority or other the issuer thereof without inquiring into the accuracy or validity thereof. Similarly, in

making any payments to protect the security intended to be created by this Loan Agreement and the Deed of Trust, the Lender shall not be bound to inquire into the validity of any apparent or threatened adverse title, lien, encumbrance, claim or charge before making an advance for the purpose of preventing or removing the same. If any Hazardous Materials affect or threaten to affect the Facility, the Lender may (but shall not be obligated to) give such notices and take such actions as it deems necessary or advisable in order to abate the discharge of any Hazardous Materials or remove the Hazardous Materials. Notwithstanding the previous sentence, the use and storage of reasonable quantities of office supplies, cleaning and maintenance materials and pest control products shall not be deemed to “affect” the Facility in a manner entitling the Lender to act so long as such use and storage is executed safely and in compliance with applicable law. The Borrower shall indemnify, defend and hold the Lender and the Issuer harmless from and against any and all losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements of any kind or nature whatsoever, including reasonable attorneys’ fees, incurred or accruing by reason of any acts performed by the Lender pursuant to the provisions of this Section, except as a result of the Lender’s gross negligence or willful misconduct. Anything to the contrary herein or elsewhere notwithstanding, the Lender may cease or suspend any and all performance required of the Lender herein or under any of the other Loan Documents upon and during the continuance of any breach or default, and upon and at any time after the occurrence of any Event of Default.

Section 11.04. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Lender is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lender to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice other than such notice as may be required by this Article XI. All remedies hereby conferred upon or reserved to the Lender shall survive the termination of this Loan Agreement.

ARTICLE XII

MISCELLANEOUS

Section 12.01. Disclaimer of Warranties. NEITHER THE LENDER NOR THE ISSUER MAKE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, COMPLIANCE WITH SPECIFICATIONS, QUALITY OF MATERIALS OR WORKMANSHIP, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, USE OR OPERATION, SAFETY, PATENT, TRADEMARK OR COPYRIGHT INFRINGEMENTS, TITLE OR FITNESS FOR USE OF THE FACILITY, OR ANY COMPONENT THEREOF OR ANY OTHER WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT THERETO. All such risks, as between the Lender, the Issuer and the Borrower, are to be borne by the Borrower. Without limiting the foregoing the Lender and the Issuer shall have no responsibility or liability to the Borrower or any other person with respect to any of the following: (a) any liability, loss or damage caused or alleged to be caused directly or indirectly by the Project, any inadequacy thereof, any

deficiency or defect (latent or otherwise) therein, or any other circumstances in connection therewith; (b) the use, operation or performance of the Project or any risks relating thereto; (c) any interruption of service, loss of business or anticipated profits or consequential damages; or (d) the delivery, operation, servicing, maintenance, repair, improvement or replacement of the Facility. If, and so long as, no Default exists under this Loan Agreement, the Borrower shall be, and hereby is, authorized to assert and enforce, at the Borrower's sole cost and expense, from time to time, whatever claims and rights the Borrower or the Lender may have against any prior title holder or possessor of the Facility. In no event shall the Lender or the Issuer be liable for any loss or damage in connection with or arising out of this Loan Agreement or the Facility.

Section 12.02. Limitations of Liability. In no event, whether as a result of breach of contract, warranty, tort (including negligence or strict liability), indemnity or otherwise, shall the Lender, its assignees, if any, or the Issuer be liable for any special, consequential, incidental or punitive damages including, but not limited to, a loss of profit or revenue, loss of use of the Facility or any associated equipment, service materials or software, damage to associated equipment, service materials or software, cost of capital, cost of substitute equipment, service materials or software, facilities, services or replacement power, down time costs or claims of the Borrower's members for such damages and the Borrower shall indemnify and hold harmless the Lender, its assignees, if any, and the Issuer from any such damages; provided that the indemnity hereunder shall not be applicable to the extent such damages are caused by the gross negligence or willful misconduct of the Lender or the Issuer.

Section 12.03. Additional Payments to the Lender and Issuer. The Borrower shall pay to the Lender and the Issuer the following Additional Payments hereunder, in addition to the Payments payable by the Borrower, in such amounts in each year as shall be required by the Lender and the Issuer in payment of any reasonable costs and expenses, incurred by the Lender and the Issuer in connection with the execution, performance or enforcement of this Loan Agreement, the financing of the Project, including but not limited to payment of all reasonable fees of auditors, financial consultants or attorneys, insurance premiums not otherwise paid hereunder and all other reasonable, direct and necessary administrative costs of the Lender and the Issuer or charges required to be paid by it in order to comply with the terms of, or to enforce its rights under, the Loan Documents. Such Additional Payments shall be billed to the Borrower by the Lender and the Issuer from time to time, together with a statement certifying that the amount so billed has been paid or incurred by the Lender and the Issuer for one or more of the items described, or that such amount is then payable by the Lender or the Issuer for such items. Amounts so billed shall be due and payable by the Borrower within 30 days after receipt of the bill by the Borrower.

Section 12.04. Notices. All notices, certificates, requests, demands and other communications provided for hereunder or under a Draw Request shall be in writing and shall be (a) personally delivered; (b) sent by registered class United States mail; (c) sent by overnight courier of national reputation; or (d) transmitted by facsimile (if also sent by nationally recognized express courier service for delivery on the next Business Day), in each case addressed to the party to whom notice is being given at its address as set forth below and, if facsimile transmitted to that party at its facsimile number set forth below and confirmed by telephone at the telephone number set forth below or, as to each party, at such other address or facsimile number as may hereafter be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section. All such notices, requests, demands and other communications shall be

deemed to have been given on (i) the date received if personally delivered; (ii) when deposited in the mail if delivered by mail; (iii) the date sent if sent by overnight courier; or (iv) the date of transmission if delivered by facsimile. If notice to the Borrower of any intended disposition of the Facility or any other intended actions is required by law in a particular instance, such notice shall be deemed commercially reasonable if given (in the manner specified in this Section) at least 10 calendar days prior to the date of intended disposition or other action.

If to the Borrower: Fairbanks Affordable Housing, LLC
4300 Boniface Parkway
Anchorage, Alaska 99504
Attention: Alaska Corporation for Affordable Housing
Telephone: (907) 330-8401
Facsimile: (907) 338-1683

with a copy to: Wincopin Circle LLLP
c/o Enterprise Community Asset Management, Inc.
70 Corporate Center
11000 Broken Land Parkway, Suite 700
Columbia, Maryland 21044
Telephone: (410) 964-0552
Facsimile: (410) 772-2630
Attn: Asset Management

If to the Issuer: Alaska Housing Finance Corporation
4300 Boniface Parkway
Anchorage, Alaska 99504
Attention: Michael Strand, Chief Financial Officer
Telephone: 907-338-6100
Facsimile: 907-338-9634

If to the Lender: First National Bank Alaska
101 West 36th Avenue, 3rd Floor
Anchorage, Alaska 99503
Attention: Ligia Lutan

Section 12.05. Binding Effect; Time of the Essence. This Loan Agreement shall inure to the benefit of and shall be binding upon the Lender, the Issuer, the Borrower and their respective successors and assigns, if any. Time is of the essence.

Section 12.06. Severability. In the event any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12.07. Amendments. To the extent permitted by law, the terms of this Loan Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the parties hereto, and then such waiver, alteration, modification, supplement or amendment shall be effective only in the specific instance

and for the specific purpose given. Notwithstanding the previous sentence, the consent of the Issuer shall not be required for waivers, alternations, modifications, supplements or amendments of or with respect to Section 7.16 or Article VIII (except Sections 8.01, 8.02, 8.09 and 8.12) of this Loan Agreement, together with any defined terms used therein. Prior to the effectiveness of any waiver, alteration, modification, supplement or amendment, an opinion of Bond Counsel shall be delivered to the Issuer, at the expense of the Borrower, to the effect that such waiver, alteration, modification, amendment or supplement complies with the requirements of this Loan Agreement and that such waiver, alteration, modification, supplement or amendment will not cause interest on the Loan to be included in the gross income of the Lender for federal income tax purposes.

Section 12.08. Execution in Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument and any of the parties hereto may execute this Loan Agreement by signing any such counterpart.

Section 12.09. Applicable Law; Consent to Jurisdiction.

(a) This Loan Agreement shall be governed by and construed in accordance with the laws of the State, excluding the laws relating to the choice of law. Any action arising hereunder shall be filed and maintained in the Third Judicial District of the State of Alaska, unless the Issuer waives this requirement.

(b) Each party hereto consents to and submits to in personam jurisdiction and venue in the State and in the Federal District Courts which are located in the State. Each party asserts that it has purposefully availed itself of the benefits of the laws of the State and waives any objection to in personam jurisdiction on the grounds of minimum contacts, waives any objection to venue, and waives any plea of forum non conveniens. This consent to and submission to jurisdiction is with regard to any action related to this Loan Agreement. Regardless of whether the party's actions took place in the State or elsewhere in the United States, this submission to jurisdiction is nonexclusive, and does not preclude either party from obtaining jurisdiction over the other in any court otherwise having jurisdiction.

Section 12.10. Jury Trial Waiver. TO THE EXTENT PERMITTED BY LAW, THE LENDER AND THE BORROWER HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO JURY TRIAL OF ANY ACTION, PROCEEDING OR HEARING (HEREINAFTER, A "CLAIM") BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS LOAN AGREEMENT, OR ANY OF THE RELATED DOCUMENTS, ANY DEALINGS BETWEEN THE LENDER OR THE BORROWER RELATING TO THE SUBJECT MATTER OF THE TRANSACTIONS CONTEMPLATED BY THIS LOAN AGREEMENT OR ANY RELATED TRANSACTIONS, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED BETWEEN THE LENDER AND THE BORROWER. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT (INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS). THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND

THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS LOAN AGREEMENT, ANY RELATED DOCUMENTS, OR TO ANY OTHER DOCUMENTS OR SUPPLEMENTS RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS LOAN AGREEMENT OR ANY RELATED TRANSACTIONS. IN THE EVENT OF LITIGATION, THIS LOAN AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

Section 12.11. Captions. The captions or headings in this Loan Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Loan Agreement.

Section 12.12. Entire Agreement. This Loan Agreement, together with the exhibits and attachments hereto and thereto, including the Regulatory Agreement, the Tax Agreement and the Security Agreement, the Assignment of AHAP Contract, constitutes the entire agreement among the Lender, the Issuer and the Borrower. There are no understandings, agreements, representations or warranties, express or implied, not specified herein or therein regarding this Loan Agreement or the Project refinanced hereunder and thereunder. Any terms and conditions of any purchase order or other document submitted by the Borrower in connection with this Loan Agreement which are in addition to or inconsistent with the terms and conditions of this Loan Agreement will not be binding on the Lender and will not apply to this Loan Agreement.

Section 12.13. Waiver. The Lender's or the Issuer's failure to enforce at any time or for any period of time any provision of this Loan Agreement shall not be construed to be a waiver of such provision or of the right of the Lender or the Issuer thereafter to enforce each and every provision. No express or implied waiver by the Lender of any default or remedy of default shall constitute a waiver of any other default or remedy of default or a waiver of any the Lender's rights.

Section 12.14. Survivability. All of the limitations of liability, indemnities and waivers contained in this Loan Agreement shall continue in full force and effect notwithstanding the expiration or early termination of this Loan Agreement and are expressly made for the benefit of, and shall be enforceable by, the Lender and the Issuer, or their successors and assigns.

Section 12.15. Usury.

(a) If the amount of interest payable for any period in accordance with the terms hereof exceeds the amount of interest that would be payable for such period had interest for such period been calculated at the maximum interest rate permitted by applicable law, then interest for such period shall be payable in an amount calculated at the maximum interest rate permitted by applicable law.

(b) Any interest that would have been due and payable for any period but for the operation of subsection (a) above shall accrue and be payable as provided in this subsection (b) and shall, less interest actually paid to the Lender for such period, constitute the "Excess Interest Amount." If there is any accrued and unpaid Excess Interest Amount as of any date, then the principal amount with respect to which interest is payable shall bear interest at the maximum interest rate permitted by applicable law until payment to the Lender of the entire Excess Interest Amount.

(c) Notwithstanding the foregoing, on the date on which no principal amount hereunder remains unpaid, to the extent possible without violating applicable law, the Borrower shall pay to the Lender a fee equal to any accrued and unpaid Excess Interest Amount.

Section 12.16. Third Party Beneficiary. It is the intention of the parties that any permitted assignee of the Lender hereunder be a third party beneficiary of this Loan Agreement.

Section 12.17. Further Assurance and Corrective Instruments. The parties hereto hereby agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such further acts, instruments, conveyances, transfers and assurances, as any of them reasonably deems necessary or advisable for the implementation, correction, confirmation or perfection of this Loan Agreement or the Tax Agreement and any rights of such party hereunder or thereunder.

Section 12.18. Determination. The Issuer, based solely on the representation of Guarantor, has determined Guarantor is an organization that is not affiliated with or controlled by a for-profit organization.

Section 12.19. Arm's Length Transaction. The Borrower acknowledges and agrees that (i) the advance of the Loan pursuant to this Loan Agreement is the result of an arm's-length commercial transaction between the Borrower and the Lender, (ii) in connection therewith and with the financing discussions, undertakings and procedures leading up to the consummation of such transaction, the Lender is and has been acting solely as a principal and is not acting as the agent or fiduciary of or in any way advising the Borrower, (iii) the Lender has not assumed an advisory or fiduciary responsibility in favor of the Borrower with respect to the financing contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Lender has provided other services or is currently providing other services to the Borrower on other matters) and the Lender has no obligation to the Borrower with respect to the financing contemplated hereby except the obligations expressly set forth in this Loan Agreement and (iv) the Borrower has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

Section 12.20. Anti-Terrorism Laws. Neither the Borrower nor any of its affiliates is in violation of any Laws relating to terrorism or money laundering ("Anti-Terrorism Laws"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "Executive Order"), and the Patriot Act;

(a) Neither the Borrower nor any of its affiliates is any of the following:

(i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(ii) a Person owned or Controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(iii) a Person with which the Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(iv) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order; or

(v) a Person that is named as a “specially designated national and blocked person” on the most current list published by the Office of Foreign Asset Control (“OFAC”) or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list.

(b) Neither the Borrower nor any of its affiliates (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (a)(ii) above, (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

Section 12.21. Discretion as to Security. The Lender may resort to any security granted or assigned to the Lender hereunder, including the Deed of Trust or any other security now existing or hereafter given to secure the payment of the Loan, in whole or in part, and in such portions and in such order as the Lender may determine in its sole discretion, and any such action shall not in any way be considered as a waiver of any rights, benefits, liens or security interests granted by the Borrower to secure the Loan. The Lender’s rights to the security granted or assigned hereunder are *pari passu* with the Lender’s rights under the 2022 Loan Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed in their respective corporate names by their duly authorized officers or officials all as of the date first written above.

LENDER:

FIRST NATIONAL BANK ALASKA

By _____
Name _____
Title _____

[Signature Page to Loan Agreement (Fairbanks Affordable Housing Project)]

ISSUER:

ALASKA HOUSING FINANCE
CORPORATION

By _____
Bryan D. Butcher
Chief Executive Officer/Executive Director

[Signature Page to Loan Agreement (Fairbanks Affordable Housing Project)]

BORROWER:

FAIRBANKS AFFORDABLE HOUSING,
LLC, an Alaska limited liability company

By: Fairbanks Affordable Housing
Partners MM, LLC,
an Alaska limited liability company,
its Managing Member

By: Alaska Corporation for Affordable
Housing, an Alaska nonprofit
corporation, its Managing Member

By: _____
Name: Bryan Butcher
Title: President

[Signature Page to Loan Agreement (Fairbanks Affordable Housing Project)]

EXHIBIT A
PROPERTY DESCRIPTION

Project Site:

Senior Parcel

Tract F, Block 129, REPLAT PORTIONS OF LOTS 3, 5, AND 7 OF BLOCK 129 TOWNSITE OF FAIRBANKS, according to the official plat thereof, filed January 6, 2022 as Plat Number 2022-1, in the records of the Fairbanks Recording District, Fourth Judicial District, State of Alaska.

Family Parcel

Lot 3, Block 69, BJERREMARK SUBDIVISION, according to the official plat thereof, filed August 28, 1984 as Plat Number 64-5979, in the records of the Fairbanks Recording District, Fourth Judicial District, State of Alaska.

Project Facilities:

Approximately 58 apartment units contained within 11 buildings including 36 one bedroom units, 17 two bedroom units and 5 three bedroom units.

EXHIBIT B
FORM OF INVESTOR LETTER

[Date]

Alaska Housing Finance Corporation
Anchorage, Alaska

Kutak Rock LLP
Omaha, Nebraska

Re: Loan Agreement (Fairbanks Affordable Housing Project), dated as of [] 1, 2024, by and among First National Bank Alaska, Alaska Housing Finance Corporation and Fairbanks Affordable Housing, LLC

Ladies and Gentlemen:

The undersigned (the “Investor”) hereby acknowledges it is purchasing \$2,000,000 principal amount of the 2022-1 Issuer Loan (the “2022-1 Issuer Loan”) made pursuant to a Loan Agreement, dated as of [] 1, 2024, by and among First National Bank Alaska, Alaska Housing Finance Corporation and Fairbanks Affordable Housing, LLC. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement.

The undersigned acknowledges that the 2022-1 Issuer Loan is being delivered for the purpose of the Project.

In connection with the sale of the 2022-1 Issuer Loan to the Investor, the Investor hereby makes the following representations upon which you may rely:

1. The Investor has authority and is duly authorized to purchase the 2022-1 Issuer Loan and to execute this letter and any other instruments and documents required to be executed by the Investor in connection with the purchase of the 2022-1 Issuer Loan.

2. The Investor is an Eligible Purchaser as described in Attachment A hereto, and, unless it is a United States government-sponsored enterprise or governmental agency of the United States, a “qualified institutional buyer” under Rule 144A of the Securities Act of 1933, as amended (the “Act”), and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax exempt obligations, to be able to evaluate the risks and merits of the investment represented by the 2022-1 Issuer Loan.

3. The 2022-1 Issuer Loan is being acquired by the Investor for investment and not with a view to, or for resale in connection with, any distribution of the 2022-1 Issuer Loan, and the Investor intends to hold the 2022-1 Issuer Loan solely for its own account for investment purposes for an indefinite period of time, and does not intend at this time to dispose of all or any part of the 2022-1 Issuer Loan. However, the Investor may sell, transfer or assign the 2022-1

Issuer Loan at any time the Investor deems appropriate, subject to the transfer restrictions set forth in the Loan Agreement, to an Eligible Purchaser. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since a sale of the 2022-1 Issuer Loan prior to maturity may not be possible. Notwithstanding the foregoing, the 2022-1 Issuer Loan may not be transferred if the principal amount is less than \$250,000 without the prior written consent of the Issuer and the Borrower.

4. The Investor understands that the 2022-1 Issuer Loan is not registered under the Act and that such registration is not legally required as of the date hereof; and further understands that the 2022-1 Issuer Loan (a) is not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating service and (d) will be delivered in a form which may not be readily marketable.

5. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals, including its own counsel, concerning the Borrower, the Project and the 2022-1 Issuer Loan and the security therefor so that, as a reasonable investor, the Investor has been able to make our decision to purchase the 2022-1 Issuer Loan. The Investor acknowledges that it has not relied upon any advice, counsel, representation or information of the Issuer in connection with the Investor’s purchase of the 2022-1 Issuer Loan.

6. The Investor acknowledges that the obligations of the Issuer under the Loan Agreement are special, limited obligations payable solely from amounts paid to the Issuer from the Borrower pursuant to the terms of the Loan Agreement and the Issuer shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the Issuer for amounts due under the Loan Agreement. The Investor understands that the 2022-1 Issuer Loan does not constitute a debt, liability, or obligation of the State or of any political subdivision of the State or a pledge of the faith and credit of the State or of a political subdivision of the State, and neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of principal of, or the prepayment premium, if any, or interest on, the 2022-1 Issuer Loan, and that the liability of the Issuer and the State with respect to the 2022-1 Issuer Loan is subject to further limitations as set forth in the Loan Agreement.

7. The Investor agrees to indemnify and hold harmless the Issuer with respect to any claim asserted against the Issuer that arises solely and directly as a result of the Investor’s sale, transfer or other disposition of the 2022-1 Issuer Loan in violation of the provisions hereof, other than any claim that is based upon the willful misconduct of the Issuer.

8. The Investor has made its own inquiry and analysis with respect to the 2022-1 Issuer Loan and the security therefor, and other material factors affecting the security and payment of the 2022-1 Issuer Loan. The Investor is aware that the business of the Borrower involves certain economic and regulatory variables and risks that could adversely affect the security for the 2022-1 Issuer Loan.

9. The Investor agrees that it is bound by and will abide by the provisions of the Loan Agreement and this Investor Letter. The Investor will comply with all applicable federal and state securities laws, rules and regulations in connection with any resale or transfer of the 2022-1 Issuer Loan by the Investor.

10. The Investor acknowledges that the sale of the 2022-1 Issuer Loan to the Investor is made in reliance upon the certifications, representations and warranties herein by the addressees hereto.

11. The Investor hereby waives any and all claims, actions, or causes of action which the Investor may have from and after the date hereof against the Issuer and its respective members, officers, agents, and employees, growing out of any action (other than willful misconduct) which the Issuer took or could have taken in connection with the authorization, execution, delivery, and sale of the 2022-1 Issuer Loan or the purchase of the 2022-1 Issuer Loan by the undersigned or in connection with any statements or representations which induced the undersigned to purchase the 2022-1 Issuer Loan.

12. The interpretation of the provisions hereof shall be governed and construed in accordance with Alaska law without regard to principles of conflicts of laws.

Very truly yours,

ELIGIBLE PURCHASER DEFINITION

An Eligible Purchaser is either:

(A) a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933, as in effect on the date hereof, consisting of any of the following entities, acting for its own account or the accounts of other qualified institutional buyers, that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with the entity and is:

(1) Any insurance company as defined in Section 2(13) of the Securities Act of 1933, as amended;

NOTE: A purchase by an insurance company for one or more of its separate accounts, as defined by Section 2(a)(37) of the Investment Company Act of 1940 (the “Investment Company Act”), which are neither registered under Section 8 of the Investment Company Act nor required to be so registered, shall be deemed to be a purchase for the account of such insurance company.

(2) Any bank as defined in Section 3(a)(2) of the Securities Act of 1933, as amended, any savings and loan association or other institution as referenced in Section 3(a)(5)(A) of the Securities Act of 1933, as amended, any savings bank or any trust company; or

(3) A wholly owned subsidiary or combination of the entities in (A)(1) and (A)(2); or

(B) A United States government-sponsored enterprise or governmental agency of the United States.

In determining the aggregate amount of securities owned and invested on a discretionary basis by an entity, the following instruments and interests shall be excluded: bank deposit notes and certificates of deposit; loan participations; repurchase agreements; securities owned but subject to a repurchase agreement; and currency, interest rate and commodity swaps.

The aggregate value of securities owned and invested on a discretionary basis by an entity shall be the cost of such securities, except where the entity reports its securities holdings in its financial statements on the basis of their market value, and no current information with respect to the cost of those securities has been published. In the latter event, the securities may be valued at market for purposes of this section.

In determining the aggregate amount of securities owned by an entity and invested on a discretionary basis, securities owned by subsidiaries of the entity that are consolidated with the entity in its financial statements prepared in accordance with generally accepted accounting principles may be included if the investments of such subsidiaries are managed under the direction

of the entity, except that, unless the entity is a reporting company under Section 13 or 15(d) of the Securities Exchange Act of 1934, securities owned by such subsidiaries may not be included if the entity itself is a majority-owned subsidiary that would be included in the consolidated financial statements of another enterprise.

EXHIBIT C

FORM OF OPINION OF COUNSEL TO THE BORROWER AND GUARANTOR

SEE TRANSCRIPT

EXHIBIT D

LIST OF PERMITTED INDEBTEDNESS

“Permitted Indebtedness” shall mean the following:

1. that certain Promissory Note, dated September 13, 2022, made by the Borrower to Alaska Housing Finance Corporation in the original principal amount of \$13,000,000, as assigned to First National Bank of Alaska;
2. that certain Promissory Note, dated September 14, 2022, made by the Borrower to Alaska Corporation for Affordable Housing in the original principal amount of \$13,691,032;
3. that certain Deferred Development Fee Note, dated September 14, 2022, made by the Borrower to Alaska Corporation for Affordable Housing in the original principal amount of up to \$1,559,569; and
4. that certain Promissory Note, dated [], 2024, made by the Borrower to Alaska Housing Finance Corporation in the original principal amount of \$2,000,000, as assigned to First National Bank of Alaska.

EXHIBIT E

EXCEPTIONS TO TITLE POLICY

At the date hereof, items to be considered and exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

NONE

EXHIBIT F

FORM OF PROJECT FUND DRAW REQUEST

**PROJECT FUND DRAW REQUEST NO. [] PURSUANT TO
LOAN AGREEMENT**

by and among

FIRST NATIONAL BANK ALASKA,
as Lender

ALASKA HOUSING FINANCE CORPORATION,
as Issuer

and

FAIRBANKS AFFORDABLE HOUSING, LLC
as Borrower

Dated as of _____, 20__

This Project Fund Draw Request (this “Draw Request”) is made pursuant to the Section 4.03 of the Loan Agreement identified above (the “Loan Agreement”). Defined terms used but not otherwise defined herein shall have the meaning set forth in the Loan Agreement.

Section 1. The Borrower hereby requests a draw from the Loan in the amount of \$_____, all subject to the provisions of the Loan Agreement for the Project Costs.

Section 2. The undersigned authorized representative, on behalf of the Borrower, hereby identifies the Project Costs, as set forth in Schedule I hereto, pertaining to this Draw Request. Attached hereto are invoice(s), contract(s) and, if applicable, evidence of payment relating to such Project Costs.

Section 3. The Borrower hereby certifies that obligations in amounts stated in this Draw Request are a proper charge against the Project Fund.

Section 4. The Borrower hereby represents, covenants and warrants that (a) all of its representations and warranties contained in the Loan Agreement or the Tax Regulatory Agreement were true and accurate as of the date made, remain true and accurate as of the date of this certificate and are hereby reaffirmed; and (b) no event has occurred and is continuing or would result from the loan of Borrower Loan Proceeds pursuant to this Draw Request which constitutes a Default, an Event of Default or a Determination of Taxability.

Section 5. The Borrower hereby represents, covenants and warrants that (a) all work performed to date is in substantial accordance with the Plans and Specifications; (b) all licenses and permits required by any Governmental Authority for the Improvements as then completed

have been obtained; and (c) the Improvements as then completed do not violate, and, if further completed in accordance with the Plans and Specifications, will not violate, any applicable law, ordinance, rule or regulation.

Section 6. The Borrower hereby certifies that all conditions precedent to the disbursement of Borrower Loan Proceeds pursuant to the Construction Loan Agreement have been satisfied.

Submitted on _____, 20__ by:

BORROWER:

FAIRBANKS AFFORDABLE HOUSING,
LLC, an Alaska limited liability company

By: Fairbanks Affordable Housing
Partners MM, LLC,
an Alaska limited liability company,
its Managing Member

By: Alaska Corporation for Affordable
Housing, an Alaska nonprofit
corporation, its Managing Member

By: _____
Name: Bryan Butcher
Title: President

Approved as of _____, 20__ by:

THE LENDER:

FIRST NATIONAL BANK ALASKA

By _____
[Name, Title]

SCHEDULE I
TO DRAW REQUEST NO. _____

PROJECT COSTS

To	Amount	Purpose
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EXHIBIT G

AGGREGATE PRINCIPAL AMOUNT OF LOAN OUTSTANDING

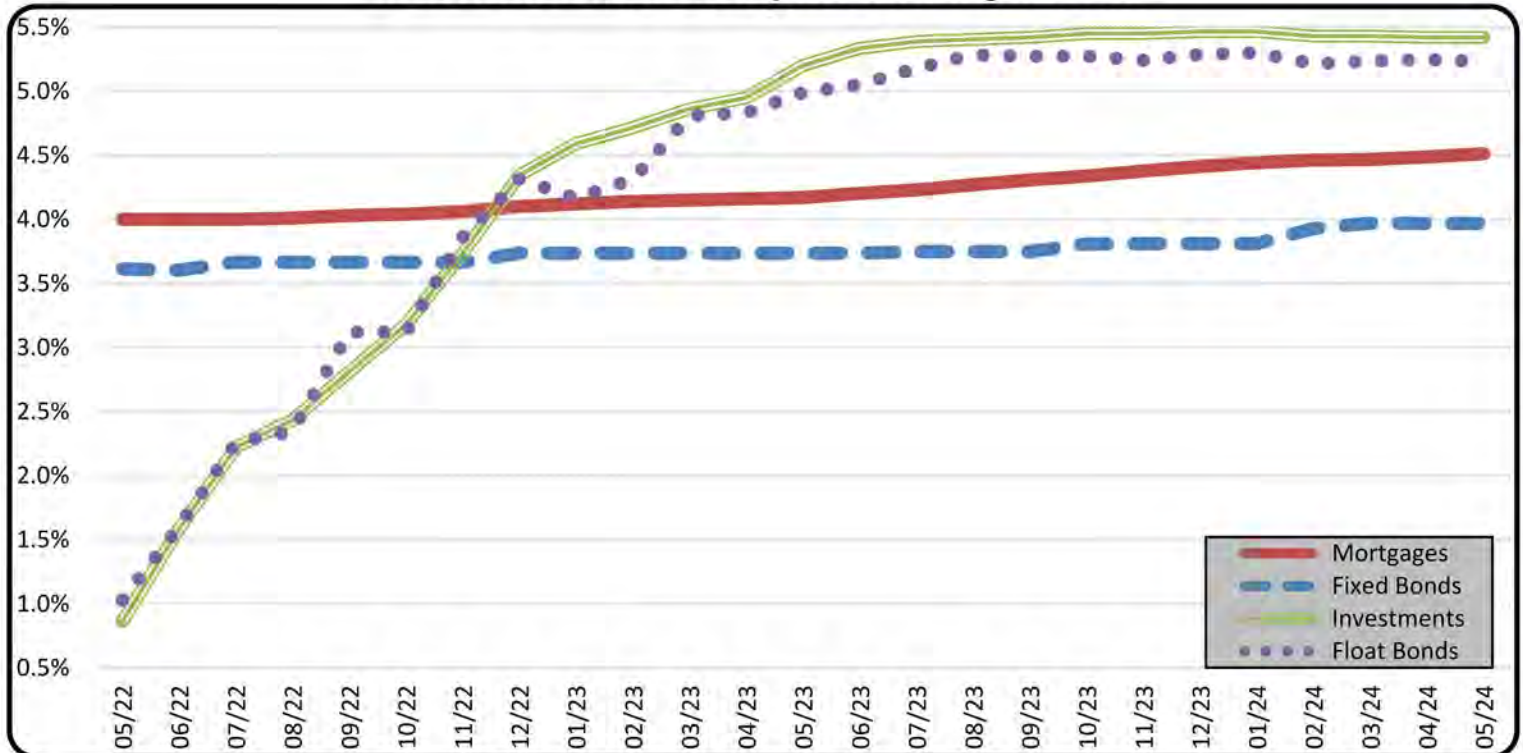
Date	Draw Request No. __	Amount (\$) of Draw (Request)	Aggregate Amount of Loan Outstanding
Initial Draw Date Disbursement	NA	\$50,001.00	\$50,001.00
TOTAL			\$50,001.00

ALASKA HOUSING FINANCE CORPORATION

Finance Board Report - June 2024

	Current Month	1 Year Ago		2 Years Ago	
	05/31/24	05/31/23	% Change	05/31/22	% Change
Total Mortgage Portfolio	3,592,636,661	3,235,044,977	11%	3,028,488,236	19%
Total Bonds Outstanding	2,599,715,000	2,322,915,000	12%	2,249,745,000	16%
Mortgage/Bond Ratio	1.38	1.39	(1%)	1.35	3%
Mortgage Average Rate	4.51%	4.17%	8%	4.00%	13%
Fixed Bond Average Rate	3.97%	3.73%	6%	3.61%	10%
Mortgage/Fixed Bond Spread	0.54%	0.44%	23%	0.39%	38%
Current Investment Rate	5.41%	5.20%	4%	0.86%	529%
Current Floating Bond Rate	5.23%	4.99%	5%	1.03%	408%
Investment/Float Bond Spread	0.18%	0.21%	(14%)	(0.17%)	206%
Mortgage Purchases (12 Months)	590,767,155	519,995,322	14%	550,031,099	7%
Mortgage Payoffs (12 Months)	127,072,587	182,124,728	(30%)	418,919,914	(70%)
Purchase/Payoff Variance	463,694,568	337,870,594	37%	131,111,185	254%
Purchase Average Rate %	6.38%	5.16%	24%	3.08%	107%
Bond Issuances (12 Months)	393,015,000	385,665,000	2%	122,795,000	220%
Bond Redemptions (12 Months)	21,500,000	334,555,000	(94%)	126,460,000	(83%)
Issuance/Redemption Variance	371,515,000	51,110,000	627%	(3,665,000)	10237%
Issuance Average Yield %	4.51%	2.26%	100%	2.02%	123%
Delinquent % of \$ (30+ Days)	2.46%	2.80%	(12%)	3.63%	(32%)
Credit Ratings (S&P/Moodys/Fitch)	AA+/Aa2/AA+	AA+/Aa2/AA+	N/A	AA+/Aa2/AA+	N/A

Portfolio Rate Comparisons by Month



ALASKA HOUSING FINANCE CORPORATION

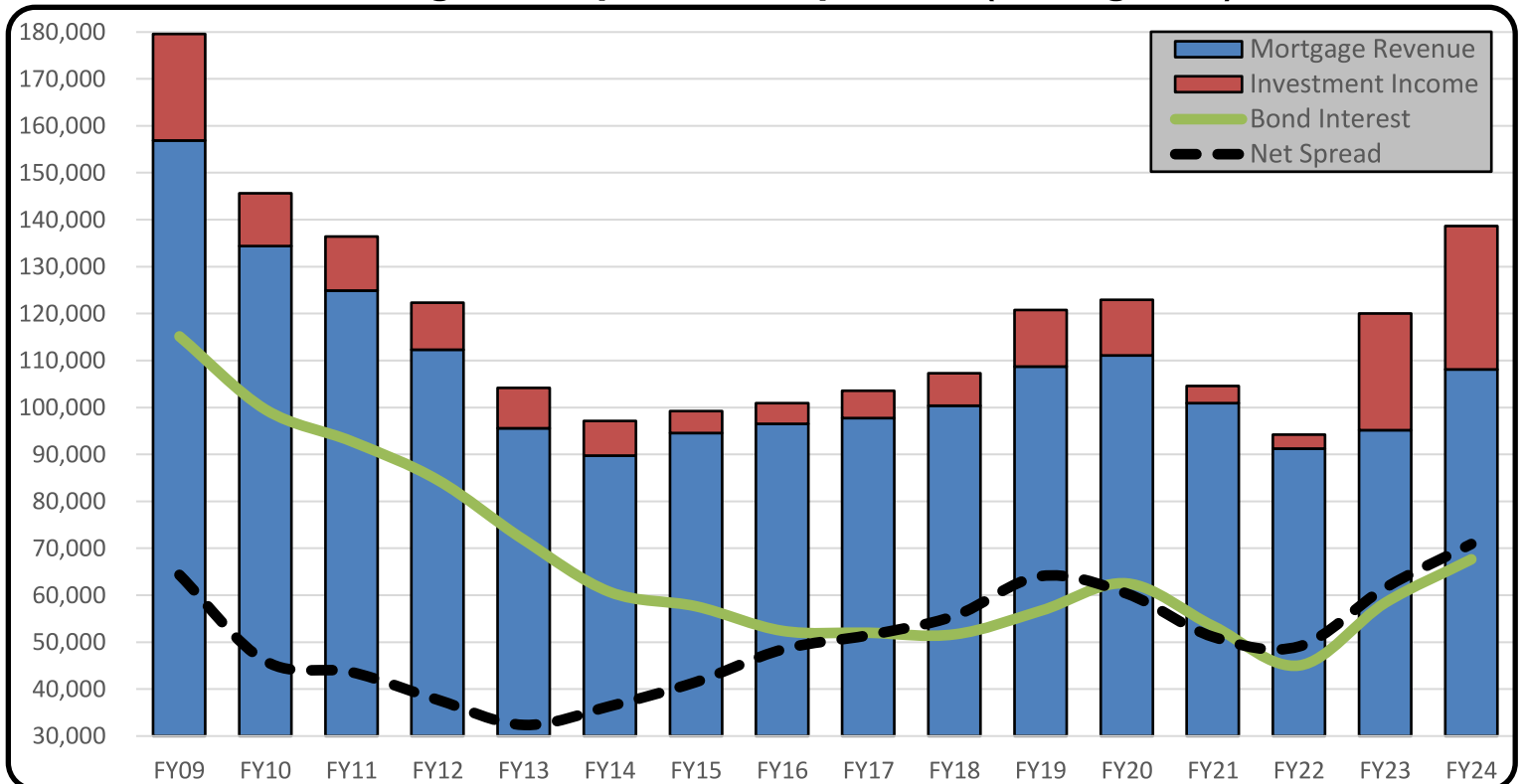
Finance Board Report - June 2024

FINANCIAL STATEMENTS:

(\$ in Thousands)

	Current Year	1 Year Ago		2 Years Ago	
	FY24 Q3	FY23 Q3	% Change	FY22 Q3	% Change
Mortgage and Loan Revenue	108,128	95,177	14%	91,199	19%
Grant, Subsidy & Rental Revenue	75,667	121,192	(38%)	225,905	(67%)
Total Investment Income	30,506	24,821	23%	3,007	914%
Other Revenues	2,133	2,133	0%	3,043	(30%)
Total Operating Revenues	216,434	243,323	(11%)	323,154	(33%)
Bond Interest Expenses	67,697	58,387	16%	45,046	50%
Grant, Subsidy & Rental Expense	75,040	118,173	(36%)	220,849	(66%)
Operations and Administration	40,889	41,712	(2%)	37,844	8%
Other Expenses	16,694	15,300	9%	12,640	32%
Total Operating Expenses	200,320	233,572	(14%)	316,379	(37%)
Total Operating Income	16,114	9,751	65%	6,775	138%
Contributions to State of Alaska	4,966	5,931	(16%)	0	N/A
Change in Net Position	11,148	3,820	192%	6,775	65%
Dividend Contributions & Adjustments	19,613	25,067		21,978	
Adjusted Change in Net Position	30,761	28,887		28,753	
Dividend Calculation (75%)	23,070	21,665	6%	21,565	7%
Total Assets w/ Deferred Outflows	4,554,652	4,377,395	4%	4,392,019	4%
Total Liabilities w/ Deferred Inflows	2,915,254	2,774,114	5%	2,769,313	5%
Net Position	1,639,398	1,603,281	2%	1,622,706	1%

Leverage Net Spread Comparison (through Q3)



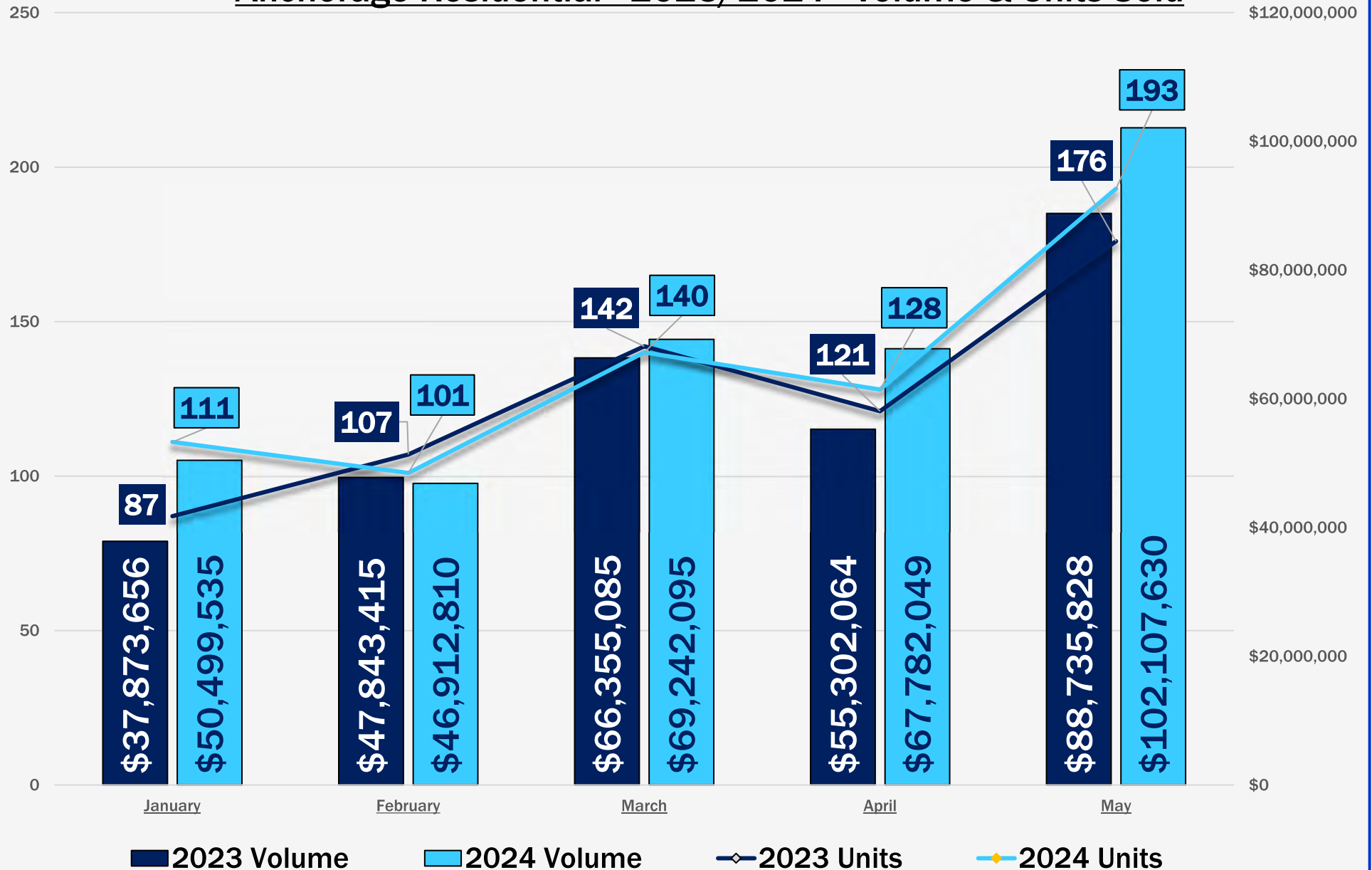
Mortgage Operations

MORTGAGE ACTIVITY SUMMARY LOANS PURCHASED BY PROGRAM

LOAN PROGRAM	May 2024		May 2023		FY 2024 Thru 05/31/2024		FY 2023 Thru 05/31/2023	
	# of Loans	Total Dollar Volume	# of Loans	Total Dollar Volume	# of Loans	Total Dollar Volume	# of Loans	Total Dollar Volume
First Home	21	7,842,386	17	6,013,826	365	129,916,747	295	100,678,948
First Home Limited	40	11,314,460	21	4,851,509	391	101,823,472	315	70,839,049
Military Facility Zone	0	0	0	0	2	575,150	2	831,600
My Home	46	19,530,488	27	9,132,669	543	216,243,757	467	184,242,045
My Home Second	0	0	0	0	4	508,850	0	0
Rural Loan Program	7	2,407,700	7	1,873,780	84	27,493,891	156	44,344,659
Uniquely Alaskan	0	0	0	0	1	236,000	6	1,803,030
Veterans Mortgage Program	17	7,784,686	5	3,969,553	171	72,381,916	77	36,558,902
Residential Loan Program Totals	131	48,879,720	77	25,841,337	1,561	549,179,783	1,318	439,298,233
Condominium Association Loans	1	235,100	0	0	3	819,500	1	220,000
Multi-Family AHFC Originated	0	0	0	0	1	160,000	1	8,400,000
Multi-Family Lender Originated	0	0	0	0	6	4,302,500	13	10,634,100
Multi-Family Special Needs	0	0	0	0	4	2,515,600	6	3,192,625
Multi-Family Loan Program Totals	1	235,100	0	0	14	7,797,600	21	22,446,725
Total Loans Purchased	132	49,114,820	77	25,841,337	1,575	556,977,383	1,339	461,744,958
LOAN PROGRAM OPTIONS (Included in Total Loans Purchased)								
Energy Efficiency Interest Rate Reduction	10	4,052,292	1	176,500	67	26,872,371	56	21,895,818
Interest Rate Reduction Low Income Borrowers	0	0	1	200,000	16	2,833,235	23	3,565,123
Renovation Options	2	378,745	4	1,135,710	44	12,988,543	69	20,970,801
Streamline Refinances	0	0	0	0	0	0	0	0

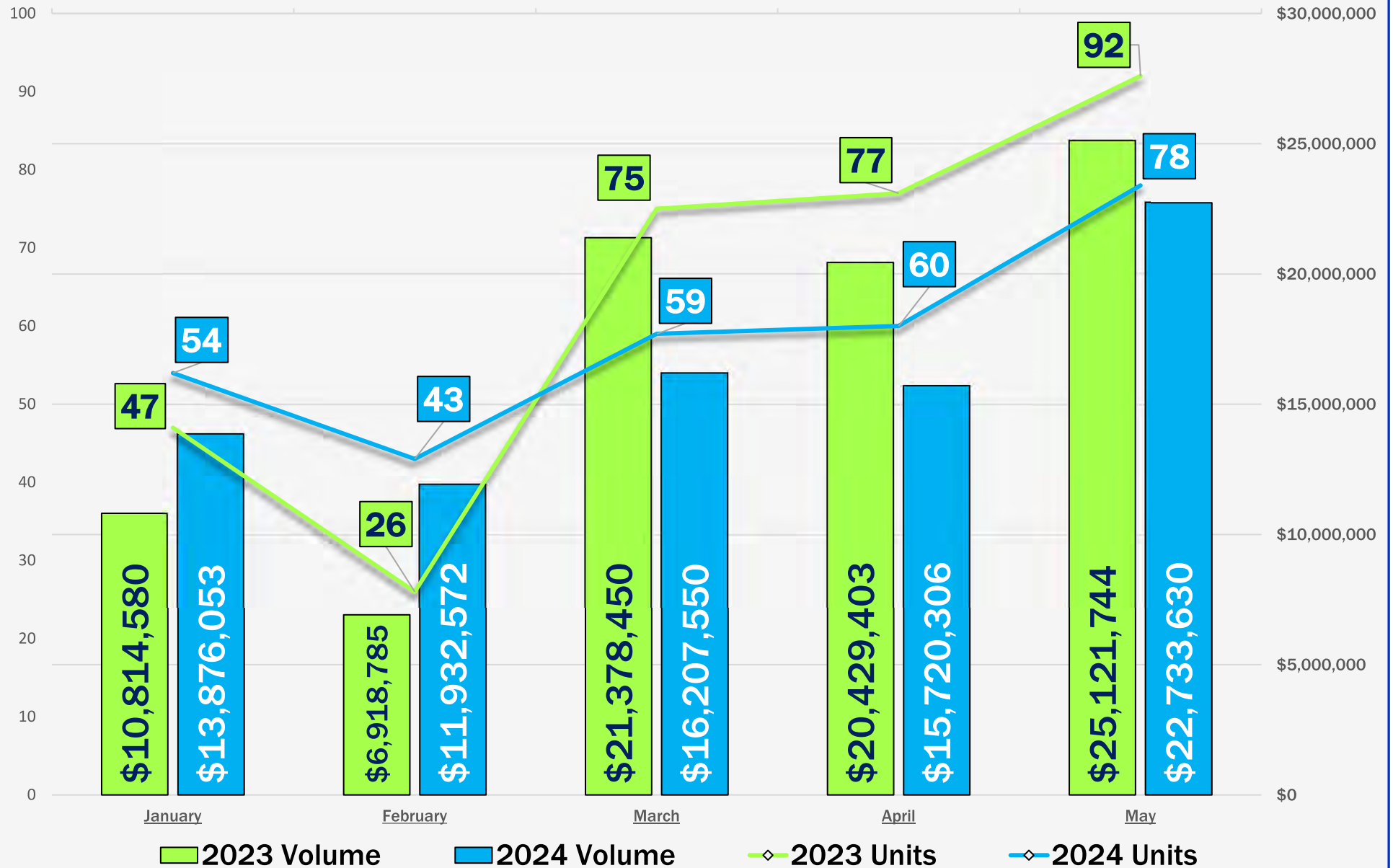
Mortgage Operations

Anchorage Residential - 2023/2024 - Volume & Units Sold



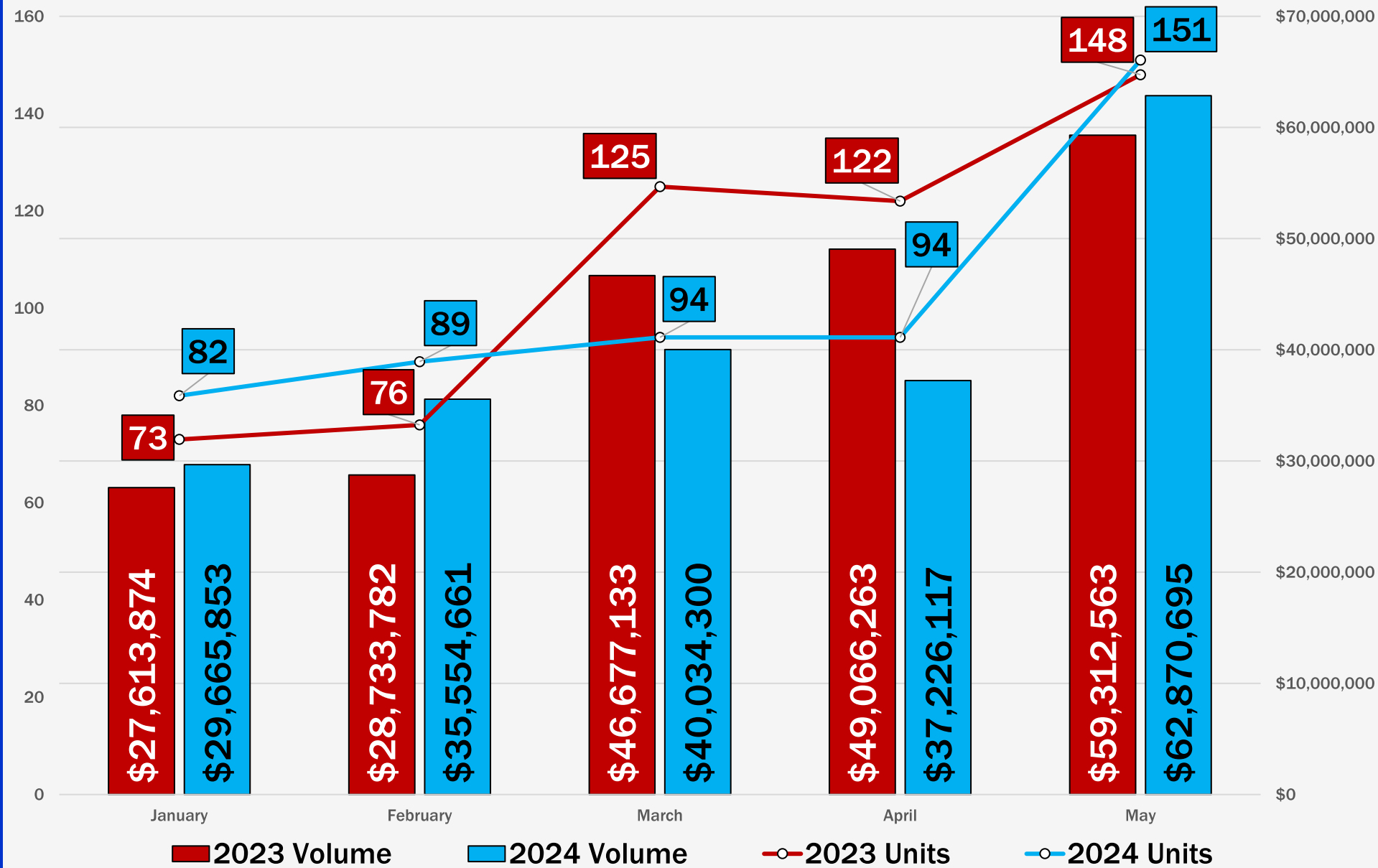
Mortgage Operations

Anchorage Condominium - 2023/2024 - Volume & Units Sold



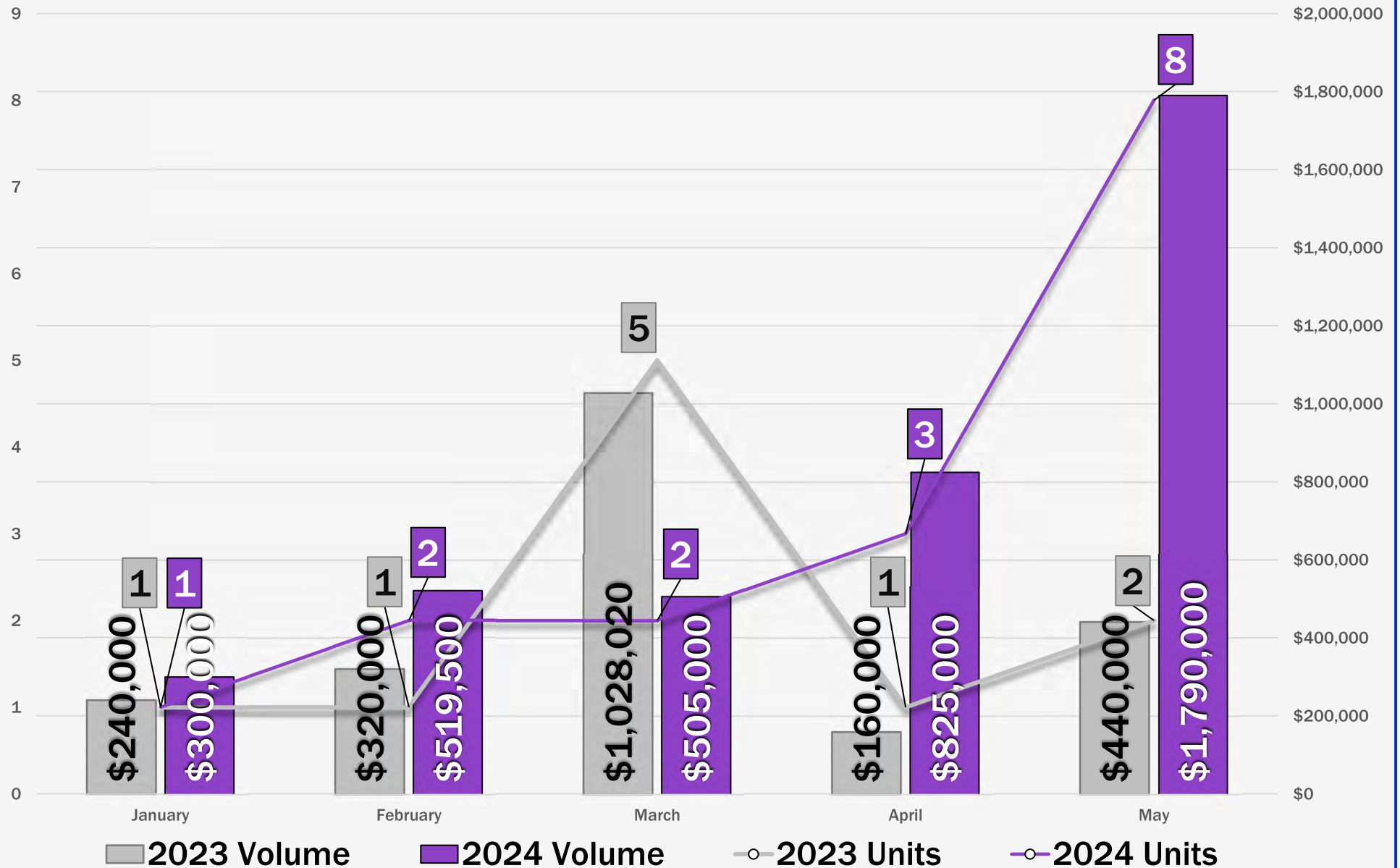
Mortgage Operations

Mat-Su Residential - 2023/2024 - Volume & Units Sold



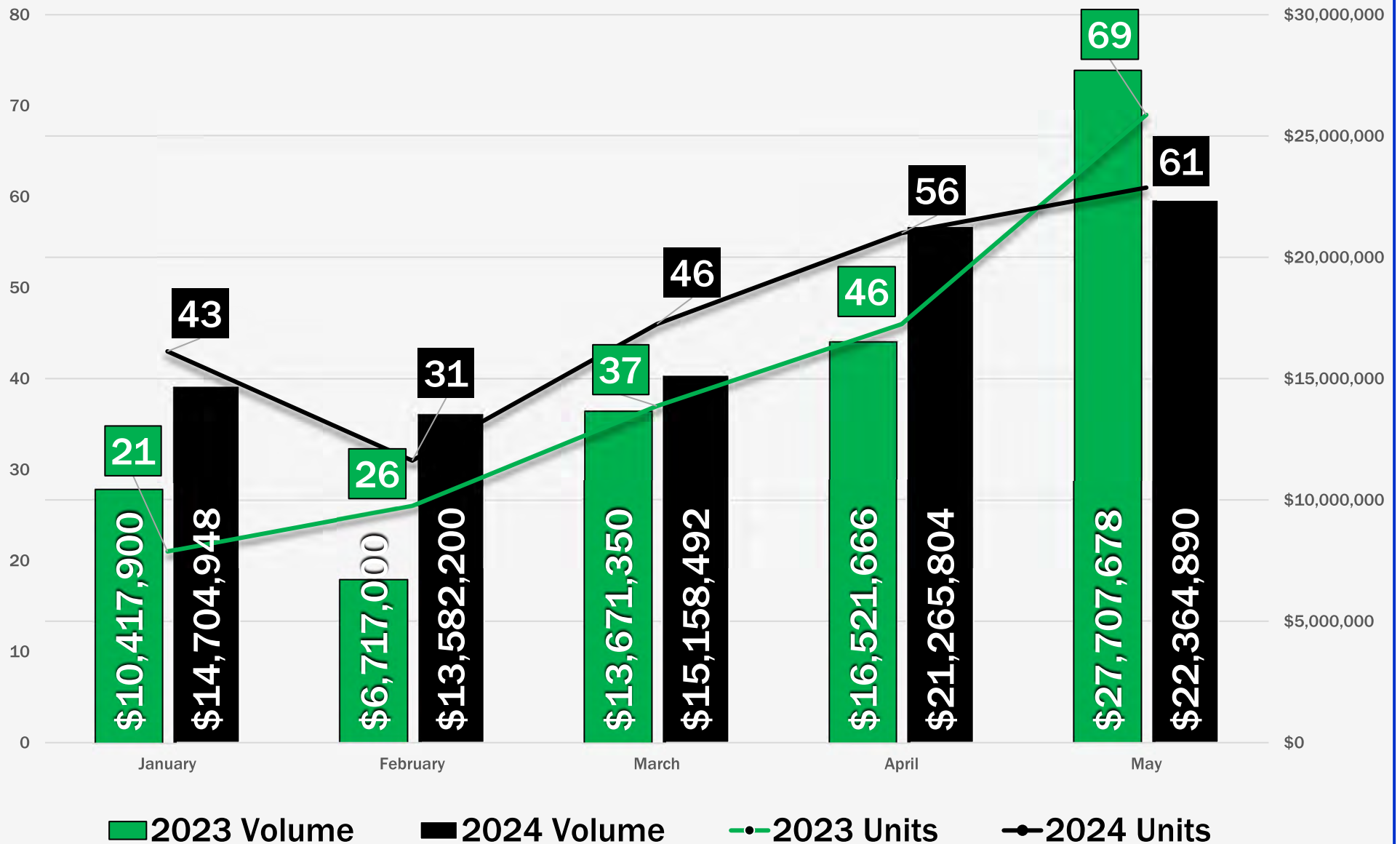
Mortgage Operations

Mat-Su Condominium - 2023/2024 - Volume & Units Sold



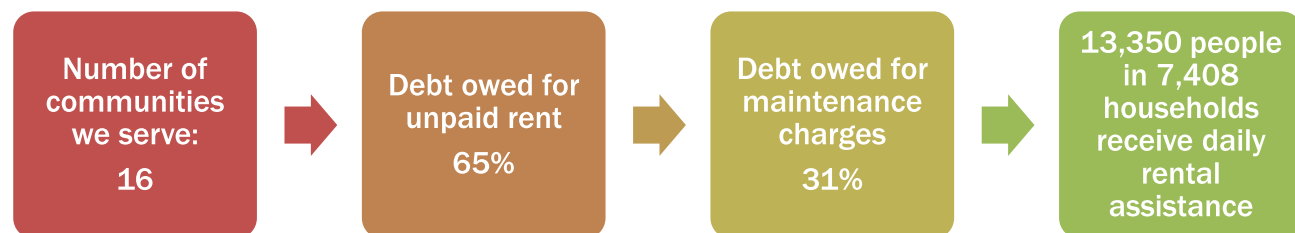
Mortgage Operations

Kenai Peninsula Residential - 2023/2024 - Volume & Units Sold



Public Housing Operations Update

June 2024



Operations Updates

- Multiple new Sponsor Based Rental Assistance projects coming on line this summer, including Atsaq Place in Bethel, Breezy Meadows in Palmer, Winter Rose in Palmer, Providence House in Anchorage, and Borealis Park in Fairbanks.
- Statewide property clean-up projects brought staff and residents together to improve neighborhood curb appeal and increase outside enjoyment for all.
- Emergency Housing Voucher program statewide has 96% utilization with several new leases coming on line.

Facilities Management Updates:

- **Anchorage** – Scattered Site exterior building cleaning, summer 2024, awarded. Chugach View & Manor backup generators underway. Unit Turn & Maintenance contract, work ongoing. Chugach Manor roof repairs underway.
- **Bethel** – Foundation leveling, phase II nearly complete, phase III award upon funding availability.
- **Cordova** – Sunset View fire system upgrades, bid evaluation underway.
- **Fairbanks** – Birch Park I Heating System Components underway.
- **Juneau** – Riverbend Planter Drilling underway. Mountain View Siding and Window Replacement design phase underway.
- **Ketchikan** – Schoenbar Playground underway. Schoenbar Park siding replacement awarded, materials on site.
- **Kodiak** – Pacific Terrace Siding and Window Replacement underway, 75% complete.
- **Nome** – Beringvue Boiler Replacement Phase I NOIA issued. Foundation Leveling underway.
- **Seward** – Waste Line Replacement awarded.
- **Sitka** – Swan Lake & Paxton Manor Fuel Tank Replacement nearing completion.
- **Statewide** – Range Hood Suppression Canisters, products received, installation underway. Playground Replacement, ongoing. Statewide access security (keyless entry), bids under review. Fuel Tank Replacement, ongoing. Roof Inspection & Replacement, ongoing. Supplemental Maintenance and Repair Anchorage, contracts awarded and work underway.

Research and Rural Development Department

June 26, 2024 Board Report

Research and Rural Development Department staff promote a sustainable built environment so that Alaskans have access to safe, quality and affordable housing. Staff accomplish this mission through management of a variety of programs, services, education, technical assistance, and resources.

Grant Status Update:

Department of Energy Weatherization Assistance Program Enhancement and Innovation Grant:

AHFC submitted a concept paper to the Department of Energy (DOE) in August 2023 under their Weatherization Assistance Program (WAP) Enhancement and Innovation funding opportunity for \$729,500 to create a pilot program to install solar arrays designed to offsets approximately 70% of household electricity use on a minimum of 15 homes in the Fairbanks area. AHFC was invited to submit a full application in December 2023. DOE recently informed AHFC that the project was not selected for funding.

Department of Energy - Resilient and Efficient Code Implementation Grant:

On July 25, AHFC was notified by the Department of Energy that our Framework for Responsive Code Development in Alaska application submitted to the Department of Energy's Resilient and Efficient Codes Implementation Funding Opportunity was selected for award and funding. DOE did reduce the project schedule and funding from the original application from five years down to three and from \$2,500,000 down to \$1,875,000. AHFC has received approval to start on July 1, 2024. We have not received the final written approval from DOE but have been approved to spend funds starting that date. We are currently working on how to best administer the grant and what the expectations are from our partners, Alaska Municipal League, Association of Alaska Housing Authorities, and the Alaska State Home Builders Association.

Department of Energy - Home Energy Efficiency Rebate Programs

Department of Energy has been continuously updating the guidelines for the two rebate programs that AHFC will administer, the Home Efficiency Rebates and the Home Electrification and Appliance Rebates. Funding for these rebate programs in the amounts of \$37,368,480 and \$37,150,940 respectively will be received by the Alaska Energy Authority as the state energy office and will pass through to AHFC to administer the programs. On June 17th, 2024 DOE awarded AHFC/AEA: \$934,127.96 in early administration funds for HER – Home Efficiency Rebates (IRA Section 50121), and \$928,655.94 in early administration funds for HEAR – Home Electrification & Appliances Rebates (IRA Section 50122) to aid in the crafting and roll out of both programs. The period of performance for both awards is 06/01/2024 through 05/31/2026.

Department of Energy - Energy Efficient Revolving Loan Fund

The State of Alaska was originally appropriated, via federal formula, \$4,569,780 under Department of Energy's Energy Efficiency Revolving Loan Fund Capitalization Grant Program to support existing energy savings and energy efficiency programs. We received notification 6/19/2024 that this grant will be available 7/1/2024 in the amount of \$4,782,480. We will be requesting to transfer use of these funds to the forthcoming AHFC subsidiary Green Bank to set up an administered program. This change request has not been approved by the DOE but once the Green Bank has been established and is operational it is our plan to do so.

Department of Energy - Training for Residential Energy Contractors (Formula)

The AHFC will be developing and administering the Training for Residential Energy Contractors (TREC) program. As the eligible State Energy Office, AEA is the prime applicant for the TREC grant and will sub-grant the funds to AHFC to administer the program via a Memorandum of Agreement, executed January 19, 2024. AHFC will be administering the DOE Home Rebate Programs, which are also created by the Inflation Reduction Act, and as such, will be in an important position to administer the training program that will support the implementation of the rebates. DOE requested a second round of minor clarifications on the grant application. The application was modified and resubmitted to DOE on 6/30/2024. AHFC will have a budget of \$1,297,111.16 for the TREC Program per DOE's state formula.

Department of Energy - Training for Residential Energy Contractors (Competitive)

The application for the competitive tranche of funds under the DOE Training for Residential Energy Contractors is due to on July 12, 2024. This is a competitive grant ranging from \$250,000 dollars up to \$5,000,000. AHFC is currently drafting a proposal and associated costs, expected to be an amount near \$2,000,000. Our three partners will be: Cold Climate Housing Research Center- who will create a job board with the statewide job availability (specific to the recent Federal grants) and provide any necessary outreach, Southeast Conference, who will work with the South East Alaska University on training for heat pump installations, and the Alaska Vocational Technical Center is going to create a class focusing on the required electrification training.

Environmental Protection Agency - Solar for All Initiative

Under the Greenhouse Gas Reduction Fund, the Environmental Protection Agency (EPA) issued a Solar for All Request for applications from both State and Tribal entities. AHFC submitted a joint application with the Alaska Energy Authority (AEA) for \$100 million under the tranche of funding available to states, to be split between the two organizations with AEA proposing a Community Solar Program similar to their existing Renewable Energy Fund Program that will provide community solar projects to rural communities and AHFC is proposing to stand up a Residential Rooftop solar program to aide low-income and disadvantaged Alaskans in obtaining rooftop solar installations to reduce their energy bills. AHFC also submitted with Tanana Chiefs Conference (TCC) and Alaska Native Tribal Health Consortium (ANTHC) under the tranche of funding available to tribal entities for \$100 million. TCC and ANTHC would split the bulk of the funding for community solar projects and AHFC would use the funding to expand the Residential Rooftop program to more tribal members. EPA selected both proposals for funding but at a reduced level of \$62.5 million for each. AHFC staff is working with both project teams to rescope and re-budget the proposed programs.

Environmental Protection Agency – Climate Pollution Reduction Grants

On April 1, 2024 AHFC submitted a proposal under the Climate Pollution Reduction Grant (CPRG) - Implementation Grant Competition. This followed on work done by the Alaska Department of Environmental Conservation (ADEC) and the Alaska Municipal League (AML) in submitting a State of Alaska Priority Sustainable Energy Action Plan to EPA under the CPRG planning phase. All measures proposed under and Implementation grant must have been included in the planning phase document. AHFC's proposal is for a three-pronged approach to reduce residential energy consumption and associated emissions by expanding and enhancing the Weatherization Assistance Program to serve more Alaskans and allow deeper retrofits, subsidizing Home Energy Audits for low to moderate income Alaskans and increasing home energy rebate amounts for low to moderate income Alaskans. AHFC's requested \$100,000,000 for the program and EPA has indicated they will announce the awards in July or August 2024.

Planning and Program Development

June, 2024

Fast Facts

- Managing 21 Active Housing Programs
- Managing 212 Active Grant Agreements, Tax Credit Awards and Contracts
- Quick Program Updates
 - o GOAL Program, Rural Professional Program and Homeownership Development Program application rounds are all expected to launch this month
 - o Last Frontier Housing Initiative:
 - Requests for Proposals issued in Ketchikan and Bethel
 - Memorandums of Agreement executed with Bethel, Ketchikan and Kotzebue

Homeless Assistance and Special Needs Housing Grant Programs: These data report the number of Alaskans served during the entire month of April

- Emergency Shelter: 557
- Transitional Housing: 378
- Prevention Programs: 288 – these numbers exclude the Federal COVID Housing Relief
- Permanent Supportive Housing Units: 332

AHFC Funded Homeless and Support Service Programs

Homeless Assistance, Special Needs Housing and SAFE-T Program Awards	Active Awards	Annualized Awards
Services - Adult General	32	\$5,656,639
Service - Permanent Supportive Housing	13	\$3,002,720
Service - Prevention	6	\$1,082,120
Service - Shelter	13	\$1,571,799
Services - Domestic Violence	9	\$793,783
Service - Permanent Supportive Housing	1	\$133,162
Service - Prevention	4	\$219,022
Service - Shelter	4	\$441,599
Services - Family	6	\$2,647,849
Service - Permanent Supportive Housing	1	\$197,816
Service - Prevention	2	\$717,383
Service - Shelter	3	\$1,732,650
Services - Youth	4	\$910,402
Service - Shelter	4	\$910,402
Grand Total	51	\$10,008,673

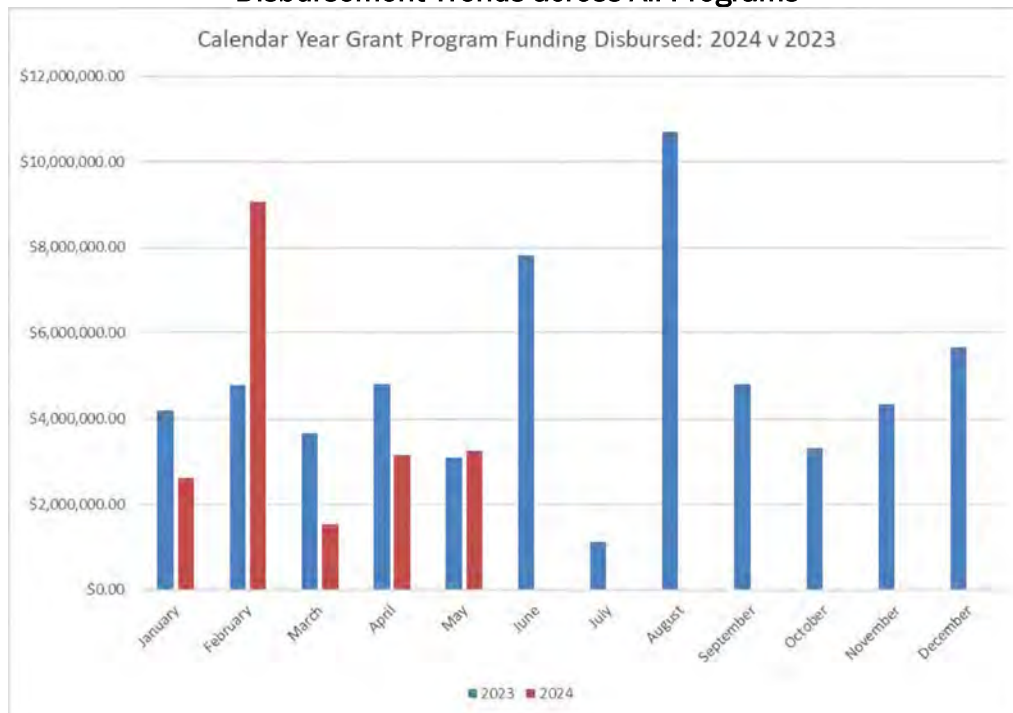
Development Programs Activity

Active Developments by Housing Type	Number of Active Awards Managed	Housing Units Being Built	Total Development Costs
Families	14	338	\$130,110,677.00
Rural Professionals	32	106	\$36,547,123.00
Senior Housing	6	167	\$56,424,531.00
Supportive Housing	6	146	\$51,686,152.00
Grand Total	58	757	\$274,768,483.00

Development Program Notes:

- 43 distinct development partners are currently building in 42 distinct communities
- 30 of 42 communities with active developments meet AHFC's small community definition

Disbursement Trends across All Programs



Disbursement Activity Notes:

- One-hundred and fourteen (114) disbursements were processed during the month of May. Historically, between 24 to 135 disbursements are paid out each month.
 - o In calendar year 2023, \$58.2M in total funding was disbursed to grantees
 - o In calendar year 2022, \$113.5M in total funding was disbursed to grantees
 - o In calendar year 2021, \$225.9M in total funding was disbursed to grantees



AHFC BOARD OF DIRECTORS SCHEDULE 2024

January 31, 2024 (Audit Committee & ~~AHFC Regular~~ - cancelled)

February 21, 2024 (~~AHFC Regular~~-cancelled)

April 24, 2024 (~~AHCC Annual Membership & Board & AHFC Regular~~)

May 29, 2024 (~~Audit Committee & AHFC Regular~~)

June 26, 2024 (Special ACAH Board Meeting & AHFC Regular)

~~July 24, 2024 (AHFC Regular - rescheduled to July 31, 2024)~~

July 31, 2024 (Special ACAH meeting & AHFC Regular)

August 21, 2024 (AHFC Annual- Dutch Harbor/Unalaska)

(NCSHA Annual Conference 2024 Sept. 28-October 1, Phoenix, AZ)

October 30, 2024 (Audit Committee, ACAH Annual Membership & Board, & AHFC Regular)

November 20, 2024 (NTSC Annual Membership & Board, & AHFC Regular)