

FIRST AMENDMENT TO CREDIT AGREEMENT AND LIMITED WAIVER

This First Amendment to Credit Agreement and Limited Waiver (herein, the “*Amendment*”) is entered into as of May 16, 2018, among BSR TRUST, LLC, a Delaware limited liability company (the “*Borrower*”), the guarantors party hereto, the lenders party hereto, and BMO Harris Bank N.A. (“*BMO Harris*”) as administrative agent (in such capacity, the “*Agent*”).

PRELIMINARY STATEMENTS

A. The Borrower, the Guarantors party thereto, the Lenders party thereto, and Agent entered into that certain Credit Agreement, dated as of January 30, 2018 (as amended, restated, supplemented or otherwise modified from time to time, the “*Credit Agreement*”). All capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Credit Agreement.

B. The Borrower and the Agent wish to revise the aggregate amount of Revolver Increases permitted under Section 2.15(a) of the Credit Agreement, the “Change of Control” definition in the Credit Agreement, and the Guarantors referenced under Sections 11.1 and 12.1 of the Credit Agreement, and in each case, to conform to the parties’ original intent under the terms and conditions set forth in this Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. LIMITED WAIVER.

Subject to the satisfaction of the conditions precedent set forth in Section 3 below and subject to the terms hereof, the Agent and the Required Lenders party hereto waive the following matters:

1.1. *Limited Waiver.* As of the date hereof, the Borrower has not timely delivered the financial statements for the fiscal year ended on or about December 31, 2017 pursuant to Section 8.5(b) of the Credit Agreement and has requested that the Agent and Required Lenders temporarily waive such Default. Provided that such financial statements are delivered on or before May 18, 2018, the Agent and the Required Lenders hereby waive any Default resulting from the failure to timely deliver such financial statements. The Borrower acknowledges that the waiver under this Section 1.1 is specifically limited to the terms hereof, is a one-time waiver, and shall not be deemed to be a waiver of any Defaults or Events of Default other than those arising solely in respect of the waiver set forth in this Section 1.1.

1.2. *Scope.* This limited waiver and consent shall be limited specifically as written herein and shall be solely a consent and waiver as provided herein. This Amendment shall not constitute a consent to any other transactions prohibited by the Credit Agreement or any other Loan Document, nor shall this Section 1 be a waiver or modification of any other term, provision or condition of the Credit Agreement or any other Loan Document.

SECTION 2. AMENDMENTS.

Subject to the satisfaction of the conditions precedent set forth in Section 3 below and subject to the terms hereof, the Credit Agreement shall be and hereby is amended as follows:

2.1. Section 1.1 (Definitions) of the Credit Agreement shall be amended by inserting a new definition of “Class B Shares” and by amending and restating the definition of “Accounting Method” in each case to read as follows:

“*Accounting Method*” means (i) at all times on or prior to September 30, 2017, GAAP and (ii) at all times after September 30, 2017, IFRS; *provided, however,* that all times after September 30, 2017, financial statements required to be delivered in connection with the Borrowing Base Properties or Property or Unencumbered Pool Properties or Property, as applicable, may be delivered to the Administrative Agent in accordance with GAAP and may be unaudited.

“*Class B Shares*” means the Class B shares issued by the Borrower.

2.2. Clause (ii) of the definition of “Change of Control” appearing in Section 1.1 (Definitions) of the Credit Agreement shall be and hereby is amended and restated in its entirety to read as follows:

(ii) at all times on and after the date of the IPO, (a) the acquisition by any “*person*” or “*group*” (as such terms are used in sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) at any time of beneficial ownership of more than 35% of the outstanding capital stock or other equity interests of BSR REIT entitled to vote for members of the board of directors or equivalent governing body of BSR REIT on a fully-diluted basis; (b) during any period of twelve (12) consecutive months, a majority of the members of the board of directors or other equivalent governing body of BSR REIT cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body, (c) the failure of BSR REIT to directly or indirectly control the Borrower or (d) the failure of, collectively BSR REIT and J&P Unit Holding to own more than 51% of the total economic interest in the Equity Interests of the Borrower; *provided,* that at all times J&P Unit Holding shall be controlled by John Bailey and Patricia Bailey and John and Patricia Bailey shall own 100% of the total economic interest in the Equity Interests of J&P Unit Holding. A Person shall be deemed to control another Person for purposes of this definition if such Person possesses, directly or indirectly, the

power to direct, or cause the direction of, the management and policies of the other Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

2.3. The definition of “Indebtedness” appearing in Section 1.1. (Definitions) shall be amended by replacing the period at the end of such definition with “;” and inserting the following proviso immediately thereafter:

provided, however, that Class B Shares do not constitute Indebtedness.

2.4. The definition of “Interest Expense” appearing in Section 1.1. (Definitions) shall be amended by inserting the following sentence at the end thereof:

For the avoidance of doubt, distributions in respect of Class B Shares will not be included in determining Interest Expense.

2.5. The definition of “Unsecured Interest Coverage Ratio” appearing in Section 1.1. (Definitions) shall be amended by inserting the following sentence at the end thereof:

For the avoidance of doubt, distributions in respect of Class B Shares will not be included in determining the Unsecured Interest Coverage Ratio.

2.6. Section 2.15(a) (Increase in Revolving Credit Commitments) shall be and hereby is amended and restated in its entirety to read as follows:

(a) the aggregate amount of all such Revolver Increases shall not exceed \$428,500,000 and any such Revolver Increase shall be in an amount not less than \$10,000,000 (or such lesser amount then agreed to by the Administrative Agent);

2.7. Section 11.1(iii) (The Guaranties) shall be and hereby is amended and restated in its entirety to read as follows:

(iii) on and after the date of the IPO, each of BSR REIT, BSR Holdco, and J&P Unit Holding hereby unconditionally and irrevocably guarantees jointly and severally to the Administrative Agent, the Lenders, and the L/C Issuer and their Affiliates, the due and punctual payment of all present and future Secured Obligations, including, but not limited to, the due and punctual payment of principal of and interest on the Loans, the Reimbursement Obligations, and the due and punctual payment of all other Secured Obligations now or hereafter owed by the Borrower under the Loan Documents and the due and punctual payment of all Hedging Liability and Bank Product Obligations, in each case as and when the same shall become due and payable, whether at stated maturity, by acceleration, or otherwise, according to the terms hereof and thereof (including all interest, costs, fees, and charges after the entry of an order for relief against the Borrower or such other obligor in a case under the United States Bankruptcy Code or any similar proceeding, whether or not such interest, costs, fees and charges would be an allowed claim against the Borrower or any such obligor in any such proceeding); *provided, however,* that, with respect to any Guarantor, Hedging Liability guaranteed by such Guarantor shall exclude all Excluded Swap Obligations.

2.8. Section 12.1 (Guaranties) shall be and hereby is amended and restated in its entirety to read as follows:

Section 12.1. Guaranties. The payment and performance of the Secured Obligations shall (i) at all times be guaranteed by each wholly-owned Subsidiary of the Borrower that owns a Borrowing Base Property or Unencumbered Pool Property, as applicable, and (ii) on and after the date of the IPO, by each of BSR REIT, BSR Holdco, and J&P Unit Holding, in each case pursuant to Section 11 hereof or pursuant to one or more guaranty agreements in form and substance reasonably acceptable to the Administrative Agent, as the same may be amended, modified or supplemented from time to time.

SECTION 3. CONDITIONS PRECEDENT.

The effectiveness of this Amendment is subject to the satisfaction of all of the following conditions precedent:

3.1. The Borrower, the Guarantors, the Required Lenders, and the Agent shall have executed and delivered this Amendment.

3.2. Legal matters incident to the execution and delivery of this Amendment shall be satisfactory to the Agent and its counsel.

SECTION 4. REPRESENTATIONS.

In order to induce the Agent and the Required Lenders to enter into this Amendment, the Borrower and each of the Guarantors signing below (collectively, the “*Loan Parties*”) hereby represent and warrant to the Agent that as of the date hereof:

4.1. *Authorization, Etc.* The Loan Parties have the power and authority to execute, deliver and perform this Amendment and the other Loan Documents (if any) called for hereby. The Loan Parties have taken all necessary action (including, without limitation, obtaining approval of its equity holders, if necessary) to authorize its execution, delivery and performance of this Amendment and the other Loan Documents (if any) called for hereby. No consent, approval or authorization of, or declaration or filing with, any Governmental Authority, and no consent of any other Person, is required in connection with such Loan Party’s execution, delivery and performance of this Amendment or such other Loan Documents, except for those already duly obtained. This Amendment and the other Loan Documents (if any) called for hereby have been duly executed and delivered by the Loan Parties and constitute the legal, valid and binding obligation of the Loan Parties, enforceable against them in accordance with their terms, except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditor rights generally or by equitable principles relating to enforceability. The execution, delivery and performance of this Amendment and the other Loan Documents (if any) called for hereby by the relevant Loan Parties does not (i) contravene the terms of any Loan Party’s organizational documents (*i.e.*, articles of incorporation or organization and by-laws or operating agreement, etc.); (ii) conflict with or constitute a violation or breach of, or constitutes a default under, or results in the creation or imposition of any Lien (other than pursuant to the Collateral

Documents) upon the Property of any Loan Party by reason of the terms of any material contractual obligation (including without limitation contractual obligations arising from any material agreements to which any Loan Party is a party or which is binding upon it); or (iii) violates any applicable law in any material respect.

4.2. *Representations and Warranties.* After giving effect to this Amendment, the representations and warranties set forth in Section 6 of the Credit Agreement and in the other Loan Documents are and shall be and remain true and correct in all material respects (where not already qualified by materiality, otherwise in all respects), except to the extent the same expressly relate to an earlier date, in which case they shall be true and correct in all material respects (where not already qualified by materiality, otherwise in all respects) as of such earlier date.

4.3. *No Default.* No Default exists under the Credit Agreement or shall result after giving effect to this Amendment.

SECTION 5. REAFFIRMATIONS.

5.1. *Collateral.* The Loan Parties heretofore executed and delivered to the Agent Collateral Documents. The Loan Parties hereby acknowledge and agree that the Liens created and provided for by the Collateral Documents continue to secure, among other things, the Obligations arising under the Credit Agreement as amended hereby; and the Collateral Documents and the rights and remedies of the Agent thereunder, the obligations of the Loan Parties thereunder, and the Liens created and provided for thereunder remain in full force and effect and shall not be affected, impaired or discharged hereby. Nothing herein contained shall in any manner affect or impair the priority of the Liens created and provided for by the Collateral Documents as to the indebtedness which would be secured thereby prior to giving effect to this Amendment.

5.2. *Guaranties.* Each Guarantor hereby acknowledges that it has reviewed the terms and provisions of this Amendment and consents to any modification of the Credit Agreement and the other Loan Documents effected pursuant to this Amendment. Each Guarantor hereby confirms to the Agent that, after giving effect to this Amendment, the Guaranty of such Guarantor and each other Loan Document to which such Guarantor is a party continues in full force and effect and is the legal, valid and binding obligation of such Guarantor, enforceable against each Guarantor in accordance with its terms except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability. Each Guarantor acknowledges and agrees that (i) notwithstanding the conditions to effectiveness set forth in this Amendment, such Guarantor is not required by the terms of the Credit Agreement or any other Loan Document to consent to the waivers or modifications to the Credit Agreement effected pursuant to this Amendment and (ii) nothing in the Credit Agreement, this Amendment or any other Loan Document shall be deemed to require the consent of such Guarantor to any future waivers or modifications to the Credit Agreement.

SECTION 6. MISCELLANEOUS.

6.1. Except as specifically amended herein, the Credit Agreement shall continue in full force and effect in accordance with its original terms. Reference to this specific Amendment need not be made in the Credit Agreement, or any other instrument or document executed in connection therewith, or in any certificate, letter or communication issued or made pursuant to or with respect to the Credit Agreement, any reference in any of such items to the Credit Agreement being sufficient to refer to the Credit Agreement as amended hereby. This Amendment is not a novation nor is it to be construed as a release, waiver or modification of any of the terms, conditions, representations, warranties, covenants, rights or remedies set forth in the Credit Agreement or the other Loan Documents, except as specifically set forth herein. Without limiting the foregoing, the Borrower and the other Loan Parties agree to comply with all of the terms, conditions, and provisions of the Credit Agreement and the other Loan Documents except to the extent such compliance is irreconcilably inconsistent with the express provisions of this Amendment.

6.2. The Borrower agrees to pay on demand all reasonable out-of-pocket costs and expenses of or incurred by the Agent in connection with the negotiation, preparation, execution and delivery of this Amendment and the other instruments and documents being executed and delivered in connection herewith and the transactions contemplated hereby, including the reasonable fees, charges and disbursements of counsel for the Agent.

6.3. This Amendment may be executed in any number of counterparts, and by the different parties on different counterpart signature pages, all of which taken together shall constitute one and the same agreement. Any of the parties hereto may execute this Amendment by signing any such counterpart and each of such counterparts shall for all purposes be deemed to be an original. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or in electronic (e.g., “pdf” or “tif”) format shall be effective as delivery of a manually executed counterpart of Amendment. The provisions contained in Sections 13.17 (Governing Law; Jurisdiction; Consent to Services of Process) and 13.18 (Waiver of Jury Trial) of the Credit Agreement are incorporated herein by reference to the same extent as if reproduced herein in their entirety, except with reference to this Amendment rather than the Credit Agreement.

[SIGNATURE PAGE TO FOLLOW]

This First Amendment to Credit Agreement and Limited Waiver is entered into as of the date and year first above written.

“BORROWER”

BSR TRUST, LLC

By *“Daniel Oberste”*

Daniel M Oberste, Chief Investment Officer

“GUARANTORS”

BAILEY’S OVERBROOK APARTMENTS, LLC

By: Bailey Properties, LLC, sole member

By: BSR Trust, LLC, sole member

By *“Daniel Oberste”*

Daniel M Oberste, Chief Investment Officer

BLUFF CREEK APARTMENTS, LLC

By: Bailey Properties, LLC, sole member

By: BSR Trust, LLC, sole member

By *“Daniel Oberste”*

Daniel M Oberste, Chief Investment Officer

FOX TRAIL APARTMENTS, LLC

By: Bailey Properties, LLC, sole member

By: BSR Trust, LLC, sole member

By “Daniel Oberste”

Daniel M Oberste, Chief Investment Officer

SOUTH POINTE APARTMENTS, LLC

By: Bailey Properties, LLC, sole member

By: BSR Trust, LLC, sole member

By “Daniel Oberste”

Daniel M Oberste, Chief Investment Officer

SUMMER BROOK, LLC

By: Bailey Properties, LLC, sole member

By: BSR Trust, LLC, sole member

By “Daniel Oberste”

Daniel M Oberste, Chief Investment Officer

SUMMER GREEN II, LLC

By: Bailey Properties, LLC, sole member

By: BSR Trust, LLC, sole member

By “Daniel Oberste”

Daniel M Oberste, Chief Investment Officer

BRIARWOOD APARTMENTS, LLC

By: Bailey Properties, LLC, sole member

By: BSR Trust, LLC, sole member

By “Daniel Oberste”

Daniel M Oberste, Chief Investment Officer

Accepted and agreed to.

“AGENT”

BMO HARRIS BANK N.A., as Administrative
Agent and as sole Lender

By “Michael Kauffman”

Michael Kauffman, Managing Director